R.S.HARIHARAN
B.Com.,F.C.A.,A.C.S.,L.L.B.,

R.S.Hariharan & Associates
CHARTERED ACCOUNTANTS

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, 2026 the Statement of Profit and Loss, Statement of Changes in Equity and Cash Flow Statement for the year then ended and a Summary of significant accounting policies and other explanatory information.

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

Basis for opinion

We conducted our audit in accordance with the Standards of Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants (ICAI) of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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Key Audit matters:

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

S.No	Key Audit Matter	How they key audit matter was addressed in our Audit
1	**Impairment of Loans including Expected Credit Loss (" ECL")** Refer Note 2.5 for material accounting policies and Note 4.4 for credit risk disclosures The Company has reported gross loan assets of INR 218,52,64,924/- against which an impairment loss of INR 3,44,45,653/- has been recorded. The Company recognised impairment provision for loan assets based on the Expected Credit Loss approach laid down under 'Ind AS 109- Financial Instruments'. The Company applies the Expected Credit Loss (ECL) model specified under Ind AS 109, Financial Instruments (Ind AS 109') for measuring impairment of financial assets. The estimation of ECL involves significant management judgment, particularly in relation to: • Segmentation of loan portfolios into appropriate risk pools; • Staging of loans into Stage 1, Stage 2, and Stage 3 and credit risk indicators: • Determination of Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD);	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the expected credit losses through the following procedures, but were not limited to the following procedures: • Obtained an understanding of management's ECL methodology and internal control framework; • Evaluated the design and implementation, and tested the operating effectiveness of key controls around ECL assessment; • Tested completeness of loans included in the ECL calculations as of 31 March 2026; • Tested the segmentation, staging criteria, and related controls; • Evaluated the reasonableness of assumptions used, including PD, LGD, EAD. • Assessed the appropriateness of forwardlooking overlays and scenario probability weightings; • Tested the arithmetical calculation of the expected credit losses • Evaluated the appropriateness of the methodology and policy laid down and implemented by the Company for the loan portfolio written-off during the year and tested the authorization of write off on a sample basis.

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	• Use of modeling techniques and management overlays. Similarly, the Company is also required to make judgements to identify the loans which are nonrecoverable and thereby determined to be written off. Considering the significance of the above matter to the standalone financial statements, degree of estimation uncertainty and significant management judgment involved, this area required significant auditor attention to test such complex accounting estimates, and accordingly, this matter has been identified as a key audit matter for the current year audit.	• Obtained written representations from the management in relation to the appropriateness of such ECL methodology and reasonableness of the judgements and assumptions used; and • Reviewed the appropriateness and adequacy of the related presentation and disclosures relating to credit risk and ECL in the financial statements in accordance with applicable accounting and reporting standards. • Compare to Expected Credit Loss (ECL) to the mandatory provisioning requirements under RBI directives and ensured no under provisioning is made.
2	**Information Technology System for the financial reporting process** The Company's lending operations and financial reporting processes are heavily dependent on information technology (IT) systems and manual IT dependent controls, which process large volumes of transactions on a daily basis. Key financial statement line items such as loans, interest income and impairment allowance on loans are calculated or derived through system-generated data. Given the pervasive reliance on IT systems, the design and operating effectiveness of IT general controls (ITGCs) and automated application controls are critical to the accuracy, completeness and integrity of financial reporting, this area required significant auditor attention. Accordingly, has been determined to be a key audit matter for the current year audit.	Our audit procedures with the involvement of auditor's IT specialists included, but were not limited to the following: Understood and evaluated the Company's IT environment including manual IT dependent controls, including ITGCs related to user access management, change management, and operations; Tested the design and operating effectiveness of key ITGCs and automated application controls including manual IT dependent controls relevant to financial reporting systems; Evaluated the completeness and accuracy of system-generated reports and testing key report logic used in auditing loans, interest income, and impairment allowance on loans; Where deficiencies were identified, we assessed compensating controls or performed alternative procedures to obtain sufficient appropriate audit evidence; and Obtained written representations from management on whether ITGCs and automated IT controls are designed and operating effectively during the year.

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Information other than the Financial Statements and Auditor's Report thereon

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

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

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

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

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statement that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and Changes in Equity of the company in accordance with the accounting principles generally accepted in India specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

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In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternatives but to do so.

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

Auditor's responsibilities for the Audit of the Standalone Financial Statements

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

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

1. Identify and assess the risk of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

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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 financials statements, including the disclosures, and whether the standalone financial statements represent the underlying transaction and events in a manner that achieves fair presentation.

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

i. Planning the scope of Audit work and in evaluating the results of our work and
ii. To evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement we have compiled with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matter in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be

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communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, based on our audit we report that
   a. We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.

   b. In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss including amortized income, Statement of Change in Equity and the Cash Flow Statement dealt with in this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid standalone financial statements comply with Accounting Standards specified there under, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015.

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

   f. With respect to adequacy of internal financial controls with reference to standalone financial statements of the company and the operating effectiveness of such controls, refer to our separate report in **Annexure B**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Companies Internal Financial Controls with reference to standalone financials statements.

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g. The Managerial Remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

h. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:

i. The company has no pending litigations, hence the reporting on disclosing the impact of pending litigations on its financial position in the standalone financial statements doesn't arise.

ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv.

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

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

c. Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

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v. The company has not declared or paid any dividend during the year.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended Mar 31,2026 which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software.

Further during the course of our audit, we did not come across any instance of audit trail feature having been tampered with. In accordance with rule 3(1) of Companies(Accounts) Rules, 2014, the audit trail has been preserved by the Company as per the Statutory requirements for recrd retention, based on our examination of the systems.

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 there is no instance of remuneraton paid to the Director which is in excess of the limits laid down under the provisions of Sec 197 and Schedule V of the said act.

For R S Hariharan & Associates
FRN: 015460S
Chartered Accountants

R.S.Hariharan
Chartered Accountant
FCA: 014696

R.S. HARIHARAN * M.No 014696 * CHARTERED ACCOUNTANT

Place: Chennai
Date:22-05-2026

Annexure to the Auditor's Report

With reference to the Annexure A referred to in paragraph 1 under the heading "Report on other Legal and Regulatory Requirements" of the Independent Auditor's report to the members of RAR Fincare Limited on the Financial Statements for the year ended 31 March 2026, we report that:

(i) **In respect of Property, Plant & Equipment, right of use assets and intangible assets**

a. The Company has maintained proper records showing full particulars, including quantitative details and situation of its property, plant and equipment and intangible assets.

b. The fixed assets of the company have been physically verified by the management during the year at reasonable intervals, which in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.

c. According to the information and explanation given to us and on the basis of examination of the records of the company, there are no immovable properties held/owned by the company.

d. According to the information and explanation given to us and on the basis of examination of the records of the company, the company has not revalued its Property, Plant and Equipment (including Rights to use Assets) or both during the year.

e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company as at March 31, 2026, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) **In respect of Inventory and Working capital limits**

a. The Company is a Non-Banking Finance Company and its business does not require maintenance of inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable to the Company.

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b. The Company has been sanctioned and availed working capital limits in excess of Rs 5 crores from Banks on the basis of security of current assets and the company has been filing required returns and certificates according to the prescribed periodicity and such returns are in agreement with books of accounts of the company.

(iii) **Loans granted by the Company**

(a)The company is registered under Section 45-IA of the Reserve Bank of India Act 1934 as a Non-Banking Finance Company (NBFC). 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) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided, security given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company.

(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 and the repayments of principal amounts and receipts of interest have generally been regular as per stipulation. Being a Non-Banking (Non-Deposit taking Base layer category) Finance Company and considering the volume of transactions with number of borrowers, furninshing the number of cases of default is practically not feasible.

(d) In respect of loans granted by the company, the details of total amount overdue above 90 days are as follows

No of cases	Principal Amount overdue	Interest Overdue	Total overdue
22	1,62,42,534	26,82,455	1,89,24,988

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.

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(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) **Acceptance of Deposits**

The provisions of the sections 73 to 76 and any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended), are applicable to the Company so far as it is aligned to the Direcctives issued by RBI for Non-Banking Financial companies scale based regulations 2023 and directives for NBFC non-acceptance of public deposit (RBI) directives, and also the Company has not accepted any deposits from public or there are no amounts which have been deemed to be deposits within the meaning of Sections 73 to 76 of the Act. Accordingly, reporting under the clause 3(v) of the order is not applicable to the company.

(vi) **Maintenance 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 Income Tax, Goods and services tax, provident fund, employees' state insurance, and any other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end 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 dues of statutory dues like Provident Fund, Employee State Insurance, Income Tax, and Goods & Service Tax or any other statutory dues which have not been deposited on account of any dispute.

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(viii) **Undisclosed Income**

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. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings to any lender or in the payment of interest thereon.
b. According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
c. In our opinion and according to the information and explanations given to us, money raised were applied for the purposes for which these were obtained, though idle funds which were not required for immediate utilisation have been invested in readily realisable liquid investments
d. In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.
e. In our opinion and according to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has no subsidiaries and accordingly raising funds from them does not arise.
f. In our opinion and according to the information and explanations given to us, as the company has no subsidiaries and accordingly raising loans during the year on the pledge of secutiries of the subsidiaries does not arise.

(x) **Initial Public Offer**

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. According to the information and explanation provided to us and based on our examination of records during the year, the Company has not made any preferential

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allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the order is not applicable.

(xi) **Fraud by the Company or on the Company**

a. According to the information and explanations given to us and based on our examination of the records of the Company, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
b. Audit Report in form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 to be filed by the auditors with Central Government in terms of provisions of sub section 12 of section 143 of the Companies Act, 2013 is not applicable.
c. According to the information and explanation given to us and based on our examination of the records of the Company, no whistle blower complaint has been received by the company during the year.

(xii) **Nidhi Company**

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) **Related party transactions**

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) **Internal Audit**

a. The Company has an Internal Audit system commensurate with the size and nature of its business.
b. The reports of the Internal Auditors for the period under audit were considered.

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(xv) **Non-Cash Transactions**

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) **Registration with RBI**

a. According to the information and explanation given to us, the Company is required to be registered under Sec 45IA of the Reserve Bank of India Act, 1934 and accordingly, a valid registration has been held from Reserve Bank of India as NBFC-ICC Company now classified as Base Layer Category.

b. 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) **Cash Losses**

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) **Resignation of Statutory Auditor**

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



(xix) **Material uncertainity about the Company's Capability to discharge its liabilities**

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

(xx) **Corporate Social Responsibility**

a. In respect of other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.

b. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable to the Company as it does not have any subsidiaries, joint ventures or associate companies and the Company does not prepare Consolidated Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For R S Hariharan & Associates
FRN: 015460S
Chartered Accountants



R.S.Hariharan
Chartered Accountant
FCA: 014696

Place: Chennai
Date: 22-05-2026

Annexure B to the Independent Auditor's Report of even date to the members of RAR FINCARE LTD, on the financial statements for the year ended 31st March 2026

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 2026, we have audited the internal financial controls over the financial Reporting (IFCoFR) of the Company as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility for Internal Financial Controls

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding on IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR with reference to financial reporting.

R.S. HARIHARAN & ASSOCIATES
CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls Over Financial Reporting

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

A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, 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
Chartered Accountant
FCA: 014696

Place: Chennai
Date: 22-05-2026

R.S.HARIHARAN
B.Com.,F.C.A.,A.C.S.,L.L.B.,

R.S.Hariharan & Associates
CHARTERED ACCOUNTANTS

AUDITOR'S REPORT

To,
Board of Directors,
RAR FINCARE LIMITED

Auditors Report pursuant to RBI Directions "Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2018".

1. We have audited the attached Balance Sheet of RAR Fincare Limited ('the Company') as at March 31, 2026, and the Statements of Profit and Loss and the Cash Flow Statement for the year ended as on that date annexed thereto and issued our audit opinion dated 22-05-2026 thereon. These financial statements are the responsibility of the Company's management. Our responsibility was to express an opinion on the financial statements based on our audit. Our audit was concluded in the manner specified in the audit report.

2. As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008, issued by the Reserve Bank of India ('RBI') and amended from time to time ('the Directions') and based on our audit referred to in paragraph 1 above and based on the information and explanations given to us which to the best of our knowledge and belief were necessary for this purpose, we report hereby under on the matters specified in paragraphs 3 and 4 of the Directions in respect of the year ended March 31, 2026.

   i. Management has represented to us that the company is engaged in the business of Non-Banking Financial Institution NBFI-BL as defined in Section 45-IA of the Reserve Bank of India Act, 1934 ("the Act") as amended from time to time, requiring it to hold a Certificate of Registration (CoR) under Section 45-IA of the Act. The company is registered with the RBI as an "NBFI-ICC Company without accepting Public Deposits" vide CoRNo N-07-00873 dated 2nd February, 2017 which has been verified.

R.S. HARIHARAN & ASSOCIATES CHARTERED ACCOUNTANTS

No.5/9, Lakshmi Enclave, Lakshmi Nagar 10th Street, 100 ft Road, Nanganallur, Chennai - 600061.
Ph : 044 - 4859 0887 | Mobile : 9600167605 / 9791167905 / 7358590887
E-mail : info2rshassociates@gmail.com / hariharan.hariharan5@gmail.com
Web : www.rshca.com

ii. Based on the asset and income pattern as on March 31st, 2026 determined by the management in accordance with the Audited Financial Statements and other records of the company for the year ended on that date and with provisions applicable to Non Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016 as amended from time to time ("the Prudential Norms"), the company is eligible to continue to hold such CoR.

iii. The Board of Directors of RAR Fincare Limited have passed a resolution in their First Meeting for the financial year 2026-27, held on 22-05-2026 at the registered office of the company, that the Company does not hold any Public Deposit as on the date and will not accept the same in future without the prior approval of Board in writing.

iv. The company has not accepted any public deposits during the year ended March 31, 2026.

v. The Company has complied with, in all material respects, the prudential norms relating to income recognition, accounting standards, asset classification and provisioning of assets as applicable to it in terms of Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016 as amended from time to time during the year ended March 31, 2026.

vi. The capital adequacy ratio as disclosed in the return to be submitted to the RBI in Form XBRL DNBS-02 for the year ended March 31, 2026 has been correctly arrived at and is in compliance with the minimum CRAR as prescribed by RBI.

This certificate is addressed to and provided to Board of Directors of the Company, in terms of chapter II of Master Directions – Non Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016, solely for the purpose of enabling it to comply with the requirements of the Master Directions which inter alia requires it to submit the certificate by the Statutory Auditors to the Board of Directors and should not be used, referred to or distributed for any other purposes without our prior written consent. Accordingly, we do not accept or assume any liability if it is to be used for other than its intended purpose without our prior written consent.

For R S Hariharan & Associates
Chartered Accountant
FRN: 015460S

R.S. HARIHARAN M.No:014696 CHARTERED ACCOUNTANT

R S Hariharan
Chartered Accountant
FCA: 014696

Date: 22-05-2026
Place: Chennai

RAR FINCARE LIMITED

BALANCE SHEET

(₹in Lakhs)

As at, 31st March		Note	2026	2025
A	**ASSETS**			
1	**Financial Assets**			
	(a) Cash and Cash Equivalents	4	118.59	427.32
	(b) Bank Balance other than a) above		-	-
	(c) Receivables			
	(i) Trade Receivables	5	137.24	182.23
	(ii) Other Receivables		-	-
	(d) Loans	6	21508.19	16541.87
	(e) Investments	7	45.44	194.08
	(f) Other financial assets	8	13.34	15.40
			21822.80	**17360.90**
2	**Non-Financial Assets**			
	(a) Deferred tax assets (Net)	9	65.28	39.37
	(b) Investment Property		-	-
	(c) Property, Plant & Equipment	10.1	12.72	13.42
	(d) Other Intangible Assets	10.2	3.38	3.92
	(e) Other Non-Financial Assets	11	1.62	32.18
			83.00	**88.90**
	Total Assets		**21905.80**	**17449.79**
B	**EQUITY AND LIABILITIES**			
	LIABILITIES			
1	**Financial Liabilities**			
	a) Payables			
	(i) Trade Payable	12	48.26	3.31
	(ii) Other Payable		-	-
	b) Borrowings (other than debt securities)	13	3211.27	-
	c) Subordinated Liabilities		-	-
	d) Other financial liabilities	14	67.36	88.50
			3326.88	**91.82**
2	**Non-Financial Liabilities**			
	a) Current tax liabilities (net)	15	23.17	-
	b) Provisions	16	66.80	65.29
	c) Other non-financial liabilities	17	16.42	10.06
	EQUITY			
	a) Equity Share capital	18	14975.00	14975.00
	b) Other Equity	19	3497.54	2307.62
			18578.92	**17357.98**
	Total Equity and Liabilities		**21905.80**	**17449.79**

Notes on accounts form part of standalone financial statements

As per our report of event date attached
For R S Hariharan & Associates
Chartered Accountants
FRN: 015460S

R S HARIHARAN M.No.014696 CHARTERED ACCOUNTANT

R S Hariharan
Chartered Accountant
FCA: 014696

Place: Chennai
Date: 22-05-2026

For and on behalf of Board of Directors

G R Radhakrishnan	**G R Ananthapadmanabhan**
Director	Director
DIN: 01711654	DIN: 01485010
G Rajendran	**R Venkatasubramanian**
Director	CEO
DIN: 02063138	
S Mahalakshmi	**T K Karthik**
Company Secretary	CFO

RAR FINCARE LIMITED

STATEMENT OF PROFIT & LOSS

(₹in Lakhs)

For the year ending 31st March		Note	2026	2025
	Revenue from operations			
	(i) Interest income	20	2629.15	2280.09
	(ii) Dividend income		-	-
	(iii) Net gain on fair value changes		-	-
	(iv) Sale of Services		-	-
	(v) Service Charges		-	-
I	**Total Revenue from operations**		2629.15	2280.09
II	Other Income	21	244.83	249.65
III	**Total Income (I + II)**		**2873.99**	**2529.73**
	Expenses			
	(i) Finance costs	22	42.33	14.18
	(ii) Impairment on financial instruments	23	597.45	116.36
	(iii) Employee benefits expenses	24	441.75	331.30
	(iv) Depreciation, amortisation and impairment	25	5.40	9.64
	(v) Other expenses	26	164.80	210.79
IV	**Total Expenses**		**1251.74**	**682.27**
V	**Profit before tax (III - IV)**		**1622.25**	**1847.46**
VI	**Tax Expenses**			
	(i) Current tax		455.76	466.80
	(ii) Deferred tax		-25.28	.33
	(iii) Taxes relating to previous years		-	-
VII	**Profit after tax (V - VI)**		**1191.78**	**1380.33**
VIII	**Other Comprehensive Income**			
	A) (i) Items that will not be reclassified to profit or loss			
	- Remeasurement of defined benefit plans		-2.49	-1.56
	- Income Tax relating to item that will not be reclassified to Profit or Loss		.63	.00
	Subtotal (A)		**-1.86**	**-1.56**
	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)		-	-
VIII	**Other Comprehensive Income (A+B)**		-1.86	-1.56
IX	**Total comprehensive income for the year (VI + VIII)**		**1189.91**	**1378.77**
X	**Earnings per equity share**			
	(Face value of ₹ 10/- each)			
	Basic (₹)		0.79	0.92
	Diluted (₹)		0.79	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: 015460S

R S Hariharan
Chartered Accountant
FCA: 014696

R.S. HARIHARAN * M.No.014696 * CHARTERED ACCOUNTANT

Place: Chennai
Date: 22-05-2026

For and on behalf of Board of Directors

G R Radhakrishnan	**G R Ananthapadmanabhan**
Director	Director
DIN: 01711654	DIN: 01485010
G Rajendran	**R Venkatasubramanian**
Director	CEO
DIN: 02063138	
S Mahalakshmi	T.K.Karthik
Company Secretary	CFO

RAR FINCARE LIMITED

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, 2025	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, 2026
14975.00	-	-	-	14975.00

(2) Previous Reporting Period

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

R.S. HARIHARAN & ASSOCIATES CHARTERED ACCOUNTANTS

RAR FINCARE LIMITED

STATEMENT OF CHANGES IN EQUITY

(₹ in Lakhs)

B. Other Equity

(1) Current Reporting Period **2026**

Particulars	Statutory Reserve	Securities Premium	Reserve Fund U/S 45-IC (1) of RBI Act, 1934*	Impairment Reserve	Retained Earnings	Other items of Other Comprehensive Income (Re measurement of defined benefit plans)	Total
Balance as at April 01, 2025	484.46	-	-	-	1824.73	-1.56	2307.62
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	-	-1.86	-1.86
Transfer to/(from) Retained earnings	238.36	-	-	-	-238.36	-	-
Shares issued on rights issue basis	-	-	-	-	-	-	-
Profit for the year (net of taxes)	-	-	-	-	1191.78	-	1191.78
Balance as at March 31, 2026	722.81	-	-	-	2778.15	-3.42	3497.54



RAR FINCARE LIMITED

STATEMENT OF CHANGES IN EQUITY

(₹ in Lakhs)

(1) Previous Reporting Period — 2025

Particulars	Statutory Reserve	Securities Premium	Reserve Fund U/S 45-IC (1) of RBI Act, 1934*	Impairment Reserve	Retained Earnings	Other items of Other Comprehensive Income (Re measurement of defined benefit plans))	Total
Balance as at April 01, 2024	208.39	-	-	-	720.46	-	928.86
Restated balance at the beginning of the current reporting period		-	-	-		-	-
Total Comprehensive Income for the current year	-	-	-	-	-	-1.56	-1.56
Transfer to/(from) Retained earnings	276.07	-	-	-	-276.07	-	-
Shares issued on rights issue basis		-	-	-		-	-
Profit for the year (net of taxes)	-	-	-	-	1380.33	-	1380.33
Balance as at March 31, 2025	484.46	-	-	-	1824.73	-1.56	2307.62

For R S Hariharan & Associates
Chartered Accountants
FRN: 015460S

R S Hariharan
Chartered Accountant
FCA: 014696

R.S. HARIHARAN * M.No:014696 * CHARTERED ACCOUNTANT

For and on behalf of Board of Directors

G R Radhakrishnan
Director
DIN: 01711654

G R Ananthapadmanabhan
Director
DIN: 01485010

C Rajendran
Director
DIN: 02063138

R Venkatasubramanian
CEO

S Mahalakshmi
Company Secretary

T K Karthik
CFO

Place: Chennai
Date: 22-05-2026

R.S. HARIHARAN & ASSOCIATES * CHARTERED ACCOUNTANTS *

RAR FINCARE LIMITED

Cash Flow Statement for the year ended 31 March (₹ in Lakhs)

Particulars	2026		2025	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax	1622.25		1847.46	
Adjustments for:				
Depreciation and amortisation	5.40		9.64	
Amortisation	-		-	
Loss from Acturial Valuation	-2.49		-1.56	
Inflow of Processing Fees	-		-	
Impairment of Loan	80.84		116.36	
Interest Accrued but not due	44.98		-13.98	
Interest income	-9.97		-	
Net (gain) / loss on sale of investments	-51.36		-93.40	
Operating profit / (loss) before working capital changes		1689.65		1864.52
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories				
Decrease/(Increase) in other non financial assets	-1.62		.00	
Decrease/(Increase) in Current Assets	95.18		-206.59	
Decrease/(Increase) in Loans	-5047.16		-3986.13	
Decrease/(Increase) in financial assets	2.06		1.19	
Decrease/(Increase) in Non financial Liabilities	7.86		32.40	
Decrease/(Increase) in other financial liabilities	-21.15		-12.08	
Decrease/(Increase) in Trade Payable	44.95		3.31	
Taxes Paid	-495.58		-309.55	
		-5415.47		-4477.45
Cash generated from operations		-3725.81		-2612.93
Net cash flow from / (used in) operating activities (A)		**-3725.81**		**-2612.93**

R.S. HARIHARAN & ASSOCIATES CHARTERED ACCOUNTANTS

RAR FINCARE LIMITED

Cash Flow Statement for the year ended 31 March (₹ in Lakhs)

Particulars	2026		2025	
B. Cash flow from investing activities				
	-4,15,759		-12.04	
Capital expenditure on fixed assets, including capital advances				
Capitalisation of expenses	-		-	
Investment	148.64		-194.08	
Interest Received	9.97		.00	
Proceeds from redemption	51.36		93.40	
		205.81		-112.73
Net cash flow from / (used in) investing activities (B)		**205.81**		**-112.73**
C. Cash flow from financing activities				
Proceeds from issue of equity shares	-		2000.00	
Proceeds from issue of preference shares	-		-	
Proceeds from long-term borrowings	-		-	
Repayment of long-term borrowings	-		-	
Net increase / (decrease) in working capital borrowings	3211.27		-	
Proceeds from other short-term borrowings	-		-	
		3211.27		2000.00
Net cash flow from / (used in) financing activities (C)		**3211.27**		**2000.00**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**-308.73**		**-725.66**
Cash and cash equivalents at the beginning of the year		427.32		1152.98
Cash and cash equivalents at the end of the year		**118.59**		**427.32**

R.S. HARIHARAN & ASSOCIATES
CHARTERED ACCOUNTANTS

RAR FINCARE LIMITED

Cash Flow Statement for the year ended 31 March

(₹ in Lakhs)

Particulars	2026		2025	
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet		.00		.02
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 *Cash Flow Statements*		118.59		427.30
Net Cash and cash equivalents (as defined in AS 3 *Cash Flow*		118.59		427.32
Add: Current investments considered as part of Cash and cash equivalents		0		0
Cash and cash equivalents at the end of the year *		118.59		427.32
* Comprises:				
(a) Cash on hand		.00		.02
(b) Cheques, drafts on hand		0		0
(c) Balances with banks				
(i) In current accounts		118.59		427.30
(ii) In deposit accounts		0		0
		118.59		427.32

As per my report of even date annexed herewith.

For R S Hariharan & Associates
Chartered Accountants
FRN: 015460S

R S Hariharan
FCA: 014696

R. S. HARIHARAN * M.No.014696 * CHARTERED ACCOUNTANT *

For and on behalf of the Board of Directors

G R Radhakrishnan
Director
DIN: 01711654

G R Ananthapadmanabhan
Director
DIN: 01485010

G Rajendran
Director
DIN: 02063138

R Venkatasubramanian
CEO

S Mahalakshmi
Company Secretary

T K Karthik
CFO

Place: Chennai
Date: 22-05-2026

NOTES

Forming part of Standalone Financial Statements for the year ended 31st March 2026

1. Corporate information

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

The company extends Term Loans to Mid Corporate Entities, Small & Medium Business Enterprises, Loans to NBFC's for the purpose of on-lending & Retail Loans Secured & Unsecured basis. The company's capital consists of authorized Equity Share Capital of ₹200 crores and issued and fully paid-up capital stands at ₹149.75 Crores as on 31 Mar 2026.

2. Basis of preparation

2.1. Statement of compliance

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

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

2.2. Basis of measurement

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

a) certain financial assets and liabilities is measured at fair value

b) assets held for sale - measured at fair value

c) defined benefit plans - plan assets measured at fair value

2.3. Basis of preparation

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

2.4. Functional and presentation Currency

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

2.5. Significant accounting judgements, estimates and assumptions

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

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 are included in following notes:

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash flows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management; and
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent within the Company's continuing recognition of the assets.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during the particular period and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument.

Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are Solely Payments of Principal and Interest ('SPPI') on the principal amount outstanding.

Classification and measurement of financial assets depends on the results of the SPPI 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 amortized cost of fair value through other comprehensive income that are derecognized 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.

Impairment of Financial Assets

The Company establishes criteria for determining whether credit risk of the financial assets has increased significantly since initial recognition, determines methodology for incorporating forward looking information into the measurement of expected credit loss ('ECL') and selection of model used to measure Expected credit loss ('ECL') and selection of models used to measure ECL.

Material Accounting Policies and Key Accounting Estimates and Judgements

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

a) Revenue Recognition

Revenue from operations

(a) Income on loans arising from financing activities

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is therefore regarded as 'Stage 3', the Company calculates interest income by applying the EIR to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit- impaired, the Company reverts to calculating interest income on a gross basis.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is accounted as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the Statement of Profit and Loss.

The EIR in case of a financial asset is computed as follows:

- the rate that exactly discounts estimated future cash flows through the expected life of the financial asset to the gross carrying amount of a financial asset.
- by considering all the contractual terms of the financial instrument in estimating the cash flows.
- including all fees/service charges and incentives paid and received between the parties to the contract that are an integral part of the EIR, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows are recognised in interest income with the corresponding adjustment to the carrying amount of the Asset.

(b) Other

Cheque bouncing charges, late payment charges, foreclosure charges are recognised on a point-in-time basis and are recorded when realised, since the probability of collecting such monies is established only when the customer pays.

b) **Income Tax**

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in the statement of profit and loss except when they relate to items that are recognised outside the statement of profit and loss (whether in other comprehensive income or directly in equity), in which case tax is also recognised outside the statement of profit and loss.

(a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the current adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to realise the assets and settle the liability on net basis or simultaneously.

(b) Deferred tax

Deferred tax is recognised in respect of temporary difference between carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward losses and tax credits.

Temporary difference in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising the deferred tax.

Deferred tax asset is recognised for unused tax losses, unused tax credit and deductible temporary difference to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary

difference is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary difference, are considered.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improve.

Deferred tax assets are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequence that would follow from the manner which the Company expects, at the reporting date, to recover or settle the carrying amount of assets or liabilities.

Deferred tax and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

c) Cash and Cash equivalent

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.

d) 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.

e) Property, Plant and Equipment

(i) Recognition and measurement

Property, Plant and Equipment

Property, plant and equipment are measured at cost of acquisition less accumulated depreciation and impairment, if any. Cost includes purchase price, non-refundable taxes and levies and other directly attributable costs of bringing the assets to its location and working condition for its intended use.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods, and the cost of the item can be measured reliably. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is recognised in the statement of profit and loss as incurred.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss, arising on the disposal or retirement of an item of PPE, is determined as the difference between the sales proceeds and the carrying amount of the asset, and is recognised in the statement of profit and loss.

Intangible Asset

An intangible asset is recognised only if it's probably that future economic benefits attributable to the asset with flow to the Company and cost of the asset can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

(ii) Depreciation and amortization

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.

f) Impairment of non-financial assets

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than it's carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

g) Employee Benefits

(a) Short Term Employee Benefits

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

(b) Post-Employment Benefits

A. Defined contribution schemes

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

B. Defined Benefit schemes

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling').

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

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

C. Other Long term employee benefits

(1) Defined benefit plans

Compensated Absences

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The Company's net obligation in respect of other long-term employee benefit of accumulating compensated absences is the amount of future benefit that employees have accumulated at the end of the year. That benefit is discounted to determine its present value The obligation is measured annually by a qualified actuary using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise. The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

h) 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.

i) Segment Information

An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Executive Management to make decisions about resources to be allocated to the segments and assess their performances.

The Company is solely engaged in providing loans to borrowers and accordingly there is only reportable business segment i.e. financing services for the purpose of Ind AS 108 on 'Operating Segments'. The Company operates in a single geographical segment i.e. domestic.

j) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument.

(A) Financial Assets

(a) 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

Classification and 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.

(b) 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).

(c) Impairment of financial assets

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and then cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

The ECL allowance is based on the credit losses expected to arise from all possible default events over the expected life of the financial assets ('lifetime unless there had been no significant increase in credit risk of a default occurring since origination or initial recognition, in which case, the impairment allowance is based on the 12-month ECL. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The impairment methodology applies depends on whether there has been significant increase in credit risk. When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward-looking information.

The expected credit loss isa product of exposure at default ("EAD"), probability of default ("PD") and loss given default ("LGD"). The Company has devised an internal model to evaluate the PD and LGD based on the parameters set out in Ind AS 109. Accordingly, the financial assets have been segmented into three stages based on the risk profiles. The three stages reflect the general pattern of credit deterioration of a financial assets. The Company categorises financial assets at the reporting date into stages based on the days past due ("DPD") status as under:

Stage 1: Low credit risk, i.e. 0 to 30 days past due

Stage 2: Significant increase in credit risk, i.e. 31 to 90 days past due

Stage 3: Credit Impaired assets, i.e. more than 90 days past due or cases where the Company suspects fraud and legal proceedings are initiated.

EAD represents gross carrying amount at the reporting date adjusted for future estimated prepayments in case of stage 1 and future estimated sale of loans through direct assignments in case of stage 1 and stage 2. In case of stage 3 loans, EAD represents gross carrying amount at the time when the default occurred for first time.

PD is defined as the probability of whether the borrowers will default on their obligations in the future. For assets which are in Stage 1, a 12-month PD is considered to have a 100% required. For Stage 2 assets a lifetime PD (forecasting for lifetime using 12-month observations) is required while Stage 3 assets are considered (forecasting PD. PD estimation process is done based on historical internal data available with the Company.

LGD 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. However, as the past historical data do not support assimilation of recoveries from the impaired asset, the BASEL III suggestive on certain benchmark of LGD parameter floors were used.

The amount of ECL (or reversal) at the reporting date is recognised as an impairment loss/(gain) in the statement of profit and loss.

(B) Financial Liabilities

(a) 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.

(b) 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'.

k) Borrowing Cost

Borrowing costs General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) and are recognized using the effective interest rate (EIR). All other borrowing costs are charged to expenses in the period in which they arise.

l) Cash flow statements

Cash Flow Statements The standalone cash flow statement is prepared in accordance with the Indirect method. Standalone cash flow statement presents the cash flows by operating. financing and investing activities of the Company. Operating cash flows are arrived by adjusting profit or loss before tax for the effects of transactions of a non- ell cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

Notes Forming part of Financial Statements (₹in Lakhs)

4 Cash and Cash Equivalents

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
Cash on hand	.00	.02
Balances with banks		
- in current accounts	118.59	427.30
- In deposit accounts	-	-
Total	**118.59**	**427.32**

4.1 Bank balance other than cash and cash equivalents

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
Fixed deposits with bank (maturing after period of three months)	-	-
Fixed deposits with bank under lien	-	-
- Maturing within a period of three months	-	-
- Maturing after period of three months	-	-
Balance in other escrow accounts		
- Unpaid (Unclaimed) Dividend Account	-	-
- Unspent CSR expenditure account	-	-
- Unpaid (unclaimed) interest and redemption proceeds of Non-Convertible debentures	-	-
Total	**-**	**-**

5 Trade Receivables

Particulars	As at Mar 31, 2026	As at Mar 31, 2025
(I) Trade Receivables		
a) Receivables considered good - Secured	124.56	158.58
b) Receivables considered good - Unsecured	12.68	23.64
c) Receivables which have significant increase in credit risk		
d) Receivables - credit impaired		
Total	**137.24**	**182.23**
(II) Other receivables		
Less: Allowance for impaired loss	-	-
Total Net receivables	**137.24**	**182.23**

R.S. HARIHARAN & ASSOCIATES CHARTERED ACCOUNTANTS

Notes Forming part of Financial Statements (₹in Lakhs)

5.1 Trade Receivables Ageing Schedule as at Mar 31, 2026

	Less than 6 month	6m-1yr	1-2 yr	2-3 yr	More than 3 yrs	Total
(I) Trade Receivables						
i) undisputed Trade Receivables considered good	137.24	-	-	-	-	137.24
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	**137.24**	**-**	**-**	**-**	**-**	**137.24**

Trade Receivables Ageing Schedule as at Mar 31, 2025

Particulars	Less than 6 month	6m-1yr	1-2 yr	2-3 yr	More than 3 yrs	Total
(I) Trade Receivables						
i) undisputed Trade Receivables considered good	182.23	-	-	-	-	182.23
ii) undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
iii) undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-
iv) disputed Trade Receivables considered good	-	-	-	-	-	-
v) disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
vi) disputed Trade Receivables - Credit impaired	-	-	-	-	-	-
Total Net receivables	**182.23**	**-**	**-**	**-**	**-**	**182.23**

R.S. HARIHARAN & ASSOCIATES CHARTERED ACCOUNTANTS

Notes Forming part of Financial Statements

(₹in Lakhs)

6 Loans

Particulars	31-Mar-26					31-Mar-25				
	Amortised cost	Through other Comprehensive Income	Through Profit or Loss	Designated at fair value through profit or loss	Total	Amortised cost	Through other Comprehensive Income	Through Profit or Loss	Designated at fair value through profit or loss	Total
(A)										
(i) Loans to Financial Institution	9931.15	-	-	-	9931.15	12296.21	-	-	-	12296.21
(ii) Retails Loans	603.96	-	-	-	603.96	877.31	-	-	-	877.31
(iii) Enterprise Loans	11317.53	-	-	-	11317.53	3631.97	-	-	-	3631.97
(iv) Staff Loan	-	-	-	-	-	-	-	-	-	-
(v) Loan to subsidiaries	-	-	-	-	-	-	-	-	-	-
(vi) Other Loans	-	-	-	-	-	-	-	-	-	-
Total (A) - Gross	21852.65	-	-	-	21852.65	16805.49	-	-	-	16805.49
Less: Impairment loss allowance	344.46	-	-	-	344.46	263.62	-	-	-	263.62
Total (A) - Net	21508.19	-	-	-	21508.19	16541.87	-	-	-	16541.87
(B)										
I) Secured by tangible assets (Including book debts)										
(i) Loans to Financial Institution	9886.02	-	-	-	9886.02	12085.24	-	-	-	12085.24
(ii) Retails Loans	505.40	-	-	-	505.40	649.71	-	-	-	649.71
(iii) Enterprise Loans	10631.57	-	-	-	10631.57	2997.47	-	-	-	2997.47
(iv) Staff Loan	-	-	-	-	-	-	-	-	-	-
(v) Loan to subsidiaries	-	-	-	-	-	-	-	-	-	-
(vi) Other Loans	-	-	-	-	-	-	-	-	-	-
Total (I) - Gross	21022.99	-	-	-	21022.99	15732.41	-	-	-	15732.41
Less: Impairment loss allowance	331.79	-	-	-	331.79	244.59	-	-	-	244.59
Total (I) - Net	**20691.20**	-	-	-	**20691.20**	**15487.82**	-	-	-	**15487.82**

R.S. HARIHARAN & ASSOCIATES CHARTERED ACCOUNTANTS

Notes Forming part of Financial Statements

(₹in Lakhs)

6 Loans

Particulars	31-Mar-26					31-Mar-25				
	Amortised cost	Through other Comprehensive Income	Through Profit or Loss	Designated at fair value through profit or loss	Total	Amortised cost	Through other Comprehensive Income	Through Profit or Loss	Designated at fair value through profit or loss	Total
II) Covered by Bank/ Government Guarantees		-	-	-	-	-	-	-	-	-
(B) (III) Unsecured										
(i) Loans to Financial Institution	45.13	-	-	-	45.13	9.26	-	-	-	9.26
(ii) Retails Loans	98.57	-	-	-	98.57	982.43	-	-	-	982.43
(iii) Enterprise Loans	685.96	-	-	-	685.96	81.38	-	-	-	81.38
(iv) Staff Loan	-	-	-	-	-	-	-	-	-	-
(v) Loan to subsidiaries	-	-	-	-	-	-	-	-	-	-
(vi) Other Loans	-	-	-	-	-	-	-	-	-	-
Total (III) - Gross	829.66	-	-	-	829.66	1073.07	-	-	-	1073.07
Less: Impairment loss allowance	12.67	-	-	-	12.67	19.02	-	-	-	19.02
Total (III) - Net	816.99	-	-	-	816.99	1054.05	-	-	-	1054.05
Total (B) - Net	**21508.19**	-	-	-	**21508.19**	**16541.87**	-	-	-	**16541.87**
(C) (I) Loans in India										
i) Public Sector	-	-	-	-	-	-	-	-	-	-
i) Others	21852.65	-	-	-	21852.65	16805.49	-	-	-	16805.49
(C) (II) Loans outside in India	-	-	-	-	-	-	-	-	-	-
Total (C) - Gross	21852.65	-	-	-	21852.65	16805.49	-	-	-	16805.49
Less: Impairment loss allowance	344.46	-	-	-	344.46	263.62	-	-	-	263.62
Total (C) - Net	**21508.19**	-	-	-	**21508.19**	**16541.87**	-	-	-	**16541.87**

R.S. HARIHARAN & ASSOCIATES CHARTERED ACCOUNTANTS

Notes Forming part of Financial Statements

(₹in Lakhs)

6.1 Credit Quality of Loan Assets

Particulars	As at Mar 31, 2026			
	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total
Internal rating grade				
Performing				
High grade	20933.28	-	-	20933.28
Standard grade	-	476.33	-	476.33
Sub-standard grade	-	33.39	-	33.39
Past due but not impaired	-	280.32	-	280.32
Non-Performing				
Individually Impaired	-	-	260.63	260.63
Total	20933.28	790.05	260.63	21983.96
EIR impact of Service charges received	127.98	2.72	.62	131.31
Gross carrying amount closing balance net of EIR impact of service charge received	20805.30	787.33	260.02	21852.65



Notes Forming part of Financial Statements

(₹in Lakhs)

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

R.S. HARIHARAN & ASSOCIATES CHARTERED ACCOUNTANTS

Notes Forming part of Financial Statements

(₹in Lakhs)

7 Investments

Particulars	As at Mar 31, 2026					
	Amortized cost	Designated at fair value through OCI	Designated at fair value through profit or loss	Sub-total	At Cost	Total
i) Government securities	-	-	-	-	-	-
ii) Equity instruments						
Subsidiaries	-	-	-	-	-	-
Others	-	-	-	-	-	-
iii) Preference shares						
Subsidiaries	-	-	-	-	-	-
Others	-	-	-	-	-	-
iii) Mutual Funds	-	-	.52	.52	44.92	45.44
Total Gross (A)	-	-	.52	.52	44.92	45.44
i) Investments outside India	-	-	-	-	-	-
ii) Investments in India	-	-	.52	.52	44.92	45.44
Total Gross (B)	-	-	.52	.52	44.92	45.44
Less: Allowances for impairment Loss (C)	-	-	-	-	-	-
Total - Net D = (A) - (C)	-	-	.52	.52	44.92	45.44

R.S. HARIHARAN & ASSOCIATES CHARTERED ACCOUNTANTS

Notes Forming part of Financial Statements

(₹in Lakhs)

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

R.S. HARIHARAN & ASSOCIATES CHARTERED ACCOUNTANTS

Notes Forming part of Financial Statements

(₹in Lakhs)

8 Other financial assets

Particulars	As at 31-Mar-26	As at 31-Mar-25
Security Deposit	.45	.48
Lease Advances	12.60	12.60
Staff Advance	-	-
Other advances from customers	-	-
Other Receivables	.29	2.32
Total	**13.34**	**15.40**

9 Deferred Tax Asset

Particulars	As at 31-Mar-26	As at 31-Mar-25
Opening	39.37	39.70
For the year	25.91	-.33
Total	**65.28**	**39.37**

11 Other Non Financial Assets

Particulars	As at 31-Mar-26	As at 31-Mar-25
GST Input	-	-
Income Tax Refund	-	32.18
Prepaid Expenses	1.62	-
Total	**1.62**	**32.18**

R.S. HARIHARAN & ASSOCIATES CHARTERED ACCOUNTANTS

Notes Forming part of Financial Statements

(₹in Lakhs)

10.1 Property, Plant & Equipment

Description of Assets	Computer	Office Equipments	Furniture & Fixtures	Plant & Machinery	Vehicles	Total
I.Cost or Deemed Cost						
Balance as at 1April, 2024	22.73	-	4.05			26.78
Additions	5.96		2.09			8.05
Disposals	-		-			-
Balance as at 31 March, 2025	**28.69**	**-**	**6.14**	**-**	**-**	**34.83**
Additions	2.25		1.91			4.16
Disposals	-		-			-
Balance as at 31 March, 2026	**30.94**	**-**	**8.05**	**-**	**-**	**38.99**
II. Accumulated depreciation for the year						
Balance as at 1April, 2024	11.24		.59			11.84
Depreciation/ amortisation expense for the year	8.82		.76			9.57
Depreciation on disposals during the year	-		-			-
Balance as at 31 March, 2025	**20.06**	**-**	**1.35**	**-**	**-**	**21.41**
Depreciation/ amortisation expense for the year	4.18		.68			4.85
Depreciation on disposals during the year	-					-
Balance as at 31 March,2026	**24.24**	**-**	**2.03**	**-**	**-**	**26.27**
III. Carrying Amount						
Balance as at 1April, 2024	11.48	-	3.46	-	-	14.94
Net Additions	5.96	-	2.09	-	-	8.05
Net Depreciation/ amortisation expense for the year	8.82	-	.76	-	-	9.57
Balance as at 31 March, 2025	**8.63**	**-**	**4.79**	**-**	**-**	**13.42**
Net Additions	2.25	-	1.91	-	-	4.16
Net Depreciation/ amortisation expense for the year	4.18	-	.68	-	-	4.85
Balance as at 31 March, 2026	**6.70**	**-**	**6.02**	**-**	**-**	**12.72**

R.S. HARIHARAN & ASSOCIATES CHARTERED ACCOUNTANTS

10.2. Other Intangible Assets

Description of Assets	Website Exp
I.Cost or Deemed Cost	
Balance as at 1April, 2024	-
Additions	3.99
Disposals	-
Balance as at 31 March, 2025	**3.99**
Additions	-
Disposals	-
Balance as at 31 Mar, 2026	**3.99**
II. Accumulated depreciation for the year	
Balance as at 1April, 2024	-
Depreciation/ amortisation expense for the year	.07
Depreciation on disposals during the year	-
Balance as at 31 March, 2025	**.07**
Depreciation/ amortisation expense for the year	.55
Depreciation on disposals during the year	-
Balance as at 31 Mar, 2026	**.61**
III. Carrying Amount	
Balance as at 1April, 2024	-
Net Additions	3.99
Net Depreciation/ amortisation expense for the year	.07
Balance as at 31 March, 2025	**3.92**
Net Additions	-
Net Depreciation/ amortisation expense for the year	.55
Balance as at 31 Mar, 2026	**3.38**

R.S. HARIHARAN & ASSOCIATES CHARTERED ACCOUNTANTS

Notes Forming part of Financial Statements

(₹in Lakhs)

12 **Borrowings (Other than Debt Securities) at amortised cost**

Particulars	As at 31-Mar-26	As at 31-Mar-25
A) Term Loans		
i) From Banks - Secured		
- Rupee Loans	-	-
- External Commercial Borrowings	-	-
ii) From Other Parties - Secured		
- Financial Institutions	-	-
- Rupee Loans	-	-
- External Commercial Borrowings	-	-
- Securitisation - Rupee Loans	-	-
B) Loan repayable on demand - Secured		
From Banks - Rupee Loans	3211.27	-
Total A	**3211.27**	**-**
Borrowings within India	3211.27	-
Borrowings outside India	-	-
Total B	**3211.27**	**-**



Notes Forming part of Financial Statements

(₹in Lakhs)

12.1 Nature of Security

Facility	Limit	Interest Rate	Tenor	Outstanding as on 31.3.2026	Security
Federal Bank	25 Cr	8.25%	365 days	1205.82	Exclusive charge over specific standards loan receivables with maintaining a security cover of 1.33 times of the facility always outstanding
Yes Bank	5 Cr	7.95%	55 days	503.38	Exclusive charge on all specific standard loan asset/book debts , both present and future ,assigned / created out of bank finance to the extent of 1.3 times of the facility amount
Yes Bank	15 Cr	7.95%	180 days	1502.07	Exclusive charge on all specific standard loan asset/book debts , both present and future ,assigned / created out of bank finance to the extent of 1.3 times of the facility amount

12.2 The Company has not defaulted in repayment or Interest there on.

12.3 The Company has used all the borrowing from bank for the purpose for which it was taken

12.4 In regard to borrowing from banks on the basis of security of Current Assets

a. Quarterly returns/ Statement of Current Assets filed by the company with the banks are in agreement with the books of accounts

b. Since above point (a) is affirmative, hence presenting summary of reconciliation and reasons of material discrepancies in not applicabl

12.5 The Company has not been declared as wilfull defaulter during the period/year ended on Mar 2026 and Mar 2025

R.S. HARIHARAN & ASSOCIATES CHARTERED ACCOUNTANTS

Notes Forming part of Financial Statements

(₹in Lakhs)

13 Trade Payables

Particulars	As at 31-Mar-26	As at 31-Mar-25
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	48.26	3.31
Total	**48.26**	**3.31**

13.1 Trade Payables ageing schedule

Particulars	As at Mar 31, 2026				
	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	48.26	-	-	-	-
(iii) Disputed dues - MSMEs	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-
Total	**48.26**	**-**	**-**	**-**	**-**

R.S. HARIHARAN & ASSOCIATES CHARTERED ACCOUNTANTS

Notes Forming part of Financial Statements (₹in Lakhs)

Trade Payables ageing schedule

Particulars	As at Mar 31, 2025				
	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	3.31	-	-	-	-
(iii) Disputed dues - MSMEs	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-
Total	**3.31**	**-**	**-**	**-**	**-**

14 Other financial liabilities

Particulars	As at 31-Mar-26	As at 31-Mar-25
Payable to related parties	-	-
Security deposits received	-	-
Interest Received in Advance against loans	16.14	6.76
Other Liabilities	51.21	81.74
Total	**67.36**	**88.50**

15 Current Tax Liability

Particulars	As at 31-Mar-26	As at 31-Mar-25
Opening Balance	-32.18	17.16
(+)Taxes Payable	455.76	495.58
(-)Taxes Paid	-205.00	-315.00
(-)TDS receivable	-220.00	-214.31
(-) Refund Received	24.59	-15.61
Total	**23.17**	**-32.18**

R.S. HARIHARAN & ASSOCIATES CHARTERED ACCOUNTANTS

Notes Forming part of Financial Statements

(₹in Lakhs)

16 Provisions

Particulars	As at 31-Mar-26	As at 31-Mar-25
Provision for Audit Fee	2.25	2.25
Provision for employee benefits		
- Gratuity	30.26	13.90
- Leave encashment	29.41	12.59
- Compensated absences	-	-
Provision for expenses	4.88	36.55
Total	**66.80**	**65.29**

17 Other Non Financial Liabilities

Particulars	As at 31-Mar-26	As at 31-Mar-25
Statutory dues Payable		
GST Payable	2.90	1.52
EPF Payable	1.16	.52
TDS Payable	10.55	6.05
ESI Payable	-	.00
Insurance	1.81	1.96
Total	**16.42**	**10.06**

R.S. HARIHARAN & ASSOCIATES CHARTERED ACCOUNTANTS

18 Equity share capital

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

Particulars	As at 31-Mar-26	As at 31-Mar-25
Authorised		
20,00,00,000 shares of Rs 10 each	20000.00	20000.00
Issued, Subscribed and fully paid up		
14,97,50,000 shares of Rs 10 each	14975.00	14975.00
Total Equity	**14975.00**	**14975.00**

18.2 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.

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

	As at March 31 , 2026		As at March 31 , 2025	
Name of Shareholder	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	3,74,50,000	25.01%	3,74,50,000	25.01%
G.R.Ananthapadmanabhan	5,36,75,000	35.84%	5,36,75,000	35.84%
G.R.Radhakrishnan	5,36,75,000	35.84%	5,36,75,000	35.84%

R.S. HARIHARAN & ASSOCIATES CHARTERED ACCOUNTANTS

Notes Forming part of Financial Statements (₹in Lakhs)

18.4 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, 2024	12,97,50,000	12975.00
Add: Shares issued	2,00,00,000	2000.00
As at March 31, 2025	14,97,50,000	14975.00
Add: Shares issued	-	-
As at Mar 31, 2026	14,97,50,000	14975.00

18.5 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

18.6 Shares held by promoters

	As at March 31 , 2026		As at March 31 , 2025	
Name of Shareholder	**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	3,86,87,500	25.83%	3,74,50,000	25.01%
G.R.Ananthapadmanabhan	5,36,75,000	35.84%	5,36,75,000	35.84%
G.R.Radhakrishnan	5,36,75,000	35.84%	5,36,75,000	35.84%
R.Vasanthi	-	0.00%	12,37,500	0.83%
P.Swaroopa	12,37,500	0.83%	12,37,500	0.83%
R.Madhavi	12,37,500	0.83%	12,37,500	0.83%
V.Jayashree	12,37,500	0.83%	12,37,500	0.83%

18.7 **Changes in Shareholding Pattern**

Promoter Name	No of Shares	% of total shares	% change during the year
G.Rajendran	12,37,500	0.83%	0.83%
G.R.Ananthapadmanabhan	-	0.00%	0.00%
G.R.Radhakrishnan	-	0.00%	0.00%
R.Vasanthi	-12,37,500	-0.83%	-0.83%

18.8 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.

R.S. HARIHARAN & ASSOCIATES CHARTERED ACCOUNTANTS

Notes Forming part of Financial Statements (₹in Lakhs)

19 Other Equity

Particulars	As at 31-Mar-26	As at 31-Mar-25
Statutory Reserve		
Balance at the beginning of the year	484.46	208.39
Add: Transfer from Retained Earnings	238.36	276.07
Balance at the end of the year	**722.81**	**484.46**
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	1824.73	720.46
Add: Profit for the year (net of taxes)	1191.78	1380.33
Transfer from Impairment Reserve	-	-
	3016.50	**2100.79**
Less: Appropriation: -		
Transfer to Statutory Reserve	-238.36	-276.07
Transfer to Impairment Reserve	-	-
Total appropriations	-238.36	-276.07
Balance at the end of the year	**2778.15**	**1824.73**
Other Comprehensive Income		
Balance at the beginning of the year	-1.56	-
Add: Addition during the year	-1.86	-1.56
Balance at the end of the year	**-3.42**	**-1.56**
Total	**3497.54**	**2307.62**

R.S. HARIHARAN & ASSOCIATES CHARTERED ACCOUNTANTS

20 Interest Income

Particulars	31, Mar 2026			31, Mar 2025		
	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	-	2559.70	-	-	2270.33	-
Income from Invoice discounting			59.49	-	-	9.75
Interest on deposit with banks	-	9.97	-	-	-	-
Interest on fair value of investment	-	-	-	-	-	-
Total	**-**	**2569.67**	**59.49**	-	**2270.33**	9.75

21 Other Income

Particulars	As at 31-Mar-26	As at 31-Mar-25
Profit on redemption of Investments	51.36	94.08
Fee Income	159.94	115.39
Others	30.40	40.18
Provision no longer required	3.14	-
Total	**244.83**	**249.65**

R.S. HARIHARAN & ASSOCIATES CHARTERED ACCOUNTANTS

22 Finance Cost

Particulars	As at 31-Mar-26	As at 31-Mar-25
Processing Fees	24.63	13.73
Interest on Borrowings	17.66	-
Documentation Charges	.04	.45
	42.33	**14.18**

23 Impairment on financial instruments

As at Mar 31, 2026

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 FVOCI	Total
Impairment on loan portfolio (Own portfolio)	-	80.84	-	-
Bad Debts Written off	-	516.62	-	-
Other Assets	-	-	-	-
Total	**-**	**597.45**	**-**	**-**

As at Mar 31, 2025

Particulars	Interest income on financial assets classified as fair value through profit or loss	On Financial assets measured at amortised cost	Interest income on financial assets classified as FVOCI	Total
Impairment on loan portfolio (Own portfolio)	-	116.36	-	-
Bad Debts Written off	-	-	-	-
Other Assets	-	-	-	-
Total	**-**	**116.36**	**-**	**-**

R.S. HARIHARAN & ASSOCIATES CHARTERED ACCOUNTANTS

Notes Forming part of Financial Statements (₹in Lakhs)

24 Employee Benefit Expenses

Particulars	As at 31-Mar-26	As at 31-Mar-25
Salaries and Wages	369.97	295.25
Contribution to Provident and Other Funds	14.09	6.27
Bonus & Incentive	17.06	7.08
Leave Encashment	23.65	13.47
Gratuity Expenses	13.88	4.89
Staff Welfare Expense	3.11	4.35
Total	**441.75**	**331.30**

25 Depreciation, amortisation and impairment

Particulars	As at 31-Mar-26	As at 31-Mar-25
Depreciation of tangible assets	4.85	9.57
Amortization of intangible assets	.55	.07
Total	**5.40**	**9.64**

26 Other Expenses

Particulars	As at 31-Mar-26	As at 31-Mar-25
Auditor Remuneration	8.75	7.95
Books & periodicals	.10	.09
Connectivity charges	4.28	.86
CSR Expenditure	21.65	6.64
Directors fees, allowances and expenses	3.60	3.34
Legal and Professional charges	34.75	18.82
Membership & Subscription	.46	.18
Office Maintenance	2.14	1.76
Office Expenses	4.39	2.34
Other Expenses	17.08	7.25
Portfolio Management Fees	4.90	20.63
Insurance	.10	.35
Printing & Stationery	1.14	2.50
Rates & Taxes	.03	3.56
Rent	38.91	27.47
ROC filing Fees	1.00	48.93
Security Charges	2.65	1.83
Software Expenses	8.30	44.51
Telephone charges	-	1.07
Travelling & Boarding expenses	10.55	10.72
Total	**164.80**	**210.79**

R.S. HARIHARAN & ASSOCIATES CHARTERED ACCOUNTANTS

27 Payment made to Auditors

Particulars	As at 31-Mar-26	As at 31-Mar-25
Payment made to statutory auditors		
i) As Auditors	2.50	2.50
ii) For taxation matters	.50	-
iii) For other services	5.00	5.00
iv) For reimbursement of expenses	-	-
Total	**8.00**	**7.50**

28 Income Tax

Particulars	As at 31-Mar-26	As at 31-Mar-25
Current tax	455.76	466.80
Adjustment in respect of current income tax of previous years	-	-
Deferred tax relating to origination and reversal of temporary differences	-25.28	.33
Income tax expense reported in statement of Profit and Loss	430.47	467.13
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	-2.49	-
Deferred tax related to items recognised in OCI during the period	.63	-
income	-	-
Income Tax charged to OCI	-.63	-

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 surchage of 10% and cess @ 4%)

R.S. HARIHARAN & ASSOCIATES CHARTERED ACCOUNTANTS

28.1 Deferred Tax Assets/ Liabilities

Particulars	As at 31-Mar-26	As at 31-Mar-25
Fixed Assets: Timing difference on account of Depreciation and Amortisation	.36	-.29
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	20.35	5.52
On remeasurement of Defined Benefit Plan	.63	-
On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961	33.05	29.35
On Other Provisions/ Disallowances	10.27	4.79
Deferred Tax Assets/ (Liabilities) (Net)	64.65	39.37

28.2 Reconciliation of deferred tax assets/ Liabilities

Particulars	As at 31-Mar-26	As at 31-Mar-25
Opening Balance	39.37	39.70
Loss	24.66	-.33
Tax income/(expense) during the period recognised in OCI	.63	-
Closing Balance	64.65	39.37

29 Earnings Per Equity Shares

Particulars	As at 31-Mar-26	As at 31-Mar-25
Net Profit attributable to ordinary equity holders	1189.91	1378.77
Weighted average number of equity shares for basic earnings per share	1497.50	1497.50
Effect of dilution		
Weighted average number of equity shares for diluted earnings per share	1497.50	1416.14
Earnings Per share		
-Basic Earnings per share	0.79	0.92
-Diluted Earnings per share	0.79	0.97

R.S. HARIHARAN & ASSOCIATES CHARTERED ACCOUNTANTS

30 Retirement Benefit Plan

30.1 Defined Contribution Plan

The company makes contribution to Provident Fund, ESI which are defined contribution plan for qualifying employees. The Company recognised ₹ 6,87,072/- (Mar 31, 2025 ₹ 6,17,672/-) for provident fund and other fund contribution in the Statement of Profit and Loss.

30.2 Defined Benefit Plan

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

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

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

Particulars	As at 31-Mar-26	As at 31-Mar-25
Present value of funded obligations	30.26	13.90
Fair value of plan assets	-	-
Defined Benefit obligation/(liability)	**-30.26**	**-13.90**

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

Particulars	As at 31-Mar-26	As at 31-Mar-25
Current Service cost	5.88	4.37
Interest cost on benefit obligations	.93	.52
Past Service cost	7.07	-
Net Interest on net defined benefit liability/ (asset)	-	-
Defined Benefit Expense	**13.88**	**4.89**

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

Particulars	As at 31-Mar-26	As at 31-Mar-25
Present value of defined benefit obligation at the beginning of the year	13.90	7.45
Current service cost	5.88	4.37
Past Service cost - Vested	7.07	-
Interest cost on benefit obligations	.93	.52
Re-measurements:		
a. Actuarial loss/ (gain) arising from changes in financial assumptions	-1.77	.14
b. Actuarial loss/ (gain) arising from experience over the past years	4.26	1.42
Benefits paid	-	-
Present value of defined benefit obligation at the end of the year	**30.26**	**13.90**

R.S. HARIHARAN & ASSOCIATES CHARTERED ACCOUNTANTS

Notes Forming part of Financial Statements (₹ in Lakhs)

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

Particulars	As at 31-Mar-26	As at 31-Mar-25
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) - Gratuity

Particulars	As at 31-Mar-26	As at 31-Mar-25
Actuarial (Gains)/ Losses on obligations	2.49	1.56
Return on Plan Assets, excluding amount recognized in the net interest expense	-	-
Change in Asset Ceiling	-	-
Re-measurement Cost/ (Credit) for the year	-	-

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

Particulars	As at 31-Mar-26	As at 31-Mar-25
Discount Rate	7.20%	6.72%
Expected return on Plan assets	0.00%	0.00%
Salary Escalation rate (p.a)	10.00%	10.00%
Attrition rate (p.a)	10.00%	8.00%
Mortality rate	100% of IALM 12-14	100% of IALM 12-14
Disability rate	No Explicit Assumption	

Investment quoted in active market - Gratuity

Particulars	As at 31-Mar-26	As at 31-Mar-25
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	-	-

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Notes Forming part of Financial Statements (₹ in Lakhs)

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

Particulars	As at 31-Mar-26	As at 31-Mar-25
Present value of funded obligations	29.41	12.59
Fair value of plan assets	-	-
Defined Benefit obligation/(liability)	**29.41**	**12.59**

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

Particulars	As at 31-Mar-26	As at 31-Mar-25
Current Service cost	8.98	-
Interest cost on benefit obligations	.81	-
Actuarial (Gains) and Losses - on Obligations	7.03	-
Net Interest on net defined benefit liability/ (asset)	-	-
Defined Benefit Expense	**16.82**	**-**

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

Particulars	As at 31-Mar-26	As at 31-Mar-25
Present value of defined benefit obligation at the beginning of the year	11.77	12.59
Current service cost	-	8.98
Past Service cost - Vested	-	-
Interest cost on benefit obligations	-	.81
Re-measurements:		
a. Actuarial loss/ (gain) arising from changes in financial assumptions	-	-.38
b. Actuarial loss/ (gain) arising from experience over the past years	-	7.41
Benefits paid	-	-
Present value of defined benefit obligation at the end of the year	**12.59**	**29.41**

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

Particulars	As at 31-Mar-26	As at 31-Mar-25
Discount Rate	7.20%	6.43%
Expected return on Plan assets	0.00%	0.00%
Salary Escalation rate (p.a)	10.00%	10.00%
Attrition rate (p.a)	10.00%	10.00%

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Notes Forming part of Financial Statements (₹ in Lakhs)

31 CSR Expenditure

Particulars	As at 31-Mar-26	As at Mar 31, 2025
1. Amount required to be spent by the company during the year	21.22	6.64
2. Amount approved by the Board	21.22	6.64
3. Amount of expenditure incurred on		
(i) Construction/acquistion of the asset	-	-
(ii) On purposes other than (i) above	21.65	6.64
4. Excess spent at the end of the year	-.43	-
5. Total of previous year shortfall	-	-
6. Reason for shortfall	-	-
7. Nature of CSR Activities	Educational activities and providing financial support to old age homes serving underprivileged and elderly communities.	
8. Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	Not Applicable	

There is no shortfall in CSR amount required to be spent by the Company as per Sec 135(5) of the Act for CSR Activities include providing financial support to old age homes serving underprivileged and elderly communities, to pathsalas offering Vedic and formal education, for improving residential facilities and infrastructure development as well as educational support for vidyarthees

The Company has neither made any CSR contribution towards its related parties nor recorded any provision for CSR expenditure during the FY ended Mar,2026

32 Contingent Liabilities, commitments and leasing arrangements

Contingent Liabilities

Particulars	As at 31-Mar-26	As at 31-Mar-25
(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		

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Notes Forming part of Financial Statements (₹ in Lakhs)

33 Lease Disclosure

Financial Lease:

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

Operating Lease:

The company is not using any assets on the basis of operating lease. However the registered office of the company is situated at premises owned by one of its directors, for which rent of Rs.35.70 Lakhs (Previous Year Rs.25.20 Lakhs) is paid

34 Related Party Disclosure

(A) Key Management Personnel (Directors)

Name	Designation	DIN
Govindarajulu Rajendran Ananthapadmanabhan	Director	01485010
Govindarajulu Rajendran Radhakrishnan	Director	01711654
Govindarajulu Rajendran	Director	02063138
Parthasarathy	Director	08741210
Parthasarathy Ramaswamy	Director	02354224
Meenakshisundaram Ramanathan	Director	07902382
Swaroopa 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

(D) Key Management Personnel (Other than Directors)

Name	Designation
Venkatasubramanian Ramanathan	Chief Executive Officer
Tellore Kodandaraman Karthik	Chief Financial Officer
S Mahalakshmi	Company Secretary

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Related Party transactions during the year

Particulars	Key Management Personnel (Directors)		Key Management Personnel (Other than Directors)	
	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
Director Remuneration	-	-	-	-
Sitting fee to Directors	3.30	3.00	-	-
Salaries and Allowances to KMPs other than Director:	-	-	147.32	113.98
Rent Paid	35.70	25.20	-	-
Rent deposit given	12.60	12.60	-	-

Note:

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

35 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current conditions(i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique

In order to show how fair value have been derived, financial instruments are classified based on hierarchy of valuation techniques.

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

Valuation methodolgies of financial instruments not measured at fair value

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

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

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

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Fair Value Hierarchy

The Company determines the fair value of the Financial instruments according to the following hierarchy
Level 1: Quoted prices (Unadjusted) for identical instruments in an active market

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

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

Quantitative disclosure of Fair value measurement heirarchy for Financial assets as at 31st Mar, 2026

Particulars	Level 1	Level 2	Level 3
Financial Asset:			
Investment	45.44	-	-
Total	**45.44**	-	-

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

Particulars	Level 1	Level 2	Level 3
Financial Asset:			
Investment	194.08	-	-
Total	**194.08**	-	-

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.

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36 Disclosure as per IND AS-107 'Financial Instruments'

Financial 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 following risk from the use of its financial instruments

Credit risk

Liquidity risk

Market risk

36.1 Credit Risk

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

Loans and advances

The company closely monitors the credit worthiness of the borrowers through internal systems and appraisal process to assess the credit risk and define the credit limits of the borrowers, thereby limiting the credit risk to pre-calculated amounts. The process include a detailed appraisal methodology, identification of risk and suitable structuring and credit risk mitigation measures. The Company assess increase in credit risk on an ongoing basis for amounts loan receivables that become past due and default is considered to have occured when amounts receivable become 90 days past due.

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 purpose of this analysis, the loan receivables are categorised into stages based on days past due and each stage is then assessed for impairment using 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:

The financial instrument that is not credit-impaired on initial recongnition is classified as Stage-1 and has it credit risk continuously monitored by the company i.e, the defualts in repayment is within the range of 0 to 30 days.

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If a significant increase in credit risk ('SICR') since intial recognition is identified , the financial instrument is moved to Stage 2 but it is not yet deemed to be credit impaired i.e, the default in repayment is within the range of 31 to 90 days.

If the financial instrument is credit-impaired, the financial instrument is then moved to Stage -3 ie., the default in repayment is more than 90 days.

Days past dues status	Rating	Stages	Provisions
Current	High Grade	Stage 1	12 Months ECL
1-30 Days	Standard Grade	Stage 1	12 Months ECL
31-60 Days	Sub-standard Grade	Stage 2	Lifetime Provisions
61-90 Days	Past dues but not impai	Stage 2	Lifetime Provisions
>90 Days	Individually impaired	Stage 3	Lifetime Provisions

Probability of Default (PD)

PD is describes the probability of a loan to eventually falling into Stage 3. PD% is calculated for each stage separately and is determined by using available historical observations.

PD for Stage 1 : the impairment calculated based on defaults that are possible in next twelve months.
PD for Stage 2 and Stage 3 : ECL calculation considers default event for the lifespan of the instruments.

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.

Loss given default (LGD)

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 LGD. In the absence of historical data on recoveries of impaired asset, the BASEL III suggestive on certain benchmark of LGD parameters were used.

ECL computation:

Conditional ECL at DPD pool level was computed with the following method
Conditional ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt) * discount factor (yt)

Policy for write-off of financial assets

Financial assets are written off either partially or in their entirety when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could not generate sufficient cash flows to repay the amounts.



Notes Forming part of Financial Statements (₹ in Lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross Value as at Apr 1 ,2025	15859.69	893.42	52.37	16805.49
New assets originated*	16851.69	597.91	14.80	17464.40
Asset derecognised or repaid	-11550.50	-345.68	-4.45	-11900.63
Transfer from stage 1	-511.14	142.89	368.24	-
Transfer from stage 2	155.55	-501.21	345.66	-
Transfer from stage 3	-	-	-	-
Write offs(including technical write off)	-	-	-516.62	-516.62
Gross Value as at Mar 31, 2026	20805.30	787.33	260.02	21852.65

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

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross Value as at Apr 1 ,2024	-	-	-	-
New assets originated*	3,548.97	436.90		3,985.87
Asset derecognised or repaid				
Transfer from stage 1	-294.62	267.41	27.20	-
Transfer from stage 2	34.33	-59.50	25.17	-
Transfer from stage 3	-	-	-	-
Write offs(including technical write off)	-	-	-	-
Gross Value as at Mar 31, 2025	3,288.68	644.82	52.37	3,985.87

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

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL Allowance as at April 1,2025	85.64	125.60	52.37	263.62
Additions	109.54	24.72	9.68	143.94
Transfer from stage 1	-60.43	11.71	48.72	-
Transfer from stage 2	1.01	-81.32	80.31	-
Transfer from stage 3	-	-	-	-
Write offs(including technical write off)	-.52	-41.54	-21.03	-63.10
ECL allowance as at Mar 31, 2026	135.23	39.17	170.05	344.46

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL Allowance as at April 1,2024	96.90	50.36	-	147.26
Additions	-	75.24	52.37	127.61
Reversals	-11.25	-	-	-11.25
Transfer from stage 1	-61.58	34.37	27.20	-
Transfer from stage 2	0.19	-25.36	25.17	-0.00
Transfer from stage 3	-	-	-	-
Write offs(including technical write off)	-	-	-	-
ECL allowance as at Mar 31, 2025	24.25	134.62	104.75	263.62



Notes Forming part of Financial Statements (₹ in Lakhs)

36.2 Liquidity Risk

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

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, 2026		
	Within 12 months	After 12 months	Total
Assets			
Financial Assets			
Cash and Cash Equivalents	118.59	-	118.59
Bank Balance other than above	-	-	-
Trade Receivables	137.24		137.24
Investments	45.44		45.44
Loans			
- Adjustment on account of EIR/ECL	7806.85	13701.34	21508.19
Other financial Assets	.29	14.67	14.96
Non Financial Assets			
Deferred tax assets (Net)	-	65.28	65.28
Property, plant and equipment	-	12.72	12.72
Capital work in Progress	-	-	-
Other Intangible assets	-	3.38	3.38
Other non financial assets	-	-	-
Total Assets	**8108.41**	**13797.40**	**21905.80**
Liabilities			
Financial Liabilities	67.36	-	67.36
Non-Financial Liabilities			
Current tax liabilities (Net)	23.17	-	23.17
Provisions	66.80	-	66.80
Deferred tax liabilities (Net)	-	-	-
Other non-financial liabilities	16.42	-	16.42
Total Liabilities	**173.74**	**-**	**173.74**

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Particulars	As at March 31, 2025		
	Within 12 months	After 12 months	Total
Assets			
Financial Assets			
Cash and Cash Equivalents	.02	-	.02
Bank Balance other than above	427.30	-	427.30
Trade Receivables	182.23	-	182.23
Investments	194.08	-	194.08
Loans			
- Adjustment on account of EIR/ECL	6173.39	10368.48	16541.87
Other financial Assets	34.51	13.08	47.58
Non Financial Assets			
Deferred tax assets (Net)	-	39.37	39.37
Property, plant and equipment	-	13.42	13.42
Capital work in Progress	-	-	-
Other Intangible assets	-	3.92	3.92
Other non financial assets	-	-	-
Total Assets	**7011.52**	**10438.27**	**17449.79**
Liabilities			
Financial Liabilities	88.50	-	88.50
Non-Financial Liabilities			
Current tax liabilities (Net)	-	-	-
Provisions	65.29	-	65.29
Deferred tax liabilities (Net)	-	-	-
Other non-financial liabilities	10.06	-	10.06
Total Liabilities	**163.86**	**-**	**163.86**

36.3 Market Risk

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



36.4 Capital Management

The Company's capital management objectives are to ensure that the Company's ability to continue as going concern, to comply with externally imposed capital requirement and maintain strong credit ratings and to provide an adequate returns to shareholders.

Management assesses the Company's requirement in order to maintain an efficient overall financial structure while avoiding excessive leverage. The Company manages the capital requirement and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Particulars	As at 31-Mar-26	As at 31-Mar-25
Borrowings	3211.27	-
Debt Securities	-	-
Less: Cash and Cash Equivalents	118.59	-
Net Debt	**3092.68**	**-**
Equity Share Capital	14975.00	14975.00
Other Equity	3497.54	2307.62
Total Equity	**18472.54**	**17282.62**
Net debt to Equity Ratio / Gearing Ratio	**0.17**	**NA**

37 Regulatory Capital

Particulars	As at 31-Mar-26	As at 31-Mar-25
Tier 1 Capital	18384.78	17282.64
Tier 2 Capital	276.37	211.89
Total Capital	**18661.15**	**17494.53**
Risk Weighted Assets	**22274.56**	**16950.92**
Tier 1 Capital Ratio (%)	82.54%	101.96%
Tier 2 Capital Ratio (%)	1.24%	1.25%
Total Capital Ratio (%)	83.78%	103.21%

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)

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38 Segment Reporting

The Company is engaged in the business segment of Financing, whose operating results are regularly reviewed by the management to make decisions about resources to be allocated and to assess its performance, and for which discrete financial information is available. Hence, there are no separate reportable segments, as required by Ind AS 108 on "Operating Segment".

39 Provision as per ECL and IRACP - 31 Mar 2026

Asset classification as per RBI Norm	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (provisions) as required under Ind AS 109	Net Carrying amount	Provisions required as per IRACP Norms	Difference between Ind AS 109 provisions and IRACP norms
Standard Asset	Stage 1	21592.63	174.40	21723.33	54.31	120.10
Sub Standard Asset	Stage 2	212.09	138.71	212.63	21.26	117.44
Doubtful Asset						
Upto 1 year	Stage 3	26.35	17.22	26.39	2.64	14.58
1 to 3 years	Stage 3	21.60	14.13	21.61	4.32	9.81
More than 3 years	Stage 3	-	-	-	-	-
Loss Asset	Stage 3	-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total	Stage 1	21592.63	174.40	21723.33	54.31	120.10
	Stage 2	212.09	138.71	212.63	21.26	117.44
	Stage 3	47.96	31.34	48.00	6.96	24.38
	Total	21852.68	344.46	21983.96	82.53	261.92

In terms of requirements of Master Directions - Reserve Bank of India (Non-Banking Financial Company - Scale based regulations) Directions, 2003 NBFCs are required to create an impairment reserve for any shortfall in impairment allowance under IND AS 109 and income recognition and asset classification and provisioning (IRACP) norms (including provision on standard assets). The impairment allowance under IND AS 109 made by the company exceeds the total provision required under IRACP (including standard assets provisioning), as at March 31, 2026 and accordingly, no amount is required to be transferred to impairment reserve.

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40 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Under Micro, Small and Medium Enterprise Development Act, 2006 ('MSMED') which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. Based on the information and records available with management and to the extent of confirmation sought from suppliers on registration with specified authority under MSMED, principal amount, interest accrued and remaining unpaid and interest paid during the year is furnished as under. The disclosure provided below are based on the information and records maintained by the management and have been relied upon by the auditor.

Particulars	As at 31-Mar-26	As at 31-Mar-25
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	-	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	-	-

41 Additional Disclosure

41.1 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.

41.2 The Company has not traded or invested in crypto currency or virtual currency during the current or previous year

41.3 The Company had no transaction with Companies struck off under section 248 of the Companied Act 2013 during the year 2025-26

41.4 There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.



41.5 (a) No funds have been advanced or loaned or invested by the Company to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in a party identified by or on behalf of the Company (Ultimate Beneficiaries);

(b) No funds have been received by the Company from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

41.6 The Company has not revalued it's Property, Plant and Equipment (including Right of use assets) or intangible assets or both during the current or previous year.

41.7 The Company has not entered into any scheme of arrangement which has an accounting impact on current or pervious year.

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

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NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS (₹ in Lakhs)

42 DISCLOSRUE AS PER RBI NOTIFICAITON 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 2026	Year ended 2025
Nil		

b. Exposure to Capital Market

Particulars	Year ended 2026	Year ended 2025
Nil		

c Intra-Group Exposure

Particulars	Year ended 2026	Year ended 2025
Nil		



NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS (₹ in Lakhs)

d Sectoral Exposure

Sectors	Year ended 2026			Year ended 2025		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	147.08	-		38.73		0.00%
2. Industry						
i.Small Scale Business	599.99	-	0.00%	151.02	-	0.00%
ii.Medium	1716.59	-	0.00%	526.11	-	0.00%
iii.Large	3708.76	-	0.00%	566.62	-	0.00%
iv.Others	1516.32	26.32	1.74%	27.20	27.20	100.00%
3. Services						
Services - Retail Trade	717.70	28.30	3.94%	448.45	-	0.00%
Services - NBFC	9403.72	164.45	1.75%	11703.73	-	0.00%
Services - Others	3438.52	10.85	0.32%	2466.33	-	0.00%
4. Personal Loans						
i.Retail Loans	603.96	30.10	4.98%	877.31	25.17	2.87%
Total	**21852.65**	**260.02**		**16805.49**	**52.37**	

e Unhedged foreign currency exposure

Particulars	Year ended 2026	Year ended 2025
Nil		

II RELATED PARTY DISCLOSURES

Refer Note. 34

R.S. HARIHARAN & ASSOCIATES CHARTERED ACCOUNTANTS

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS (₹ in Lakhs)

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 2026	Year ended 2025
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	12	-
3.Number of complaints disposed during the year	12	-
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)	-	-

R.S. HARIHARAN & ASSOCIATES CHARTERED ACCOUNTANTS

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS (₹ in Lakhs)

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

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
Year ended 2026					
Loan Instalment collected through BC has not been reflected in Statement of Accounts of the Company	-	12	12	-	-
Others	-	-	-	-	-
Total	-	12	12	-	-
Year ended 2025					
Ground - 1	Nil				
Others					
Total					

R.S. HARIHARAN & ASSOCIATES CHARTERED ACCOUNTANTS

DEPRECIATION AS PER INCOME TAX ACT

(₹ in Lakhs)

	Opening Balance	Addition		Disposals	Total	Rate	Depreciation	Closing Balance
		More Than 6 Months	Less Than 6 Months					
Computer	10.37	-		-	10.37	40%	4.15	
			2.25	-	2.25	20%	.45	
	10.37	**-**	**2.25**	**-**	**12.62**		**4.60**	**8.02**
Furniture & Fittings	4.95	-			4.95	10%	.49	
			1.91		1.91	5%	.10	
	4.95	**-**	**1.91**	**-**	**6.86**		**.59**	**6.27**
Intangible	4.35	-			4.35	25%	1.09	
			-		-	12.50%	-	
	4.35	**-**	**-**	**-**	**4.35**		**1.09**	**3.26**
Grand Total	**19.67**	**-**	**4.16**	**-**	**23.82**		**6.28**	**17.55**

For and on behalf of the Board of Directors

G R Radhakrishnan
Director
DIN: 01711654

G R Ananthapadmanabhan
Director
DIN: 01485010

G Rajendran
Director
DIN: 02063138

R Venkatasubramanian
CEO

S Mahalakshmi
Company Secretary

T K Karthik
CFO

Place: Chennai
Date: 22-05-2026

R.S. HARIHARAN & ASSOCIATES
CHARTERED ACCOUNTANTS

Capital to Risk asset ratio

Particulars	Calculation of Captial Adequacy Ratio as on 31st March 2026		
	Sub total	Total	Total
Tier I Capital			
1. Share capital	1,49,75,00,000		
2.Convertible preference shares	-		
2.Free reserves	-		
3.Share premium	-		
4.Statutory Reserve	7,22,81,147		
5.Capital reserve	-	1,56,97,81,147	
Add:			
1.Accumulated profit / (loss) in balance sheet	27,78,14,637		
2.Book value of intangible assets	-		
3.Deferred revenue expenditure	-		
		27,78,14,637	
Net owned fund		1,84,75,95,784	
Less:			
1.Excess over 10% over the NOF - Group Exposure		-	
2. Shares in other NBFC`s		-	
Tier I Capital		**1,84,75,95,784**	
Add:			
1. General provisions and loss reserves to the extent of (1&1/4)% of risk weighted assets.	2,76,37,324		
2. Preference Shares	-		
3. Subordinated debt - Discounted value	-		
To the extent the discounting value does not exceeding 50% of Tier-I Capital	-		
	2,76,37,324		
Limited to the extent of Tier I and II for the pupose of capital adequecy (the total tier II capital at any point of time shll not exceed 100% of tier I)		2,76,37,324	
Tier II Capital		**2,76,37,324**	
Total of Tier I & Tier II Capital			**1,87,52,33,109**

R.S. HARIHARAN & ASSOCIATES CHARTERED ACCOUNTANTS

RAR FINCARE LIMITED

31.03.2026

Asset particulars	Amount	% of weight	Risk adjusted amount
Cash and Bank balances including fixed deposits and certificates of deposits with bank	1,18,58,666	0%	-
Investments	45,43,848	100%	45,43,848
Trade Receivables from Financing Activity	2,17,54,36,090	100%	2,17,54,36,090
Staff Loan	76,64,976	125%	95,81,220
Fixed assets net of depreciation	12,72,456	100%	12,72,456
Other assets			
a) TDS-income tax (net of provision)	65,27,789	0%	-
b) Advance tax paid (net of provision)	-	0%	-
c) Staff Advance	-	0%	-
d) Exposure to Group companies		0%	-
e) Others to be specified	2,01,52,341	100%	2,01,52,341
f) Contigent liability	-	50%	-
Total risk weighted assets	2,22,74,56,166		2,21,09,85,955

Percentage of Tier I & II Capital to Risk Weighted Assets	1,87,52,33,109 / 2,21,09,85,955	84.81%
Percentage of Tier I Capital to Risk Weighted Assets	1,84,75,95,784 / 2,21,09,85,955	83.56%
Percentage of Tier II Capital to Risk Weighted Assets	2,76,37,324 / 2,21,09,85,955	1.25%



RAR FINCARE LIMITED

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

RARFINCARE

RAR FINCARE LIMITED
DIRECTORS' REPORT
TO THE MEMBERS

Dear Members,

RAR FINCARE LIMITED

Chennai - 600017

Your directors have pleasure in presenting the Seventh (7th) Annual Report together with the audited Accounts of the Company for the financial year ended March 31, 2026.

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

(Amount in Lakhs)

PARTICULARS	For the Year ended 31.03.2026(INR)	For the Year ended 31.03.2025 (INR)
Revenue from operations	2629.15	2280.09
Other income	244.83	249.65
Total Revenue	**2873.99**	**2529.73**
Total Expenditure	1251.74	682.27
Profit / Loss Before Tax	**1622.25**	**1847.46**
Current Tax	455.76	466.80
Deferred Tax	(25.28)	0.33
Profit after tax for the year	**1191.78**	**1380.33**
Dividend (including Interim if any and final)	0.00	0.00
Earnings per share (Basic)	**0.80**	**0.92**
Earnings per share (Diluted)	**0.80**	**0.53**

RAR FINCARE LIMITED
New No.33, Old No.8, Venkatesan St., T.Nagar,
CHENNAI-17



2. **REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS - Rule 8(5) (i) of the Companies (Accounts) Rules, 2014:**

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

I. Onward lending Loans(Secured/Unsecured)
II. MSME Loans(Secured/Unsecured)
III. Personal Loans(Secured/Unsecured)
IV. Invoice Discounting
V. LAP & Commercial Vehicle loan

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

During the year under review, the Company has registered an operating profit of Rs. 1622.25 lakhs, as against the operating profit of Rs. 1847.46 Lakhs during the previous year. During the year, the Company continues in line with the business plan approved by the Board of Directors and as duly approved by the Reserve Bank of India.

Further, the Company has received approval from the Reserve Bank of India to commence **Gold Loan** operations. The management is currently in the process of establishing the necessary operational, infrastructural, and regulatory framework to launch this new line of business. This initiative is expected to diversify the Company's product portfolio and contribute positively to its future growth and profitability.

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

- **Asset Quality:** Risk assessment of customers is made at the time of initial appraisal for pricing and granting loans. Your Company also makes a portfolio risk analysis at frequent intervals with its stringent review mechanism. The business had also undertaken a conservative underwriting approach to preserve asset quality during the past year.
- **Transfer to Reserves:** As per Section 45-IC of the Reserve Bank of India Act, 1934, every non-banking financial Company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss and

RAR FINCARE LIMITED
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before any dividend is declared. Accordingly, the Company has transferred an amount of Rs. 238.36 Lakhs in accordance with Section 45-IC of Reserve Bank of India Act, 1934.

- **Dividend:** Your Directors have not recommended any dividend for the year under review with a view to conserve resources.
- **Extract of Annual Return:** As per the Notification No. 1066(E) issued by the Ministry of Corporate Affairs effective on 5th March, 2021 empowering the provisions of the Companies (Amendment) Act, 2017, the requirement of extract of Annual Return pursuant to provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is not being attached. A copy of the Annual Return in Form MGT-7 is made available in the official website of the Company under the below link: https://rarfincare.in/

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

There were no changes in the nature of business of the Company during the financial year under review.

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

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

S. No.	Name of Director	DIN/PAN	Designation	Date of Appointment	Date of Cessation
1.	Mr. Rajendran Govindarajulu	02063138	Director	09/07/2019	-
2.	Mr. Ananthapadmanabhan Rajendran Govindarajulu	01485010	Director	09/07/2019	-
3.	Mr. Radhakrishnan Rajendran Govindarajulu	01711654	Director	09/07/2019	-
4.	Mr. K Parthasarathy	08741210	Independent Director	15/05/2020	-
5.	Mr. R Parthasarathy	02354224	Independent Director	09/05/2022	-
6.	Mr. Meenakshisundaram Ramanathan	07902382	Independent Director	07/10/2022	-
9.	Mr. Jit Bhattacharyya	BUYPB9301C	Company Secretary	15/07/2024	28/06/2025
10.	Mr. T K Karthik	ALNPK4982H	Chief Financial Officer	23/10/2024	-

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New No.33, Old No.8, Venkatesan St., T.Nagar, CHENNAI-17

11.	Mr. Venkatasubramanian Ramanathan	AABPV9781C	Chief Executive Officer	22/04/2022	–
12.	Swaroopa Padmanabhan	06431659	Director	15/09/2023	–
13.	Radhakrishnan Madhavi	06431661	Director	15/09/2023	–
14.	Ms. S. Mahalakshmi	FKHPM7332H	Company Secretary	12/12/2025	–

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

As per Article 58 of the Articles of Association of your Company, Mrs. Swaroopa Padmanabhan, Director is liable to retire by rotation and being eligible offers herself for reappointment at the ensuing AGM. The Directors of the Company have confirmed that they are not disqualified under Section 164(2) of the Companies Act, 2013 as per the declaration given by the Directors of the Company for the financial years 2025-26 and 2026-27.

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

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

S.no	Name of the Director	07.06.2025	29.09.2025	12.12.2025	06.03.2026
1	Mr. Rajendran Govindarajulu	Present	Present	Present	Present
2	Mr. Ananthapadmanabhan Rajendran Govindarajulu	Present	Present	Present	Present
3	Mr.Radhakrishnan Rajendran Govindarajulu	Present	Present	Present	Present
4	Mr. K Parthasarathy	Present	Present	Present	Present
5	Mr. R Parthasarathy	LOA	Present	Present	Present
6	Mr. Meenakshisundaram Ramanathan	Present	Present	Present	Present
7	Swaroopa Padmanabhan	Present	Present	Present	Present
8	Radhakrishnan Madhavi	Present	Present	Present	Present

RAR FINCARE LIMITED New No.33, Old No.8, Venkatesan St., T.Nagar, CHENNAI-17

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

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

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

The Statutory Auditors have not made any qualification, reservation, adverse remark or disclaimer in their report for the Financial Year ended 31st March 2026. The remarks of the Practicing Company Secretary and the comments of the Directors thereon are attached as a separate addendum to this report.

9. **STATUTORY AUDITORS:**

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

Further, R.S Hariharan & Associates, Chartered Accountants, the Statutory Auditors of the Company, have provided the Company their willingness cum consent letter and have also confirmed that there is no pending litigation or order against them or any partner of the Firm. In this regard, the Board recommends their continuation as the Statutory Auditors of the Company.

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

As on **31st March 2026**, the **Authorised Share Capital** of the Company stood at **Rs. 200.00 Crores**, divided into **20,00,00,000 Equity Shares** of Rs. 10/- each. The **Issued, Subscribed and Paid-up Share Capital** of the Company stood at **Rs. 149.75 Crores**, divided into **14,97,50,000 Equity Shares** of Rs. 10/- each.

During the year under review, there was **no change in the Authorised or Paid-up Share Capital** of the Company.

Transmission of Shares

During the year, upon the demise of Mrs. R. Vasanthi, the equity shares held by her were transmitted to her nominee, Mr. G. Rajendran, and credited to his demat account. Mr. G. Rajendran subsequently submitted the

A.K. FINCARE LIMITED
New No.33,
Old No.8,
T.Nagar,
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Last Will and Testament of the deceased, under which the said shares are to be transmitted to her grandsons, Mr. Saashwathraj and Master R.R. Raajendran (Minor). The Board has taken the Will on record, and the process of registering the transmission in accordance with the Will is in progress.

11. RISK MANAGEMENT POLICY:

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

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

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

12. CAPITAL ADEQUACY

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

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES – Section 188(2) & Section 134 (3) (h):

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

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

14. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS – Section 134 (3)(d):

The Independent Directors hold office for the appointed term from the date of their respective date of appointment and are not liable to retire by rotation. The Company has received necessary declaration from each Independent Director of the Company under Section 149 (7) along with declaration under Rule 6 Sub Rule (1) and (2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 of the

R.R. HEALTHCARE LIMITED New No.33, Old No.8, Venkatesan St., T.Nagar, CHENNAI-17

Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149 (6). Also, the Independent Directors are in compliance with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013.

COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES – Section 134 (3) (e):

As your Company has crossed the threshold limit of Rs. 10.00 Crores paid up capital, the Company is required to satisfy the criteria specified under Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014, the provisions of Section 178(1) relating to constitution of Nomination & Remuneration Committee as provided under Section 178 of the Companies Act, 2013. In this regard, the same has been duly constituted as on date of this report. The said policy can be found on the Link https://rarfincare.in/regulatory-disclosures. During the period under review, there were no changes in the policy.

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

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

Your Company as part of the 'vigil mechanism' has in place a 'Whistle Blower Policy', to deal with instances of fraud and mismanagement, if any.

The Whistle Blower Policy has been placed on the website of the Company at https://rarfincare.in/regulatory-disclosures.

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

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

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

RAR FINCARE LIMITED
New No.33,
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- Mr. R Parthasarathy – Chairman (Independent Director)
- Mr. Meenakshisundaram RM – Member (Independent Director)
- Mr. Ananthapadmanabhan G R – Member (Non-Executive Director)
- Mr. Radhakrishnan G R – Member (Non-Executive Director)
- Mr. K Parthasarathy – Member (Independent Director)

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

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

a. Conservation of energy:

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

Technology absorption:

(i)	the effort made towards technology absorption	N/A
(ii)	the benefits derived like product improvement cost reduction product development or import substitution	
(iii)	in case of imported technology (*imported during the last three years reckoned from the beginning of the financial year*)	N/A
	(a) the details of technology imported	
	(b) the year of import;	
	(c) whether the technology been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	

RAR FINCARE LIMITED
New No.33, Old No.8, Venkatesan St., T.Nagar, CHENNAI-17

(iv)	the expenditure incurred on Research and Development	N/A

b. **Foreign exchange earnings and outgo:** *(Amount in Rs. Lakhs*

Particulars	Financial Year ended 31st March 2026	Financial Year ended 31st March 2025
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

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

During the year under review, the Company received an approval from the Reserve Bank of India (RBI) vide its letter No. DoR.CRE.S6425/06-27-001/2025-2026 dated 18th November 2025, permitting the Company to commence gold loan business.

The approval has been granted subject to the following key terms and conditions:

Operational and Governance Separation:

The Company shall abide by all the controls to ensure complete operational, financial, and governance separation from the GRT group companies, as outlined in the Company's letter dated 23rd September 2025, on an ongoing basis.

Non-Preferential Treatment to Group Customers:

The Company shall pass a Board Resolution confirming that no preferential treatment will be offered to customers of the group companies involved in the jewellery business vis-à-vis other borrowers, particularly with regard to loan terms and conditions such as interest rates, repayment schedules, and other related aspects.

Compliance with RBI Directions:

The Company shall comply, on a continuous basis, with the stipulations contained in the RBI's Directions on Lending Against Gold and Silver Collateral, issued vide Notification No. DOR.CRE.REC.26/21.01.023/2025-26 dated June 06, 2025, as amended from time to time.

This approval is a significant regulatory milestone and is expected to enhance the Company's business prospects by enabling diversification of its lending portfolio. The approval does not have any adverse impact on the going concern status or future operations of the Company.

Apart from the above, there were no other significant and material orders passed by any regulators, courts, or tribunals impacting the going concern status of the Company or its future operations during the year under review.

RAR FINCARE LIMITED New No.33, Old No.8, Venkatesan St., T.Nagar, CHENNAI-17

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

The Management is responsible for establishing & maintaining internal controls for financial reporting. During the year under review, an Internal Financial Control Audit was conducted by MS. Sundaram & Srinivasan, Chartered Accountants and no material weaknesses or audit qualifications were observed in respect of the internal financial control system.

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

In addition, the statutory Auditors in their report have also opined that your Company has in all material respects adequate internal financial control systems over financial reporting and such internal financial controls over the financial reporting were operating effectively as at 31st March, 2026.

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

No instance of any fraud has been identified/detected during the financial year ended 31st March, 2026. This is also being supported by the report of the Statutory Auditors of your Company as no fraud has been reported in their audit report for the financial year ended 31st March, 2026 which are neither reportable to the Central Government or otherwise.

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

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

19. **PARTICULARS OF EMPLOYEES:**

Pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the following is the particulars of the employee.



Name of the employee	R. Venkatasubramanian
Designation	Chief Executive Officer
Remuneration received	Rs. 1.09 Crs.
Nature of the employment	Others
Qualification & Experience	M.com, MBA(Exe),M.Phil,CAIIB & 45 Years of experience
Date of commence of employment	27.08.2021
Age	64
Last Employment Held	CGM & COO, City Union Bank
% of equity shares held	Nil
Whether Relative of Director / Manager	No
Name of such Director / Manager (if applicable)	Nil

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

Your directors' confirm:

a) that in the preparation of the Annual Accounts, the applicable Accounting Standards has been followed along with proper explanation in relation to material departures.

b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and the profit of the Company for that year.

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

d) that the Directors have prepared the Annual Accounts on a Going Concern Basis.

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

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

The provisions of Section 135 of the Companies Act, 2013 ("the Act"), read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, continue to be applicable to the Company during the financial year 2025-26.

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The Corporate Social Responsibility Committee ("CSR Committee") of the Board remains in place and is responsible for formulating and monitoring the implementation of the CSR Policy of the Company. The CSR activities undertaken by the Company are guided by this Policy and are aligned with the activities specified under Schedule VII of the Act.

During the financial year 2025-26, the Company was required to spend an amount of INR 21,21,533 towards CSR activities. The Company has spent an amount of INR 21,65,000 on eligible CSR initiatives during the financial year, which includes an excess spend of INR 43,467 over and above the prescribed obligation. The said excess amount shall be eligible to be carried forward for set-off against the CSR obligation of the succeeding financial year(s), in accordance with the provisions of Section 135(5) of the Act read with Rule 7(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014. There is no unspent CSR amount for the financial year 2025-26, and accordingly, the provisions of Section 135(6) of the Act are not applicable.

The Company's CSR initiative focussed on supporting senior citizens through old age homes, providing education support to deserving students from economically weaker sections, fostering holistic development of Patashala institutions, imparting vedic knowledge integrated with modern education through improvement of infrastructure and student facilities and enabling rehabilitation and empowerment programs for person with disabilities.

The break up of the CSR expenditure undertaken is provided thereunder:

Name of the Beneficiary	Amount (₹)
Akshaya Trust	₹5,00,000
Dharma Prabodhana Trust	₹5,00,000
Sri Swayamprakasha Trust	₹3,00,000
Nallur Raja Patasala	₹2,00,000
MUKTI, M S Dadha Foundation	₹5,00,000
Education Support	₹1,65,000
TOTAL	**₹21,65,000**

The Company's CSR initiatives focus on the following key areas:

- Promoting preventive healthcare and making available safe drinking water;
- Promoting education, vocational skills, gender equality, and empowering women, elderly, and differently-abled.
- Promoting education, including special education and employment-enhancing vocational skills, particularly for women;
- Ensuring environmental sustainability and ecological balance.

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The CSR Policy of the Company is available on its website and can be accessed through the following link:

https://rarfincare.in/regulatory-disclosures

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

22. DISCLOSURE UNDER THE SEXUAL HARASSEMENT OF WOMEN AT WORKPALCE (PREVENTION, PROHIBITION AND REDRESSAL) Act, 2013:

Your Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.Your Company has in place a Policy on Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

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

23. MATERNITY BENEFIT UNDER MATERNITY BENEFIT ACT 1961

The Company confirms its compliance with the Maternity Benefit Act, 1961. The Company has established policies in place to ensure that all eligible women employees receive the required benefits, including paid leave, continued salary and service, and post-maternity support such as nursing breaks and flexible work options.

During the financial year under review, there were no eligible women employees who availed or were entitled to maternity benefits under the said Act.

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24. ACKNOWLEDGEMENT:

The Board of Directors of the Company places on record its sincere appreciation for the valuable contribution made by the employees during the year under review. The Directors also express their gratitude to the customers, clients, vendors, and business associates for their continued support and association with the Company. The Board further extends its thanks to the Government Authorities, Banks, Financial Institutions, and Shareholders for their continued co-operation and support.

By order of the Board

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

Place: Chennai

Date:

G. Rajendran

Director

DIN : 02063138

G. R. Radhakrishnan

Director

DIN : 01711654

G. R. Ananthapadmanabhan

Director

DIN: 01485010

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RAR FINCARE LIMITED

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

RARFINCARE

ANNEXURE 1

FORM NO. AOC.2

FORM FOR DISCLOSURE OF PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013 INCLUDING CERTAIN ARMS LENGTH TRANSACTIONS UNDER THIRD PROVISO THERETO

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

a) Name(s) of the related party and nature of relationship:
b) Nature of contracts/arrangements/transactions
c) Duration of the contracts/arrangements/transactions
d) Salient terms of the contracts or arrangements or transactions including the value, if any
e) Justification for entering into such contracts or arrangements or transactions
f) Date(s) of approval by the Board:
g) Amount paid as advances, if any:
h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188.

2. Details of material contracts or arrangement or transactions at arm's length basis:

Nature of contracts	Name of the Party	Relationship	Amount in INR
Rent Paid	G. R Radhakrishnan	Director	₹35, 70,000

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a) Duration of the contracts/arrangements/transactions: On a Going Concern Basis.

b) Salient terms of the contracts or arrangements or transactions including the value, if any: As per rent agreement.

c) Date(s) of approval by the Board, if any:

d) Amount paid as advances, if any: NIL

By order of the Board

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

Place: Chennai

Date: _____

G. Rajendran

Director

DIN : 02063138

G. R. Radhakrishnan

Director

DIN : 01711654

G. R. Ananthapadmanabhan

Director

DIN: 01485010

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