

**ANNUAL
REPORT
2023-24**



**BLOCKING NON-PERFORMANCE.
UNBLOCKING VALUES.**

Reliance Asset Reconstruction Company Limited



Padma Vibhushan
Shri. Dhirubhai Ambani
(28th December, 1932 - 6th July, 2002)
Reliance Group - Founder and Visionary

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OUR VISION

To be the leading player in a healthy and robust financial marketplace targeted at economically beneficial resolution of NPAs, thereby contributing to the growth and development of the economy.





₹ **2,329 Crore, 5.48% ▲ AUM**

₹ **18.62 Crore, 19.43% ▼ PAT in 2023-24**

At Reliance Asset Reconstruction Company Limited (RARC), we are ensuring business growth and unblocking the real value of assets by leveraging intelligent and smart infrastructure capabilities, and strong digital support. Over the years, the Company has built excellence and gained strong expertise in ensuring maximum value creation by unlocking the real value of assets.

WE WORK AS THEIR TURNAROUND SPECIALISTS BY UNBLOCKING THE REAL VALUE.

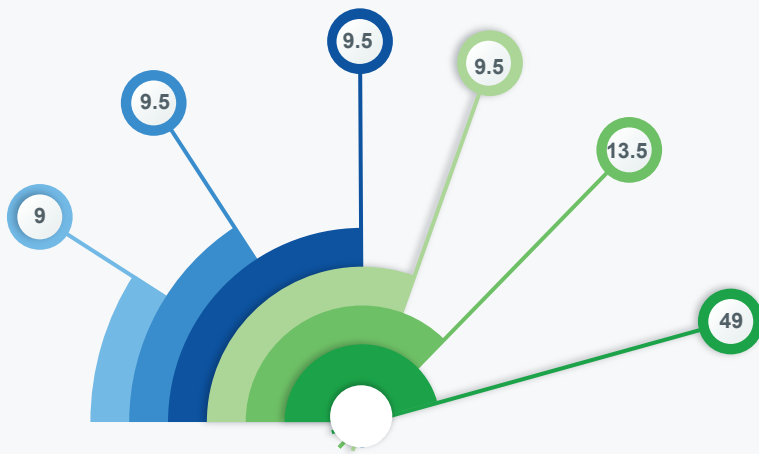
RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED: AT A GLANCE

RARC is a fast-growing Securitisation and Reconstruction company, registered with the Reserve Bank of India (RBI), under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002. Our principal business is to acquire non-performing financial assets from banks/financial institutions, manage them through restructuring, and resolve them in a timebound manner through active interventions.

As on March 31, 2024, we manage a portfolio of ₹2,329 crore and 3,81,117 customers across retail and SME segment. However, the portfolio concentration is high in retail segment (both secured and unsecured asset classes). We are present in all major towns and cities across the country, with a dominant retail presence in South and West. Reliance Capital Limited is our principal sponsor with 49% shareholding and has managing control through the Shareholders Agreement.

77 SPVs

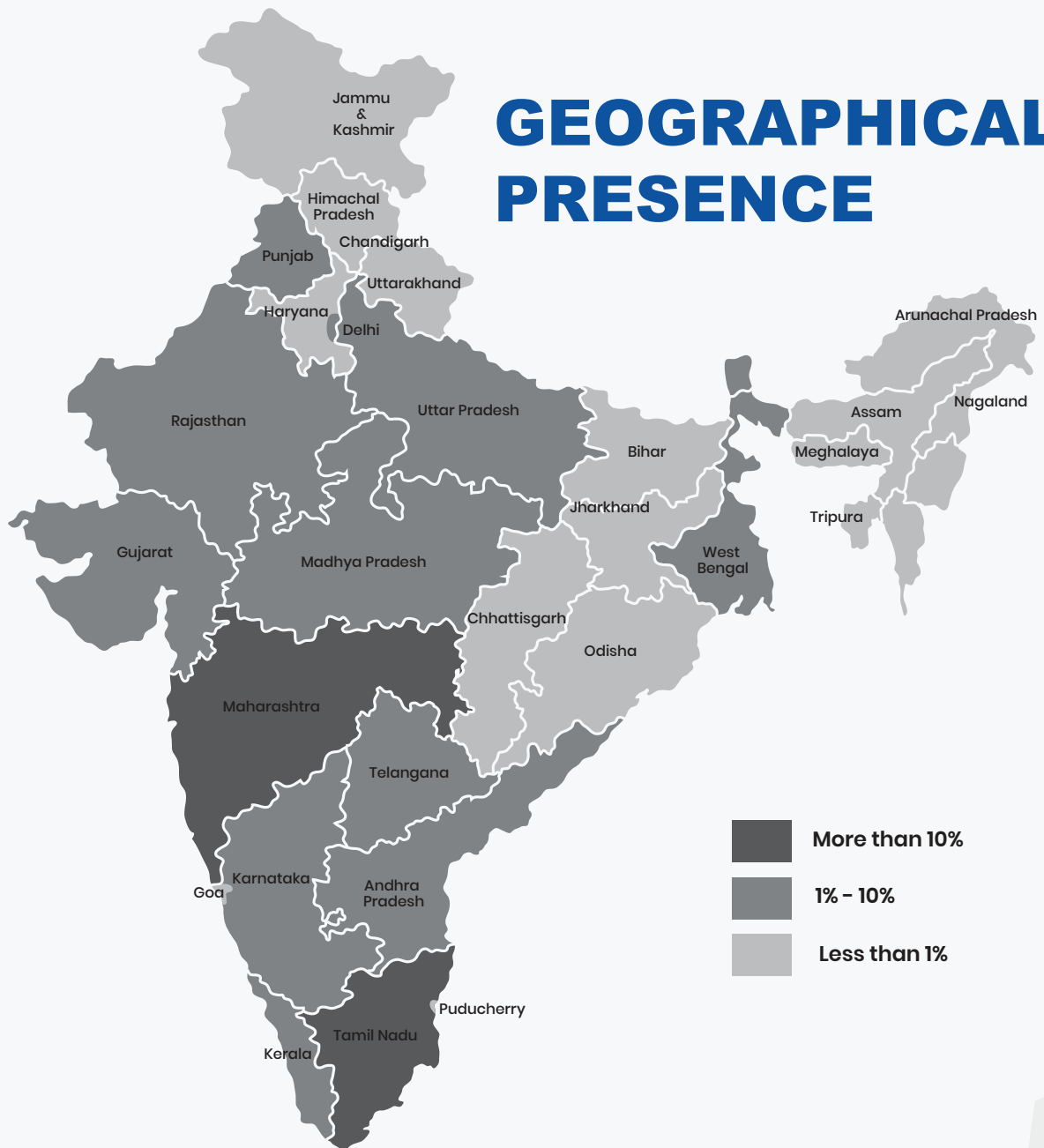
31+ Number of States &
Union Territories



SHAREHOLDING as on March 31, 2024

- 9% GIC of India
- 9.5% Dacecroft Limited
- 9.5% Indian Bank
- 9.5% Union Bank of India
- 13.5% Cosmea Investment Pvt. Ltd. (Formerly known as Cosmea Financial Holdings Private Limited)
- 49% Reliance Capital Limited

GEOGRAPHICAL PRESENCE



RARC has Operating hubs in 7 locations and multiple SPOCs across the country to assist the Resolutions and Recovery Process.

Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features / states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.

BUSINESS SEGMENTS

We follow the segment and product approach while purchasing portfolios. Our infrastructure and risk segmentation approach resonates this strategy. Our focus is to drive efficiency and customer excellence across all products within the segment.

RETAIL AND MSME BUSINESS



This is our niche segment and refers to individual consumer loan accounts with receivables up to ₹5 crore. Typically, these are loan accounts in the mass market segment and includes asset classes such as student loans, retail mortgages, commercial mortgages, vehicle loans, business loans, personal loans, secured term loans, credit cards and other credit facilities (backed by security or otherwise).

SME BUSINESS



These are typically loans taken by borrowers for working capital limits (either term loan or overdraft) which are backed either partially or fully by collateral. We have classified this segment having receivables up to ₹25 crore. There is a significant credit uptick in this segment, which we have noticed historically and remain deeply interested in acquiring, managing and turning around non-performing loans to this customer segment. Loans to SMEs for business operations include asset classes such as mortgage loans, secured term loan, and loan to self-employed professionals.

CORPORATE BUSINESS



These are loan receivables above ₹25 crore lent to corporate and industrial houses with significantly large turnovers across manufacturing segment, power, road infrastructure, EPC, hospitals and real estate.

PRODUCT CATEGORIES



Student Loan

- Retail/MSME

Mortgage Loan

- Retail/MSME
- SME
- Corporate

Vehicle Loan

- Retail/MSME

Credit Cards

- Retail/MSME

Business Loan

- Retail/MSME

Working Capital Collateralised Loan

- Corporate

Unsecured Term Loan

- Retail/MSME

Secured Term Loan

- Retail/MSME
- SME
- Corporate

Loan to Self employed Professionals

- Retail/MSME
- SME

STRATEGIC FOCUS

Our strategic goals and objectives are based on the aspiration to enhance our efficiencies for building quality portfolios by endorsing effective acquisition strategy and smooth resolution process.

Our long-term strategy is to introduce unique and innovative approaches of raising fresh capital for investments at competitive rates for sustaining future acquisitions and also ensuring smooth resolutions. We will continue to explore strategic growth avenues and acquisition opportunities to further strengthen our portfolio. This distinction is expressed in our entrepreneurial culture, which is balanced by a strong risk management discipline, resolution-centric approach and an ability to be agile, flexible and innovative. We aim to build well-defined, value-added business focused on serving the needs of select market niches where we can compete effectively.

HOW ARE WE DISTINCT?



CENTRE OF EXCELLENCE

Retail resolutions are the core of our business

Domain experts help us resolve accounts within acceptable timelines

High level of service by being agile, flexible and innovative



SMART INFRASTRUCTURE

Invested in robust in-house infrastructure for retail resolution

Developed propensity models and scorecards to help prioritisation of calls by the voice agents

Development of digital network /online modes for resolution



SPECIALISED STRATEGY

Serving select market niches as a focused provider of solutions

Enhancing existing position of our business and geographies through constant growth and strategic acquisitions of portfolios



STRONG CULTURE

Strong entrepreneurial culture that stimulates extraordinary performance

Passionate and talented people who are empowered and committed

Depth leadership

Strong risk awareness



SUSTAINABLE BUSINESS

Well-established brand

Managing and positioning the Company for the long term

Cost and risk conscious

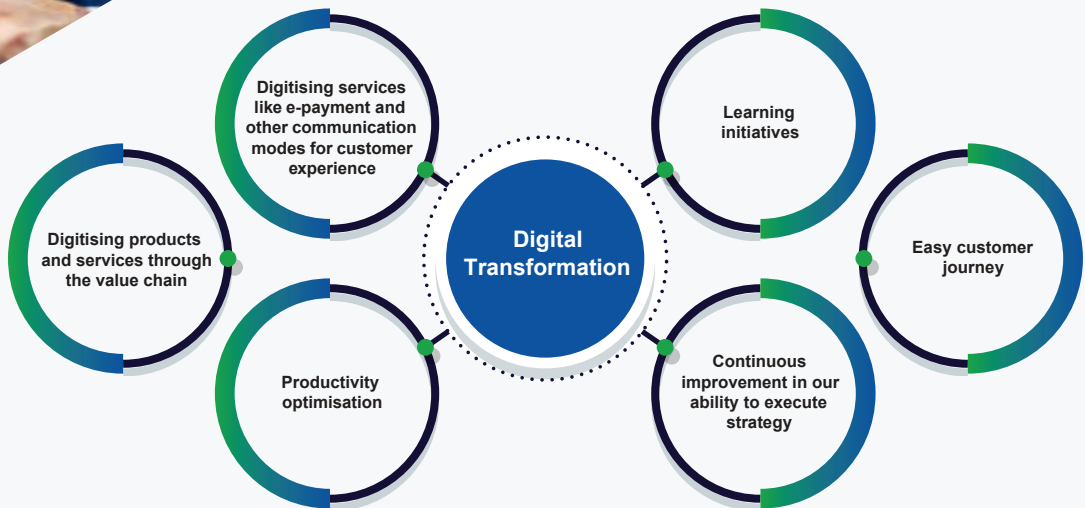


DIGITAL STRATEGY

Technology is both, a business enabler and a catalyst for continuous improvement in executing our strategies in a digital era.

Retail resolutions are the core of our business and our domain experts aid to deliver high level of service and resolve the acquired accounts within reasonable timelines by being agile, flexible and innovative. Our digitalisation strategy is centred on optimisation of our existing portfolios, whilst ensuring we maintain a strong resolution centric focus.

We aim to achieve this through a robust strategy, focusing on improved digital capability, end-to-end internal digitalisation, and strong connectivity into the external business ecosystem.



OPERATIONAL HIGHLIGHTS

Data enhancement and management for smooth customer communication

System advancement for quick and accurate results/output

Ease of communication process for enriched employee productivity

MESSAGE FROM ED & CEO – 2023-24



Strong macroeconomic fundamentals and a sound and stable financial system have supported the sustained expansion of the Indian economy. Moderating inflation, a strong external position and ongoing fiscal consolidation are anchoring business and consumer confidence.



MESSAGE FROM ED & CEO – 2023-24

The global economy faced heightened risks from prolonged geopolitical tensions, elevated public debt and slow progress in the last mile of disinflation. Despite these challenges, the global financial system has remained resilient and financial conditions stable. The Indian economy and the financial system remained robust and resilient, anchored by macroeconomic and financial stability. With improved balance sheets, banks and financial institutions are supporting economic activity through sustained credit expansion.

This year we saw a lot of opportunities in distress asset space during the year for investing. We capitalised on few, leading to diversifying our counterparties and asset classes.

We concluded the financial year with Profit After Tax of Rs 18.63 crore (as compared to Rs 23.11 crore in FY-2023) and Return on Equity of 6.55 % (last year's 8.94%). The Assets Under Management stood at Rs 2,329 crore (Rs 2,208 crore in FY 2023) backed by fresh acquisition to the tune of Rs 351 Crore.

During the year we continue to drive tech-based agenda to strengthen our retail resolution process enabling us to deliver value to our counterparties.

Together towards tomorrow... Mantra that binds RARC.

“Together Towards Tomorrow” is the mantra that binds people at RARC to work towards achieving common organizational goal. The goal to build a longterm profitable and sustainable business with the governing principles around ethics and transparency.

We regularly engage in dialogue with our shareholders and the Board and have always been taking a collective forward-looking position.

We continue to leverage our skills to develop new tech driven platform that will enhance our productivity and prepare us to scale our retail business in future. We continue to give emphasis on technology based analytical tool to scale up our collection process in cost effective manner. Similarly, we continue to invest in domain experts who help us resolve accounts within acceptable timelines.

Emerging ARC Landscape

The value of NPAs acquired by ARCs reached Rs 9.7 trillion as of March 2024 from Rs 8.48 trillion as of March 2023. Cumulative SR Redemption improved from 43% in 2023 to 49% in 2024.

The cumulative redemption rate has been on an increasing trajectory, supported by faster settlement/restructuring due to the deterrent effect of IBC, higher exposure to retail loans & better recovery in recent acquisitions due to lower vintage with better quality assets.

The Gross Non-Performing Assets (GNPA) of Scheduled Commercial Banks (SCBs) declined to a multi-year low of 2.8% as compared to GNPA of 3.9% in March 2023. Despite the reduced GNPA's, there has been growing stress in retail loans/small and medium enterprise (SME) segments leading to increase in the proportion of retail acquisitions and RARC being pioneer in retail ARC space, has a competitive edge to capitalise on the arising opportunities.

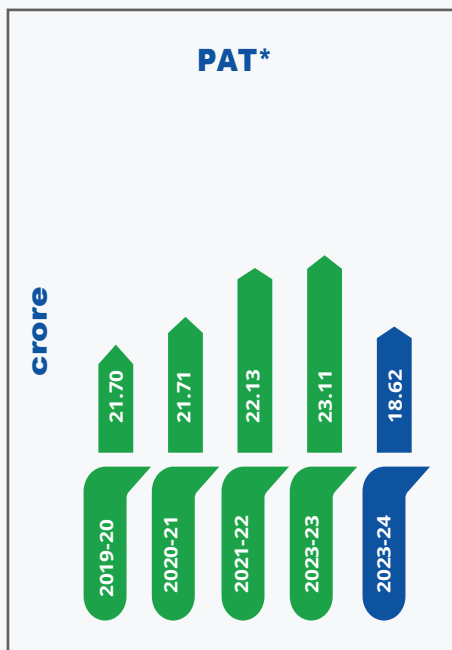
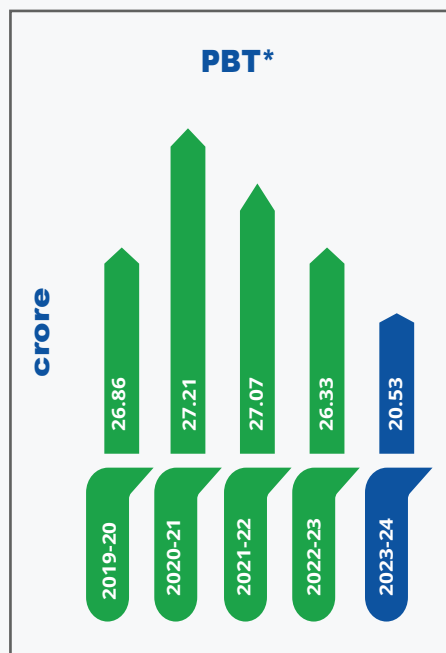
Closing thoughts

In conclusion, I thank all our stakeholders for their support and trust in our abilities. I also extend my appreciation to all our employees and fellow management leaders who have worked relentlessly alongside me while creating shareholders' value. Without their dedication and overwhelming effort, we could not have accomplished what we did this year. We shall continue to build on the lessons learnt, while pursuing our journey towards growth and innovation.

Best Wishes,
Mehul Gandhi
Executive Director & CEO

FINANCIAL HIGHLIGHTS

₹ PROFIT & LOSS METRICS

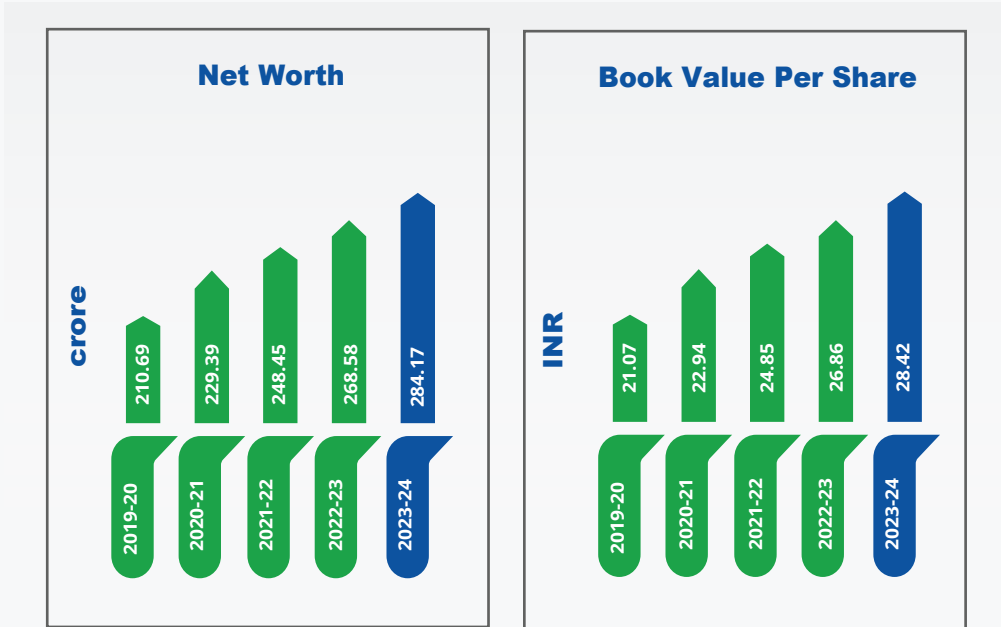


* EBITDA: Earnings Before Interest Tax Depreciation and Amortisation

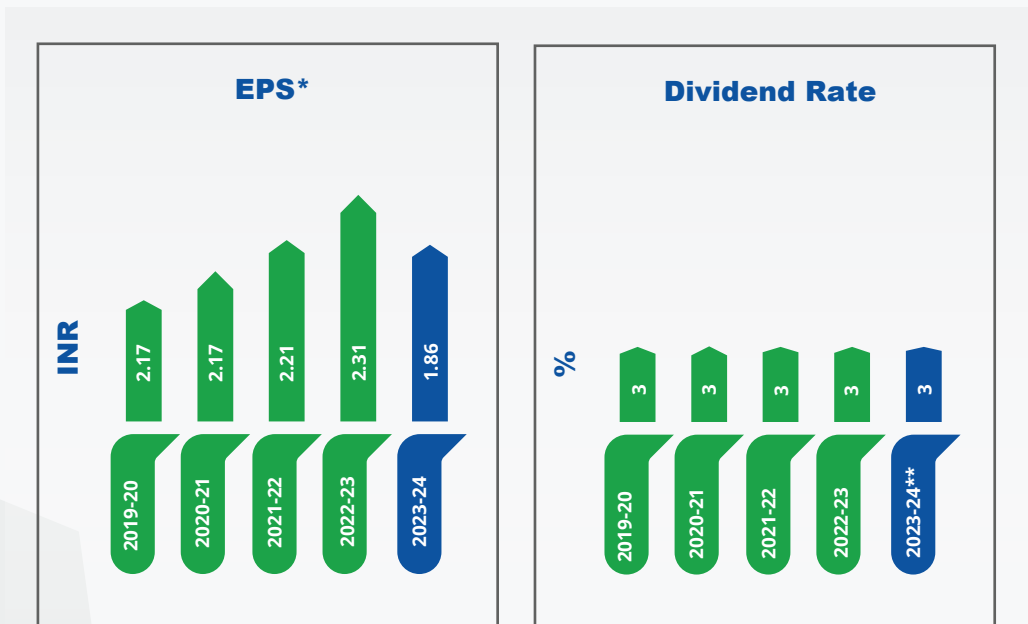
* PBT: Profit Before Tax

* PAT: Profit After Tax

BALANCE SHEET METRICS



SHAREHOLDER METRICS



* EPS: Earning Per Share

** Proposed dividend for FY 2023-24

BOARD OF DIRECTORS AS ON MARCH 31, 2024



Mehul Gandhi

Executive Director & CEO

Mehul Gandhi is a Chartered Accountant and has over 20 years of rich and diverse experience in ARC industry handling Financial and Management Reporting, Business Strategy, Formulation of Policies, Operations, Compliance, Internal Controls and System Implementation. He has been working with RARC since April 2017 and was responsible to oversee Finance, Accounts, Taxation, Budgeting, Operations and MIS for both RARC and its Trusts in his previous role as COO/CFO. Prior to RARC, he has worked with organisations like Edelweiss Asset Reconstruction Company Limited as Chief Financial Officer, International Asset Reconstruction Company India (P) Ltd. and ARCIL at different roles for over 10 years.

Aman Gudral

Non-Executive Director
Nominee of Reliance Capital Limited

Mr. Aman Gudral is Chief Financial Officer at Reliance Capital Limited. Mr. Gudral, holds a master's degree in management from JBIMS, Mumbai and bachelor's degree in engineering from PEC, Chandigarh. He is a CFA charter holder and has over 15 years of work experience. He has been with Reliance Capital group for over 8 years. In the past, he has worked with organizations like KPMG and Indiabulls Housing Finance Limited



BOARD OF DIRECTORS AS ON MARCH 31, 2024



Amrita Nautiyal

Independent Director

Ms. Amrita DC Nautiyal is a Fellow Member of the Institute of Company Secretaries of India (ICSI) and completed her PG Diploma in Business Management from Narsee Monjee Institute of Management Studies (NMIMS), LL.B. and B. Com from Mumbai University. Ms. Amrita DC Nautiyal serves as Independent Director of Cipla Health Ltd., Jay Precision Pharmaceuticals Private Ltd., Gandhar Oil Refinery (India) Ltd. Little Internet Private Limited, Riverside Industries Limited and Reliance Asset Reconstruction Company Limited. Ms. Amrita DC Nautiyal was the Chairperson of the Western India Regional Council of the Institute of Company Secretaries of India (WIRC - ICSI) in 2023 and is currently serving as the regional council member for 2023- 2027. Founder of Amrita Nautiyal and Associates she has more than two decades of experience in secretarial, legal, and compliance functions. She is also associated with charitable institutions including the Cipla Foundation, Cancer Aid & Research Foundation, Narayan Sewa Sanstha, St. Catherine's Home and The Little Sisters of the Poor in India.

Deena Mehta

Independent Director

Deena Mehta is a Chartered Accountant, Master's in Management Studies(Finance) and Fellow Member of Securities and Investment Institute London. She is the promoter of Asit C Mehta group of companies. She is on the Board of Reliance Asset Reconstruction Company Limited, Magma Housing Finance Limited, Fino Payments Bank Limited as Independent Director. She has been former President of Stock Exchange Mumbai and has the honour of being the first woman Director on Board of BSE as well as first woman President. She is the promoter director of Central Depository Services Ltd. as well as South Asian Federation of exchanges, the association of stock exchanges of SAARC countries. She has been an invitee to International Securities Regulators Organization, and member of Index Committee and Advisory Committee on Mutual Funds of Stock Exchange, Mumbai and a member of SEBI Committees such as Review of Eligibility (CORE) norms of SEBI, Derivative Committee, Delisting Committee, Ethics Committee and Investor Education.



BOARD OF DIRECTORS AS ON MARCH 31, 2024



Dr. R. B. Barman

Independent Director

Dr. R. B. Barman is the former Chairman of National Statistical Commission, and also Chairman of Technology Committee of Insolvency and Bankruptcy Board of India, Government of India. Barman is a Member of State Innovation and Transformation Aayog, Government of Assam. He is associated with the National Payment Corporation of India, Companies and Academic Institutions as Adviser, Director and Adjunct Faculty. Barman is former President of The Indian Econometric Society and former Vice Chairman of the Irving Fisher Committee on Central Bank Statistics, BIS, Basel. As an Executive Director of Reserve Bank of India, he left his mark on modernization of payment system of India. Barman is a leading expert in the area of Business Intelligence.

TOP MANAGEMENT AS ON MARCH 31, 2024



Mehul Gandhi

Executive Director & CEO

Mehul Gandhi is a Chartered Accountant and has over 20 years of rich and diverse experience in ARC industry handling Financial and Management Reporting, Business Strategy, Formulation of Policies, Operations, Compliance, Internal Controls and System Implementation. He has been working with RARC since April 2017 and was responsible to oversee Finance, Accounts, Taxation, Budgeting, Operations and MIS for both RARC and its Trusts in his previous role as COO/CFO. Prior to RARC, he has worked with organisations like Edelweiss Asset Reconstruction Company Limited as Chief Financial Officer, International Asset Reconstruction Company India (P) Ltd. and ARCIL at different roles for over 10 years.

Rakesh Panjwani

Chief Financial Officer

Rakesh Panjwani is a Chartered Accountant with over 16 years of rich and diverse experience in ARC & other financial services industry. His expertise lies in handling Financial and Management Reporting, Direct & Indirect Tax, Formulation of Policies, Compliance, Internal Controls and System Implementation. Prior to joining RARC, Rakesh has worked with organisations like Aditya Birla ARC, International Asset Reconstruction Company, Kotak Life Insurance, Dhanlaxmi Bank and ICICI Bank at different roles.



Vinod S. Pawaskar

Head -Legal

Vinod Pawaskar is an experienced legal professional with over 40 years of experience. His expertise lies in handling legal cases, especially the Recovery Laws like SARFAESI Act, RDDB & FI Act, Negotiable Instrument Act etc. and is well acquainted with the Commercial Laws, Property Laws and Land Acquisition Laws etc. Being Head - Legal at RARC, he is responsible for all the legal actions required in recovery of Corporate and SME accounts. Vinod holds a bachelor's degree in Commerce as well as Law, from the University of Mumbai. Prior to joining RARC, he has worked in various expanses of law with Government of India, Department of Atomic Energy in Land Acquisition and Legal Department, on deputation with Ministry of Finance in Debt Recovery Tribunal, Mumbai and with ARC viz. ASREC (India) Ltd.



TOP MANAGEMENT AS ON MARCH 31, 2024



Zaheer Akthar Hussain

Head – Retail Resolution

Zaheer Akthar Hussain has over 21 years of rich & diverse experience in Collections & Debt Management. He holds an Executive certification in Applied Financial Risk Management from IIM - Kashipur. He is with Reliance Capital Group Companies since 2012. Prior to Reliance Capital group he served with other organisations like Future Capital Financial Services, India Bulls Financial Services, ICICI Bank, Escorts Financial Services & GE Countrywide Financial Services.

Dipanjali Nagpal

Company Secretary & Compliance Officer

Dipanjali Nagpal is a qualified company secretary with more than 9 years of work experience. Her expertise includes due diligence, corporate legal advisory, stakeholder management, corporate governance, operations and audit. Previously she worked with Vinod Kothari & Company as an Associate and Suraksha Asset Reconstruction Limited as the Company Secretary and Compliance Officer. The blend of academic understanding and practical expertise is her forte. She is an arts graduate with specialisation in Mathematics and Economics from Lady Shri Ram College for Women.



Board's Report

Dear Shareowners,

The Board of Directors ("the Board") of Reliance Asset Reconstruction Company Limited ("your Company" or "the Company") is pleased to present the 18th Annual Report and the Audited Financial Statements (Consolidated and Standalone) of your Company for the financial year ended March 31, 2024 ("year under review").

Financial Performance and State of Company's Affairs

The financial performance of the Company for the financial year ended March 31, 2024 is summarised below:

Particulars	Consolidated		Standalone	
	2023-24	2022-23*	2023-24	2022-23*
Total revenue	72.63	76.25	67.66	72.83
Total expenditure	47.33	62.94	47.13	46.50
Profit before Tax	25.30	13.31	20.53	26.33
Less: Tax expenses	2.07	2.12	1.91	3.22
Profit after Tax	23.23	11.19	18.62	23.11
Other Comprehensive Income / (Loss)	-0.03	0.02	-0.03	0.02
Total Comprehensive Income / (Loss)	23.20	11.21	18.59	23.13
Earning per Share (in Rs.) (Face value of Rs. 10/- each)				
Basic	2.27	1.41	1.86	2.31
Diluted	2.27	1.41	1.86	2.31

(* Figures of previous year have been rounded off, regrouped and reclassified, wherever necessary.

FINANCIAL STATEMENTS

The Audited Financial Statements of the Company, both Standalone and Consolidated, have been prepared in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Accounts) Rules, 2014, the Companies (Indian Accounting Standards) Rules, 2015, other relevant provisions of the Act and the Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 (as amended from time to time) and other guidelines, directions and notifications issued by the Reserve Bank of India.

FINANCIAL PERFORMANCE

The Company's Asset Under Management as on March 31, 2024 increased to Rs 2329 Cr. from Rs. 2,208 Cr in the previous year. The gross income of the Company for the year under review decreased by 7% to Rs 67.66 Cr. from Rs. 72.83 Cr in the previous year.

The net profit for the year has decreased by 19 % to Rs 18.62 Cr. from Rs 23.11. in the previous year.

TRANSFER TO RESERVES

The Company has not transferred any amount to any reserve during the year under review.

DIVIDEND

Your Directors have recommended a dividend of Rs. 0.30 (3%) per equity share of Rs. 10/- each aggregating to Rs. 3 Cr. for

the year under review, which if approved at the ensuing 18th Annual General Meeting ("AGM") will be paid to those Equity shareholders whose name appear in the register of members as on the date of AGM.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the year under review is presented in a separate section forming part of this Annual Report.

SHARE CAPITAL

The Company's issued, subscribed and paid-up Equity share capital stood at Rs. 100 Cr. as on March 31, 2024 comprising of 100,000,000 Equity shares of Rs. 10/- each. You Company has not issued any shares during the year under review.

CAPITAL ADEQUACY RATIO

Your Company's Capital to Risk Assets Ratio stood at 66.41 % (previous year 66.35%, post considering fair value gain net of tax) as calculated as per the Reserve Bank of India guidelines. Your Company has adequate assets to leverage the existing capital for higher levels of borrowings. However, since the cashflows of the business are unpredictable, the Company has adopted conservative approach with regards to external borrowings.

DEPOSITS

Your Company has not accepted any deposits from the public during the year under review in accordance with Section 73 of the Act read with the rules framed thereunder.

Boards' Report (Contd.)

PARTICULARS OF LOANS, GUARANTEES, SECURITIES OR INVESTMENTS

Disclosures relating to loans, advances and investments as on March 31, 2024 are given in the Notes to the Financial Statements. There are no guarantees issued of security provided by your Company in terms of Section 186 of the Act, read with the rules framed thereunder.

HOLDING, SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

Your Company does not have any holding, subsidiary, joint venture or associate companies. However, your Company prepares Consolidated Financial Statements to include accounts of certain trusts as per Ind AS.

DIRECTORS

As on March 31, 2024, the Board of your Company comprised of 5 (Five) Directors including 1 (One) Executive Director, 1 (One) Non-Executive Nominee Directors and 3 (Three) Independent Directors. Your Directors on the Board possess experience and competency and are renowned in their respective fields. All the Directors are liable to retire by rotation except Independent Directors.

Change in Directors

Resignation of Shri Sudarshana Bhat, nominee Director of Union Bank of India

During the year under review, Shri Sudarshana Bhat [DIN: 08476726], nominee Director of Union Bank of India, resigned as Director on the Board of the Company w.e.f. September 20, 2023 consequent to cessation of Union Bank of India as sponsor of the Company.

Appointment of Ms. Amrita DC Nautiyal, Independent Director

During the year under review, Ms. Amrita DC Nautiyal [DIN: 00123512], appointed as an Independent Director on the Board of the Company w.e.f. March 21, 2024.

Retirement by Rotation

In terms of the provisions of the Act and the Articles of Association of the Company, Shri Aman Gudral [DIN: 08822974], Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing AGM. The information pertaining to Shri Aman Gudral, as required to be disclosed under the Act, has been provided in the notice convening the AGM of the Company.

Declaration by Independent Directors

Your Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed in the Act.

KEY MANAGERIAL PERSONNEL

As on March 31, 2024, Shri Mehul Gandhi, Executive Director & CEO, Shri Rakesh Panjwani, Chief Financial Officer and Ms. Dipanjali Nagpal, Company Secretary & Compliance Officer were Key Managerial Personnel of the Company pursuant to the provisions of the Act.

EVALUATION OF DIRECTORS, BOARD AND COMMITTEES

Directors are chosen by applying fit and proper criteria based on the Reserve Bank of India guidelines and after receiving approval from the Reserve Bank of India. The Nomination and Remuneration Committee of the Company has devised a policy and framework for performance evaluation of individual directors, the Board and its Committees.

Pursuant to the said policy and provisions of the Act, the Board has carried out an annual performance evaluation of its own performance, its committees and individual directors.

For the aforesaid purpose, a formal evaluation mechanism has been adopted for evaluating the performance of the Board, the Committee(s) thereof and individual Directors. The evaluation is based on criteria which include, among others, providing strategic perspective, Chairmanship of Board Meetings and Committee(s) Meetings, attendance, time devoted and preparedness for the Meetings, quality, quantity and timeliness of the flow of information between the Board Members and the Management, contribution at the Meetings, effective decision making ability, role and effectiveness of the Committee(s).

A separate meeting of the Independent Directors was also held on March 18, 2024 for the evaluation of the performance of non-independent Directors and performance of the Board as a whole.

POLICY ON APPOINTMENT AND REMUNERATION FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT EMPLOYEES

The Nomination and Remuneration Committee of the Board has devised a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Employees and their remuneration. The Committee has formulated the criteria for determining qualifications, positive attributes and independence of a Director, which has been put up on Company's website at <https://www.rarcl.com/PDF/Policy-on-appointment-of-Director-KMPS-and-Senior-Management.pdf>

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(5) of the Act, with respect to Directors' Responsibility Statement, it is hereby confirm that:

- i. In the preparation of the annual financial statement for the financial year ended March 31, 2024, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;

Boards' Report (Contd.)

- ii. 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 as at March 31, 2024 and of the profit of the Company for the year ended on that date;
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors had prepared the annual financial statements for the financial year ended March 31, 2024 on a 'going concern' basis;
- v. The Directors had laid down proper internal financial controls to be followed by the Company and such financial controls are adequate and are operating effectively; and
- vi. 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 .

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered into/ by the Company during the year under review with related parties were on an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons, which may have a potential conflict with the interest of the Company at large.

All related party transactions were placed before the Audit Committee and also the Board for its approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which were repetitive in nature.

The transactions entered into pursuant to the omnibus approval so granted were reviewed and statement giving details of all the related party transactions were placed before the Audit Committee and the Board on a quarterly basis.

Your Directors draw attention of the members to Note No. [2.41] to the Standalone Financial Statement which sets out related party disclosures.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.

CHANGE IN NATURE OF BUSINESS

During the year under review, there has been no change in the nature of business of the Company.

MEETINGS OF THE BOARD

The Board of your Company meets at regular intervals to discuss and decide on the Company's performance, strategies and various other matters. During the year under review, the Board met 9 times on April 25, 2023, July 24, 2023, July 31, 2023, August 14, 2023, September 12, 2023, October 23, 2023, December 26, 2023, January 19, 2024 and March 22, 2024.

COMMITTEES OF THE BOARD

Audit Committee

Your Company has a qualified and independent Audit Committee, which acts as a link between the Management, the Statutory and Internal Auditors and the Board. Its composition, powers, role and scope are in accordance with the applicable provisions of Section 177 of the Act. All the Members of the Audit Committee are financially literate. The constitution of the committee as on 31.3.2024 is as follows:

Ms. Deena Mehta	- Independent Director
Dr. R B Barman	- Independent Director
Mr. Aman Gudral	- Non-executive Nominee Director of Reliance Capital

During the year under review, four Audit Committee Meetings were held on April 25, 2023, July 24, 2023, October 23, 2023 and January 19, 2024. All the recommendations made by the Audit Committee were accepted by the Board.

Nomination and Remuneration Committee

The composition and terms of reference of the Committee is in line with the applicable provisions of Section 178 of the Act. The Committee is mainly entrusted with the responsibility of formulating criteria for determining the qualifications, positive attributes and independence of the present and proposed Directors as well as recommending a policy to the Board relating to the remuneration of Directors, Key Managerial Personnel and Senior Management Personnel. The constitution of the committee as on 31.3.3024 is as under:

Ms. Deena Mehta	- Independent Director
Dr. R B Barman	- Independent Director
Mr. Aman Gudral	- Non-executive Nominee Director of Reliance Capital

During the year under review, Nomination and Remuneration Committee Meetings were held 3 times on April 25, 2023, July 31, 2023 and January 19, 2024.

Corporate Social Responsibility ("CSR")

The Company has constituted a CSR Committee in compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The constitution of the committee as on 31.3.3024 is as under:

Boards' Report (Contd.)

- Ms. Deena Mehta - Independent Director
 Dr. R B Barman - Independent Director
 Mr. Mehul Gandhi - Executive Director and
 Chief Executive Officer

During the year under review, the CSR Committee met on January 19, 2024.

The CSR Committee has formulated a Corporate Social Responsibility Policy ("CSR Policy") indicating the activities to be undertaken by the Company. The CSR policy may be accessed on the Company's website at the link: https://www.rarcl.com/PDF/Group_CSR_Policy_Document.pdf

Further, the CSR report as per Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as **Annexure - A** to this Report.

Investment Committee

The Board of your Company has constituted an Investment Committee to evaluate and approve acquisition and / or resolution of financial assets. The Investment Committee of the Company consists of the following as on 31.3.2024:

- Ms. Deena Mehta - Independent Director
 Dr. R B Barman - Independent Director
 Shri Mehul Gandhi - Executive Director and Chief Executive Officer

During the year under review, the Investment Committee met on April 25, 2024

Review Committee for Declaration of Wilful Defaulters

The Board has constituted a committee to consider and declare wilful defaulter in accordance with the guidelines and directions issued by the Reserve Bank of India. The committee consists of the following as on 31.3.2024 :

- Ms. Deena Mehta - Independent Director
 Dr. R B Barman - Independent Director
 Shri Mehul Gandhi - Executive Director and Chief Executive Officer

During the year under view, there were no meeting of the Review Committee for Declaration of Wilful Defaulters

RISK MANAGEMENT

The Company has laid down a robust Risk Management Policy, defining Risk profiles involving strategic, technological, operational, financial, organisational, legal and regulatory risks within a well-defined framework.

The Risk Management Policy acts as an enabler of growth for the Company by helping its businesses to identify the inherent risks, asses, evaluate and monitor these risks continuously and undertake effective steps to manage these risks. The constitution of the committee as on 31.3.3024 is as under :

- Ms. Deena Mehta - Independent Director
 Dr. R B Barman - Independent Director
 Shri Mehul Gandhi - Executive Director and Chief Executive Officer

During the year under review, the Risk Management Committee met 4 times on April 25, 2023, July 24, 2023, October 23, 2023 and January 19, 2024.

CORPORATE GOVERNANCE

Corporate Governance as practiced by your Company translates into being fair, transparent, following sound and straightforward business principles, fulfilling its duties to the various stakeholders, and most importantly, making integrity an article of faith across all its operations.

Your Company's corporate governance framework is based on an effective independent Board, the separation of the Board's supervisory role from the Management and the constitution of Board committees comprising a majority of Independent Directors to overview critical areas and functions.

Your Company has constituted various committees of the Board, the details whereof has been provided herein above in this Report.

AUDITORS

Statutory Auditors, their report and notes to Financial Statements

M/s. Pathak H. D. & Associates LLP, Chartered Accountants have been re-appointed as Statutory Auditors of the Company for a second term of 5 years from the conclusion of the 16th Annual General Meeting till conclusion of 21st Annual General Meeting (i.e. from FY 2022-2023 to FY 2026-27)

Pursuant to the amendments to Section 139 of the Act vide the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification by the members for appointment of the Statutory Auditors have been done away with. In view of the same, ratification by the members of the Company for continuing appointment of M/s. Pathak H. D. & Associates LLP as Statutory Auditors of the Company is not being sought at the AGM. Accordingly, M/s. Pathak H. D. & Associates LLP shall continue to be the Statutory Auditors of the Company for Financial Year 2024-25.

Boards' Report (Contd.)

The Notes on financial statements referred to in the Statutory Auditors' Report are self-explanatory and do not call for any further comments. The Statutory Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

Secretarial Auditors

Pursuant to the requirements of Section 204(1) of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Aashish K. Bhatt & Associates, Practising Company Secretaries to conduct the Secretarial Audit for the year under review. The Secretarial Audit Report in Form MR-3 for the year under review as received from the Secretarial Auditors is attached as **Annexure - B** to this report.

The aforesaid Secretarial Audit Report does not contain any qualifications.

None of the above observations has any material adverse effect on the financial statement or on the functioning of the Company.

Cost Auditors

The provisions of cost audit as prescribed under Section 148 of the Act are not applicable to the Company.

SECRETARIAL STANDARDS

During the year under review, your Company has complied with the applicable Secretarial Standards issued by the Institute of the Company Secretaries of India.

ANNUAL RETURN

As required under Section 134(3) (a) of the Act, the Annual Return of the Company for the year under review is placed on the Company's website and the same can be accessed at: <https://www.rarcl.com/>

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company is an Asset Reconstruction Company and does not involve in any manufacturing activity and the Company's activities involve very low energy consumption. The information, as applicable, has been provided in **Annexure - C** forming part of this Report.

OMBUDSPERSONS & WHISTLE BLOWER (VIGILMECHANISM)

Your Company has formulated and implemented an Ombudspersons & Whistle Blower (Vigil mechanism) framework to address the genuine concerns, if any, of the Directors and employees. The policy is available on the website of the Company at the link https://www.rarcl.com/PDF/Ombudsperson_and_Whistleblower_Policy.pdf.

The vigil mechanism is overseen by the Audit Committee.

POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Your Company is committed to uphold and maintain the dignity of woman employees and it has in place a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. As per the requirement of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act") and rules made thereunder, the Company has formed Internal Complaints Committee to address complaints pertaining to sexual harassment in accordance with the POSH Act.

During the year under review, there were no complaints received / cases filed under the POSH Act.

OTHER DISCLOSURES

In terms of the applicable provisions of the Act, your Company discloses that during the year under review:

- i. There was no issue of any shares (including sweat equity shares) of the Company;
- ii. There was no scheme for provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees; and
- iii. There were no significant or material orders passed by any regulators or any Hon'ble courts or tribunals which impact the going concern status and Company's operations in future.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company has in place adequate internal financial controls across the organisation commensurate with the size of its operations. The same is subject to periodic review by the Internal Auditors for its effectiveness. During the year under review, such controls were tested and no reportable material weakness in the design or operation was observed.

ACKNOWLEDGEMENTS

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from shareholders, bankers, regulatory authorities and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the year under review.

For and on behalf of the Board of Reliance Asset Reconstruction Company Limited

Mehul Gandhi
Executive Director & CEO
[DIN: 08584229]

Aman Gudral
Non-Executive Director
[DIN: 08822974]

Date: 20.08.2024

Boards' Report (Contd.)

ANNEXURE - A

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2023 -2024

[Pursuant to Clause (o) of Sub-section (3) of Section 134 of the Act and the Companies (Corporate Social Responsibility) Rules, 2014]

1. Brief outline on the CSR Policy of the Company:

The Company has a robust CSR Policy. As per the said policy, all our efforts are focused towards two goals: building a great enterprise for the stakeholders and a great future for our country.

Our approach is to interweave social responsibility into the Company's mainstream business functions through translating commitments into policies, which not only drive all employees but influence and mobilise stakeholders,

especially partners and suppliers, to embrace responsible business practices in their respective spheres of action.

The policy affirms business objectives and strategy along with our commitment to preserve natural resources and augment the growth and development of employees and families, the communities we operate in, suppliers/vendors, and our investors. Through the social policy manual, the Company seeks to engage with all the stakeholders, using it as a reference or guideline for all stakeholders and practitioners.

2. Composition of CSR Committee (as reconstituted by the Board)

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Deena Mehta	Independent Director	1	1
2	Dr. R. B. Barman	Independent Director	1	1
3	Mr. Mehul Gandhi	Executive Director and CEO	1	1

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company:

<https://www.rarcl.com>

4. Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

Not Applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Nil

6. Average net profit of the company as per section 135(5):
Rs. **30,56,96,415**

7. (a) Two percent of average net profit of the company as per section 135(5): Rs. **61,13,929**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial

Years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c):
Rs. **61,13,929**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year 2023-2024 (Rs. in crore)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.

Boards' Report (Contd.)

ANNEXURE - A

(b) Details of CSR amount spent against ongoing projects for the financial year: Nil

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Project Duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
-												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project		Amount spent for the project	Mode of implementation Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1	The Yoga Institute	Eradicating hunger, poverty and malnutrition	Yes	Maharashtra	Mumbai	3,00,000	No	N.A.	CSR00019542
2	The Children Aid Society	Promoting health care	Yes	Maharashtra	Mankhurd, Mumbai	4,17,929	No	N.A.	CSR00010533
3	Nirman Samajik Sanstha Devhare	Rural development project	Yes	Maharashtra	Village Devhare, Tal. Mandangad, Jilha. Ratnagiri,	25,06,000	No.	N.A.	CSR00027719
4	Arsha Vidya Mandir	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Yes	Gujrat	Vadodara	3,84,000	No.	N.A.	CSR00046529

Boards' Report (Contd.)
ANNEXURE - A

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project		Amount spent for the project	Mode of implementation Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
5	Adhaar Charitable Trust	Promoting health care	Yes	Maharashtra	Across districts of Maharashtra	25,06,000	No	N.A.	CSR00059390

- (d) Amount spent in Administrative Overheads - Nil
- (e) Amount spent on Impact Assessment, if applicable – Not Applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) – Rs. **6,113,929**
- (g) Excess amount for set off, if any - Nil

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	NIL
(ii)	Total amount spent for the Financial Year	NIL
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9 (a) Details of Unspent CSR amount for the preceding three financial years: Nil

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
N.A.							

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): - Nil

Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
N.A.								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). – N/A
Not Applicable

Boards' Report (Contd.)

ANNEXURE - A

- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
- 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).**

– Not Applicable

Mehul Gandhi (Executive Director & CEO)	Aman Gudral (Non-Executive Director)
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Boards' Report (Contd.)

Annexure B

Form No. MR-3
Secretarial Audit Report
For the financial year ended March 31, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Reliance Asset Reconstruction Company Limited,
 11th Floor, North Side R-Tech Park,
 Western Express Highway,
 Goregaon East, Mumbai - 400063.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **Reliance Asset Reconstruction Company Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the financial year ended March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on March 31, 2024, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder for compliance in respect of Foreign Direct Investment. No Overseas Direct Investment and External Commercial Borrowings are pursued;
- v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable: -
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

I have also examined compliances with applicable clauses of the following:

- i. Secretarial Standards issued by the Institute of the Company Secretaries of India pertaining to the General Meeting, Board of Directors and Committee Meetings Viz. Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") – Not Applicable

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I further report that, based on the compliance mechanism established by the Company which has been verified on test-check basis and compliance report submitted to and taken on record by the Board of Directors of the Company, we are of the opinion that the Company has complied with the following laws applicable specifically to the Company:

- a) The Reserve Bank of India Act, 1934 and its Circulars,

Boards' Report (Contd.)

Annexure - B

Master Directions, Master Circulars, Notifications and Guidelines issued thereunder and to the extent applicable pertaining to Asset Reconstruction Companies.

- b) The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as amended and the Rules, Circulars, Notifications and Guidelines issued thereunder and to the extent applicable to the Company.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive Directors and Independent Directors. Further, the changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice, agenda and detailed notes have been given to all Directors to schedule the Board Meetings at least seven days in advance or on a shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The decisions at Board and Committee meetings are carried out and recorded in the minutes of the Board of Directors and Committee(s) of the Board accordingly.

I have relied on the representation made by the Company and further report that there are adequate systems and processes in the Company commensurate with its size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has undertaken event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- (i) Board approval for issuance of Non-Convertible Debentures on revised terms;
- (ii) Declaration and payment of Dividend for FY 22-23;
- (iii) Transfer of 20,00,000 Equity Shares of the Company from Union Bank of India to Cosmea Financial Holdings Private Limited pursuant Reserve Bank of India (RBI) approval letter dated July 27, 2023 resulting in cessation of Union Bank of India as sponsor of the Company;
- (iv) Approval from RBI for change in sponsor of the Company vide its letter dated March 18, 2024 and subsequent transfer

of 49% shareholding of the Company held by Reliance Capital Limited (RCL) to Aasia Enterprises LLP pursuant to the Corporate Resolution Process of RCL under the Insolvency and Bankruptcy Code, 2016 and declaration of IndusInd International Holdings Limited (IIHL) as successful resolution applicant. However, subsequent to further correspondence on the matter it has been intimated to the Reserve Bank of India that the approval is not required anymore due to changes in the transaction structure for implementing the resolution plan for Reliance Capital Limited under the Insolvency and Bankruptcy Code, 2016. The same has been acknowledged by the RBI vide email dated July 25, 2024.

- (v) Re-constitution of various committees;
- (vi) Constitution and delegation of powers to Debenture committee from time to time;
- (vii) Appointment and resignation of Nominee Director of Union Bank of India;
- (viii) Appointment of Ms. Amrita Nautiyal as an Additional Independent Director w.e.f. March 21, 2024 as approved by RBI and subject to the approval of members;
- (ix) Issue and allotment of 455 Redeemable, Unlisted, Secured, Non-Convertible Debentures of Rs. 1,00,000/- each aggregating to Rs. 4.55 crores to Torus Distress Fund on private placement basis;
- (x) Issue and allotment of 750 Redeemable, Unlisted, Secured, Non-Convertible Debentures of Rs. 1,00,000/- each aggregating to Rs. 7.5 crores to Clear Du Fintech Private Limited on private placement basis.

**For Aashish K. Bhatt & Associates
Company Secretaries
(ICSI Unique Code S2008MH100200)**

**Aashish K. Bhatt
Membership No.: 19639; COP No.: 7023
UDIN: A019639F000999167
Peer review no.: 2959/2023**

**Date: 20.08.2024
Place : Mumbai**

This Report is to be read with our letter annexed as Appendix A, which forms integral part of this report.

Boards' Report (Contd.)

Annexure - B

To,
The Members,
Reliance Asset Reconstruction Company Limited,
11th Floor, North Side R-Tech Park,
Western Express Highway,
Goregaon East, Mumbai - 400063.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Aashish K. Bhatt & Associates
Company Secretaries
(ICSI Unique Code S2008MH100200)

Aashish K. Bhatt
Membership No.: 19639; COP No.: 7023
UDIN: A019639F000999167
Peer review no.: 2959/2023

Date: 20.08.2024
Place : Mumbai

Boards' Report (Contd.)

ANNEXURE - C

Disclosure under Section 134 (3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014

(a) Conservation of Energy:	
(i) the steps taken or impact on conservation of energy	The operations of your Company are not energy intensive. However, adequate measures have been initiated for conservation of energy wherever possible.
(ii) the steps taken by the Company for utilizing alternate sources of energy	Though the operations of your Company are not energy-intensive, the Company explores alternative source of energy, as and when the necessity arises.
(ii) the capital investment on energy conservation equipments	Nil
(b) Technology Absorption:	
(i) the efforts made towards technology absorption	
(ii) the benefits derived like product mprovement, cost reduction, product development or import substitution	The Company uses latest technology and equipment for its business and operations.
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) (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; and	N. A.
(iv) the expenditure incurred on Research and Development	Nil
(c) Foreign exchange earnings and outgo	
(i) Total Foreign Exchange earned	Nil
(ii) Total Foreign Exchange outgo	Nil

MANAGEMENT DISCUSSION AND ANALYSIS

Forward Looking Statements

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements, based on any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operation include determination of tariff and such other charges and levies by the regulatory authority changes in government regulations, tax laws, economic developments within the country and such other factors globally

The financial statement are prepared under historical cost convention on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act and comply with the Accounting Standards notified under Section 133 of the Act. The management of Reliance Asset Reconstruction Company Limited ("Reliance ARC" or "RARC" or "the Company") has used estimates and judgements relating to the financial statement on a prudent and reasonable basis, in order that the financial statement reflect in a true and fair manner, the state of affairs and profit of the year.

Unless otherwise specified on the context otherwise requires, all references herein to "we", "us", "our", "the Company", "RARC" or "Reliance ARC" are to Reliance Asset Reconstruction Company Limited.

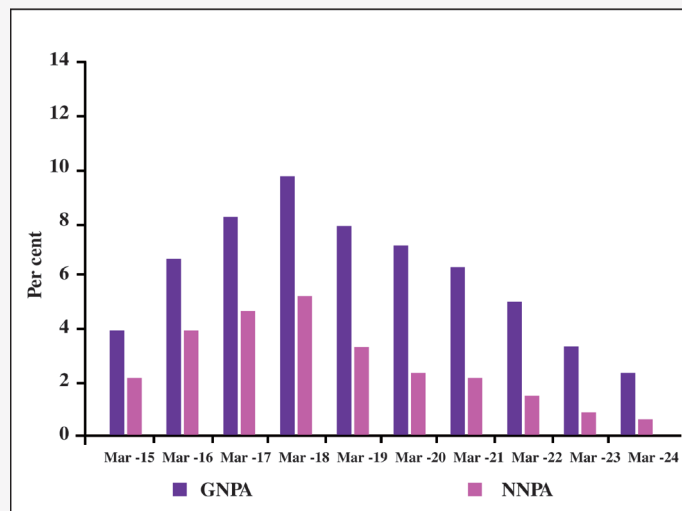
Macroeconomic Environment

India's GDP expanded at 8.2 percent in 2023-24. That was higher than the 7 per cent in 2022-23, aided by a greater than expected expansion of 7.8 per cent in the fourth quarter, according to the provisional estimates of GDP growth released by the National Statistical Office (NSO).

Year	GDP Growth (%)	Annual Change
2023-24	8.20%	13.88%
2022-23	7.20%	-17.20%

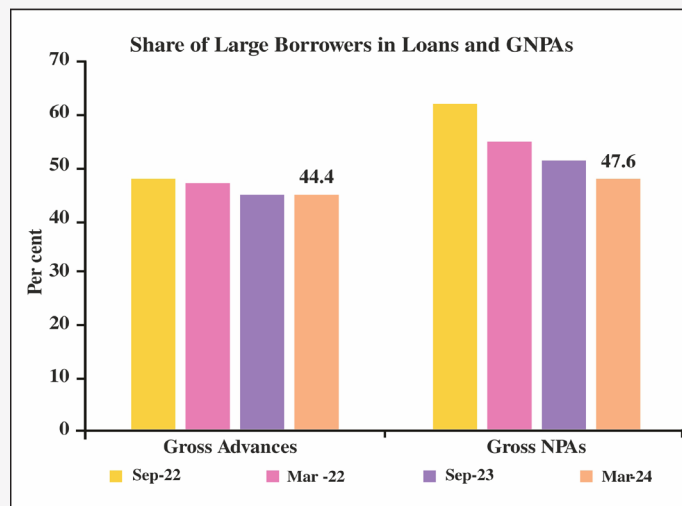
The Indian economy exhibits robust fundamental policies by Reserve Bank of India (RBI), which plays a key role in maintaining stability through its adept monetary policy framework. By carefully managing interest rates and liquidity, the RBI aims to control inflation while fostering sustainable economic growth. It ensures a resilient financial sector, contributing to overall economic stability. The repo rate remained unchanged at 6.5%.

GNPA & NPA of Scheduled Commercial Banks



Asset quality improved with the gross non-performing assets (GNPA) ratio and net non-performing assets (NNPA) ratio falling to multi-year lows of 2.8 per cent and 0.6 per cent, respectively.

Share of Large Borrowers in Loans and GNPA's



The share of large borrowers in gross advances of SCBs declined during 2023-24. The asset quality of the large borrower portfolio of banks improved, leading to a downtick in the share of large borrowers in total GNPA's of SCBs.

FY 25 Outlook

India's economy is expected to grow by 6.5 per cent in the Financial Year 2025.

The Company's strategic focus remains on the Retail & SME segment for the next financial year as well

Activities of the Company

The main activities of your Company are buying of Stressed Assets from Banks and Non-Banking Financial Companies, managing them and resolving them in a manner that would maximize returns to the investors and shareholders. The company does not undertake any restructuring activities and does not give any bridge loans to stressed companies for turn around their financials.

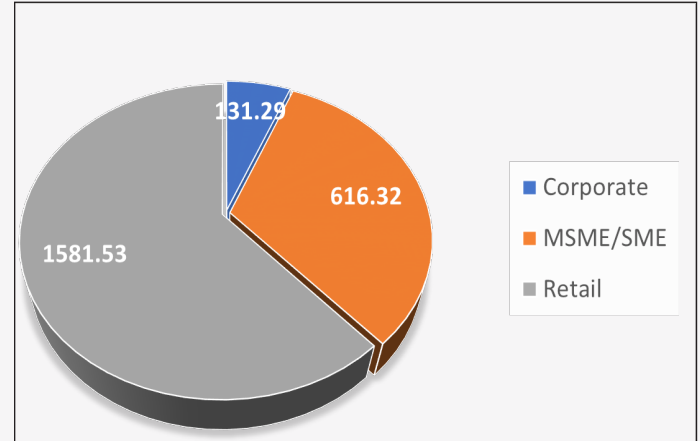
The Assets Under Management (AUM) as on March 31, 2024 increased to ₹ 2,329 crore as compared ₹ 2,208 crore as on March 31, 2023. The total receivables from these portfolios are around ₹ 6,672 crore. Your Company deployed ₹ 65.19 crore for the investments done in the financial year ended March 31, 2024.

Company has done acquisition of Rs 351 core in the current financial year and all the deals are under SR structure.

The average trusteeship fee was 1.71% (as compared to the

previous year of 1.87%). The rate decreased due to some of the trusts completing eight years.

The Segment Wise Break-Up of the AUM is Provided as Under:



Overview of Financial Performance

The following chart is the comparison between the performance of key indicators between the financial year ended on March 31, 2024 and financial year ended on March 31, 2023:

Particulars	Financial Year ended on March 31, 2024	Financial Year ended on March 31, 2023	% change
Total Income (₹ In crore)	67.66	72.83	-7.10%
Total Expenses (₹ In crore)	47.12	46.5	1.33%
EBITDA (₹ In crore)	29.24	37.57	-22.17%
PBT (₹ In crore)	20.54	26.33	-21.99%
PAT (₹ In crore)	18.62	23.11	-19.43%
Shareholder's Funds (₹ In crore)	284	268	5.97%
Return on Assets (in %)	4.66%	5.99	-22.20%
Return on Equity (in %)	6.55%	8.94	-99.27%
Customer count (in Number)	3,81,117	3,35,374	13.64%
Acquisitions (₹ In crore)	351	249.46	40.70%
Resolutions (₹ In crore)	325	373.9	-13.08%
Assets Under Management (₹ In crore)	2329	2208	5.48%
Own Investments (₹ In crore)	367	347	5.76%
Borrowing (₹ In crore)	66	81	-18.52%

Revenue per employee is ₹2.05 crore in line with previous year, expense per employee has increased to ₹1.43 crore from ₹1.33 crore. The PAT per employee decreased from ₹ 0.66 crore to ₹ 0.56 crore.

The Company's funding profile is largely an overdraft line from Union Bank of India along with Inter Corporate Deposits (ICDs) from the Group. The Company during the year has successfully repaid its entire market-linked debentures raised during last three financial years.

Acquisition

The Company continue with its stated strategy of deepening its presence in Retail and SME book and within the overall product and segment framework. The Company believed that it would play a significant role in resolution of mid-size assets that would be commensurate to capital and bandwidth. Most of the loans acquired by the Company during the year were within less than ₹ 2 lakhs average ticket size across secured and unsecured space. Company has done acquisition of Rs 351 core in the current financial year and all the deals are under SR structure. The Company deployed ₹ 65.19 crore for the above acquisition as its share of investment.

The Company has AUM of ₹ 2,329 crore.

Our primary focus has been around the two key areas:

- a. Deepening the existing counter-party relationships and building new relationships across the industry.
- b. Increased use of analytics that helped not just in identifying the right target segment but also helped in keeping risks associated with higher pricing under control

The acquisition happened after the Company expressed interest and won bids of portfolios sold through public auction and bilateral basis. Unsecured loans formed major part of acquisition in the current year contributing around 95% of acquisition price and around 5% of secured loans.

Resolutions

Our core focus has been around account resolutions consequently leading to faster redemption of SRs. This function has remained to be the bed-rock of the Company's success.

The overall resolution during the year has been ₹325 crore.

Most of the collection strategies centre around the portfolio composition within the trusts, recency of NPAs and what the legal status of the individual accounts are. The usual accepted resolution practice resorted to by the Company is to draw one-time settlement plans with the borrowers or to repossess the collateral and sell them in an open auction and realise the sale proceeds. Usually, the recourse to resolutions is to agree to the settlement plans.

Some of the governing principles fundamentally adopted by the Company is around the following lines (that also includes some fresh initiatives):

- 1. Approach borrowers directly using the collections center of excellence which has been the product of the in- housing

design.

- 2. Delivers a unified customer experience (evidenced by negligible levels of problem incidence)
- 3. Leverage technology in the form of dialers and CRM
- 4. Reduces dependency on external agencies.
- 5. Advocate financial literacy that would help the borrowers improve their individual scores on the credit bureaus.
- 6. Specialised team to pursue legal cases and continuously follow up with the borrowers.
- 7. Manage IRR expectations in the backdrop of a tardy legal process
- 8. Restructure filed collections based on quality of portfolio and demographics.
- 9. Monitor unit cost of collections.
- 10. Voice-over of key messages to the borrowers communicating urgency of making payment
- 11. Data enhancement and enrichment of customer information that would be useful in updating customer's records on the bureaus.
- 12. Use the bank branch channel to establish contact with the borrowers and help skip tracing.

The Company has in housed the call centre operations with an objective of driving efficiencies while delivering a unified customer experience. We have looked at lot of technology initiatives and have adopted propensity models that navigate through our collectable base to help us know who would pay, how much to pay and when to pay.

The resolution of retail assets continues to fall under the ambit of SARFAESI and Debt Recovery Tribunals. The Company also proceeds to recover dues using the IBC process and the landscape it has created for the resolution of the distressed assets which includes resolution professional and other agencies such as registered valuer, evaluator of resolution plans and a monitoring agency.

Your Company, while dealing with the borrowers, also respects the fact that the borrowers belong to the Bank and therefore need to be handled with utmost care. This is embedded in the training of our call centre agents and field collection agents. Therefore, the amount of collection complaints is negligible.

Risk Management

An independent risk management function ensures that the risk is managed through a risk management architecture as well as through policies and processes approved by the Board of Directors encompassing independent identification, measurement and management of risks across the various businesses of the Company. The risk management function strives to proactively anticipate vulnerabilities at the transaction as well as at the portfolio level, through quantitative or qualitative examination of the embedded risks. The Company focuses on

refining and improving its risk measurement systems including automation of processes wherever feasible not only to ensure compliance with regulatory requirements, but also to ensure better risk-adjusted return and optimal capital utilization, keeping in view its business objectives.

The Risk Management Committee (RMC), a committee constituted by the Board of Directors, approves policies related to risk and reviews various aspects of risk arising from the businesses undertaken by the Company. The Board along with its Audit Committee supervises certain functions and operations of the Company, which ultimately enhances the risk and control governance framework within the Company.

Credit Risk: During the year, the Company has brought greater alignment in company-level appetite and the operational limits. The key risk metrics are monitored regularly, and deviations are discussed with business to decide on the course of remedial action. The governance around deviation from internal limits has also been considerably strengthened. Provisioning in the diminution in the investments is also closely monitored and any write-down of investments has been taken. Counter-party concentration limits also get debated and new limits gets assigned and considered in all portfolio acquisitions.

Market Risk: This risk may pertain to interest rate-related instruments and emanates from capital market investment activities. Market risk management is guided by well laid down policies, guidelines, processes and systems for the identification, measurement, monitoring and reporting of exposures against various risk limits set in accordance with the risk appetite of the Company.

Liquidity Risk: Liquidity is the Company's capacity to fund increase in assets and meet both expected and unexpected cash and collateral obligations at reasonable cost and without incurring unacceptable losses. The liquidity profile is monitored on a static as well as on a dynamic basis.

Operational Risk: This may emanate from inadequate and/ or missing controls in internal processes, people and systems or from external events or a combination of all the four. The RMC at the apex level is the policy making body and is supported by the Operational Risk Management Committee (ORMC), responsible for the implementation of the Operational Risk framework of the Company and the management of operational risks across the Company. Over the year, the Company has focused on strengthening the operational and information security risk frameworks by implementing several initiatives.

Rating

Your Company has been rated by Infomercials Valuation and Rating Pvt Ltd IVR A1 for fund-based short-term loan of Rs 45 crore and proposed fund based short term facility of Rs 130 crore and IVR A for long term NCD of Rs 200 crore.

The retail class is perceived to be less risky as compared to large credits

Net Asset Value (NAV)

The Net Asset Value of investments per SR (face value Rs. 1,000) is Rs.1,488 for the year ended March 31, 2024, which is 7% higher as compared to previous year.

Operations and Technology

The Company has its centralized operations based at the registered office which essentially does customer account management and retention of important documents (including collateral documents) immediately after the acquisition of portfolio is done. The customer loan account management happens on a robust system platform which can track for account settlement, issuance of no-dues certificate, creation of the base file that is provided to the credit bureaus.

The Company has undertaken various technology enabled business initiatives to ease access of customers and respond to the customer demand in real time. Reliable business processes and improved customer service continued to be the key business capabilities that IT delivered for the Company. We have revamped the website that provides the visitors, the Banks and investors view about the Company along with its credentials. The revamped website also enables borrowers make their overdue payment online and receive payment confirmations. The Company has also upgraded its core systems and moved to next versions of accounting software.

Compliance

The Compliance function is one of the key elements in the Company's corporate governance structure. It ensures strict observance of all statutory provisions in various legislations and guidelines issued by the Reserve Bank of India and Securities and Exchange Board of India. The Compliance function assists the Board and Top Management in managing the compliance risk that is the risk of legal or regulatory sanctions, financial loss or reputational loss that the Company may suffer because of its failure to comply with the applicable laws, regulations or code of conduct applicable to banking activities.

Internal Audit

The Company's Internal Auditor provides an independent view to its Board of Directors and management team members, the quality and efficacy of the internal controls, risk management systems, governance systems and processes in place on an on-going basis. This is provided to primarily ensure that the business and support functions follow both internal and regulatory guidelines. The audit frequencies are in sync with the risk profile of each unit to be audited. The Internal Audit functions independently under the supervision of the Audit Committee of the Board, thereby ensuring its independence. The Board reviews the efficacy of the internal audit function, effectiveness of the internal controls laid down by the Company and compliance with regulatory guidelines.

Human Resources

The Company has ended the year with 33 full time employees on board. We work on capability build and talent development across levels. To understand what is disrupting the business and to reshape strategies, the Company has sent its high potential staff to various programs conducted by the Indian Institute of Management in the areas of Finance, Strategy and Risk Management. The best-in-class technology is deployed to automate HR processes and internal employee portal, e-connect that provides employees with a seamless and digitally enhanced HR experience.



FINANCIAL STATEMENTS

Independent Auditor's Report

To

The Members of Reliance Asset Reconstruction Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Reliance Asset Reconstruction Company Limited** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2024, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity for the year then ended and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations 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 Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024; and its profit and Other Comprehensive Income, Change in Equity and its Cash Flows for the year ended on that date.

Basis for opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>1. Valuation of Investments in Security Receipts (SR) (as described in Note No. 2.03 & 2.25 of the standalone financial statements)</p> <p>The Company has investment in SR amounts to Rs.38,889 Lakh and the net fair valuation loss on such investments during the year amounts to Rs. 788 Lakh as disclosed in the standalone financial Statements.</p> <p>The fair value of SR is determined through discounted cash flow method which involves management judgment using level 3 inputs such as projection of future cash flows and expenses.</p> <p>The management has involved credit rating agencies for valuation of SR.</p> <p>Considering the fair valuation of investments is significant to overall standalone financial Statement and the degree of management's judgment involved in the estimate, any error in the estimate could lead to material misstatement in the standalone financial statement.</p> <p>Therefore, it is considered as a key audit matter.</p>	<ul style="list-style-type: none"> Our audit procedures included an assessment of internal controls over measurement of fair value and evaluating the methodologies, inputs, judgements made and assumptions used by the management in determining fair values. We evaluated rationale of the models and accounting treatment applied. We compared observable inputs against independent sources and externally available market data for sample cases. We compared the rating provided by the independent rating agencies with fair valuation determined by the Company. We assessed the disclosure related to investments in SR and fair valuation included in these financial statements.

Independent Auditor’s Report (Contd.)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>2. Revenue Recognition: Trusteeship Fee (as described in Note No. 1.02 (i) & 2.22 of the standalone financial statements)</p> <p>Trusteeship Fee is the most significant account balance in the Statement of Profit and Loss.</p> <p>Key aspects relating to timing and recognition of revenue in respect of Trusteeship Fee are set out below:</p> <ul style="list-style-type: none"> The calculation of investment management fees, is based on a percentage of the Assets Under Management ('AUM') of the funds managed by the Company, in accordance with guidelines prescribed under RBI regulations RBI/2015-16/94, DNBR.(PD).CC.No.03/SCRC/26.03.001/2015-16' as amended from time to time. Trusteeship Fee is accrued based on a five step model as set out in Ind AS 115 "Revenue from Contract with Customers". The contracts include a single performance obligation that is satisfied over time. <p>Therefore, it is considered as a key audit matter.</p>	<p>Our audit procedures included:</p> <p>Design / controls</p> <ul style="list-style-type: none"> Understood and evaluated the design and implementation of key controls in place around recognition of Trusteeship Fee; Test checked management review controls over recognition of Trusteeship Fee. <p>Substantive tests</p> <ul style="list-style-type: none"> Evaluated the appropriateness of recognition of revenue in respect of Trusteeship Fee income based on the requirements of Ind AS 115; Obtained AUM and Trusteeship Fee from the Company and then reconciled Trusteeship Fee to amounts included in standalone financial statements; Test checked that Trusteeship Fee rates were approved by authorised personnel; Test checked Trusteeship Fee invoices and reconciled with the accounting records; Evaluated the adequacy of disclosures relating to the Trusteeship Fee earned by the Company.

Information Other than the Standalone Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the Board’s Report including Annexure to Board’s Report, but does not include the standalone financial Statements and our auditor’s report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion 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 report containing other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management for the standalone financial statements

The Company’s Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, change in equity and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting

Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the 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 misstatement, whether due to fraud or error.

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

Board of Directors are also responsible for overseeing the Those 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 misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable

Independent Auditor's Report (Contd.)

assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the 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.
- Obtain an understanding of internal financial 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management's and Board of Directors' 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions 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 decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the

audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (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 Companies Act, 2013, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (Including Other Comprehensive Income), the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant rules made thereunder.
 - e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating

Independent Auditor's Report (Contd.)

effectiveness of such controls, refer to our separate Report in "Annexure B".

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration for the year ended March 31, 2024 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
 - ii. The Company did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2024;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company for the year ended March 31, 2024.
 - vi. (a) The Management has represented to us that, to the best of it's knowledge and belief, other than as disclosed in the notes to the standalone financial statements, no funds have been advanced or loaned invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented to us that, to the best of it's knowledge and belief, other than as disclosed in the notes to the standalone financial statements, no funds have been received by the company from any person(s) or entity(ies), including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
 - (c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2) (h) (iv) (a) & (b) contain any material misstatement.
 - v. (a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
 - (b) As stated in note 2.43 of the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing annual general meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
 - vi. Based on our examination which includes test check, the Company has used an accounting software SAP and its allied software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of audit we did not come across any instances of audit trail feature being tampered with.
 - vii. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024

For **Pathak H. D. & Associates LLP**
Chartered Accountants
Firm Registration no. 107783W/W100593

Jigar T. Shah
Partner
Membership No.: 161851
UDIN: 24161851BKBHOI7090

Place: Mumbai
Date: August 20, 2024

Annexure A to Auditor's Report

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report in the Independent Auditors' Report of even date to the members of Reliance Asset Reconstruction Company Limited on the standalone financial statements for the year ended March 31, 2024

- (i) In respect of its Property Plant and Equipment and Intangible Assets:
- (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of its Property, Plant and Equipment and relevant details of right-to-use assets on the basis of available information.
- (B) Based on the records examined by us and information and explanation given to us, the Company is maintaining proper records showing full particulars of Intangible Assets..
- (b) The Company has a regular programme of physical verification of its property, plant and equipment and relevant details of right-to-use assets, by which all the assets are physically verified in a phased manner over a period of time. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies between the book records and the physical assets were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, we report that, the title deeds of all the immovable properties comprising of land and buildings other than self-constructed properties are held in the name of the Company.
- (d) According to information and explanations given to us by the Management and books of accounts and records examined by us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Hence, the reporting under clause 3(i)(d) of the Order is not applicable to the Company.
- (e) According to information, explanations and representation given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) (a) According to the information and explanations given to us, the Company does not hold any physical inventories. Thus, the reporting requirements under paragraph 3(ii) (a) of the order is not applicable to the Company.
- (b) As per the information and explanation given to us and examination of books of accounts and other records produced before us, in our opinion quarterly returns or statements filed by the Company with banks or financial institutions pursuant to terms of sanction letters for working capital limits in excess of five crore secured by current assets are in agreement with the books of account of the Company.
- (iii) According to information and explanations given to us and books of accounts and records examined by us, The Company is registered under section 3 of 'Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002' (SARFAESI Act) under the RBI regulation, as an 'Asset Reconstruction Company'. The Company has not made any investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnership or any other parties. Hence, the reporting requirements under clause 3(iii)(a)(A) & (B), (iii) (b), (iii) (c), (iii) (d), (iii) (e) and (iii) (f) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loan or provided any guarantee or security in connection with any loan taken by parties covered under section 185 and 186 of the Act. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and sections 73 to 76 of the Act and the Rules framed there under to the extent notified. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.
- (vi) According to information & explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act. Hence, the reporting requirements under clause 3(vi) of the order is not applicable to the Company.
- (vii) In respect of statutory dues:
- (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues as applicable, with the appropriate authorities. There are no undisputed amounts payable in respect to such applicable statutory dues outstanding as at March 31, 2024 for a period of six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and service tax, provident fund, employees' state insurance, income-tax, sales tax, service tax, customs duty, excise duty, value

Annexure A to Auditor's Report (Contd.)

added tax, cess and other material statutory dues as at March 31, 2024 which have not been deposited on account of a dispute.

- (viii) According to the information and explanations given to us and representation given by the Management, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) a) In our opinion and according to the information and explanations given and books of accounts and records examined by us, the Company has not defaulted in repayment of loans or borrowings dues to financial institutions and banks as at balance sheet date.
- b) In our opinion, and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- c) In our opinion, and according to the information and explanations given and records examined by us, the Company does not have any term loan from banks, financial institutions, government or any other entities. Hence, the reporting requirements under clause 3(ix)(c) of the Order is not applicable to the Company.
- d) In our opinion, and according to the information and explanations given to us, funds raised on the short-term basis have not been utilized for long term purposes.
- e) In our opinion, and according to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Hence, the reporting requirements under clause 3(ix)(e) and (f) of the Order is not applicable to the Company.
- (x) (a) In our opinion, and according to the information and explanations given to us, during the year the Company has not raised money by way of initial public offer or further public offer (including debt instruments). Hence, the reporting requirements under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) In our opinion, and according to the information and explanations given to us, during the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) as per section 42 and 62 of the Act. Hence the reporting requirements under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and as per information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section 12 of section 143 of the Act has been filed by us or by any other auditor in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information, explanations and representation given to us by the management, no whistle-blower complaints have been received during the year by the company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii)(a), (xii)(b) and (xii)(c) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and section 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion, and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company issued till date, for the period under audit.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting requirements under clause 3 (xvi)(a) and (b) of the Order is not applicable to the Company.
- (b) In our opinion, and according to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (c) As represented by the management, the Group does not have more than one Core Investment Company as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016.
- (xvii) In our opinion, and according to the information and explanations provided to us, the Company has not incurred

Annexure A to Auditor's Report (Contd.)

any cash losses in the financial year 2023-24 and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone 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) With respect to CSR contribution under section 135 of the Act:

(a) According to the information and explanations given to us and on the basis of our audit procedures, in respect of other than ongoing projects, there were no unspent amount that were required to be transferred to a Fund specified in Schedule VII in compliance with second proviso to sub-section 5 of section 135 of the Act.

(b) According to the information and explanations given to us and on the basis of our audit procedures, in respect of ongoing projects there were no unspent amount that were required to be transferred to special account in compliance with provision of sub section 6 of section 135 of the Act.

For **Pathak H. D. & Associates LLP**

Chartered Accountants
Firm Registration no. 107783W/W100593

Jigar T. Shah
Partner
Membership No.: 161851
UDIN : 24161851BKBHOI7090

Place: Mumbai
Date: August 20, 2024

Annexure B to Auditor's Report

Annexure B to the Independent Auditor's Report on the standalone financial statements of Reliance Asset Reconstruction Company Limited for year ended March 31, 2024

Report on the internal financial controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the Internal Financial Controls with reference to standalone financial statements of **Reliance Asset Reconstruction Company Limited** (hereinafter referred to as "the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements 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 ('Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and standards issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements 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 internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls, 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 standalone 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 internal financial controls system with reference to standalone financial statements.

Meaning of Internal Financial controls with Reference to standalone financial statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial Statements include 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorization 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, maintain adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at March 31, 2024, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Pathak H. D. & Associates LLP**
Chartered Accountants
Firm Registration no. 107783W/W100593

Jigar T. Shah
Partner
Membership No.: 161851
UDIN: 24161851BKBHOI7090

Place: Mumbai
Date: August 20, 2024

Standalone Balance Sheet as at March 31, 2024

₹ in Lakh

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
I) ASSETS			
A) Financial Assets			
(a) Cash and cash equivalents	2.01	29	129
(b) Trade receivables	2.02	185	127
(c) Investments	2.03	38,889	37,644
(d) Other financial assets	2.04	124	156
Total Financial Assets (A)		39,227	38,056
B) Non-Financial Assets			
(a) Current Tax Asset (Net)	2.05	1	-
(b) Property, plant and equipment	2.06	47	57
(c) Right of use assets	2.07	378	254
(d) Other intangible assets	2.08	2	4
(e) Intangible assets under development	2.09	30	-
(f) Other non-financial asset	2.10	295	207
Total Non Financial Assets (B)		753	522
TOTAL ASSETS (A + B)		39,980	38,578
II) LIABILITIES AND EQUITY:			
LIABILITIES			
C) Financial Liabilities			
(a) Trade Payables	2.11	-	-
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		225	93
(b) Debt Securities	2.12	1,205	-
(c) Borrowings	2.13	5,385	8,130
(d) Other financial liabilities	2.14	2,089	713
Total Financial Liability (C)		8,904	8,936
D) Non-Financial Liabilities			
(a) Current Tax Liability (Net)	2.15	-	131
(b) Provisions	2.16	45	32
(c) Deferred tax liability (Net)	2.17	478	685
(d) Other non-financial liabilities	2.18	2,136	1,936
Total Non Financial Liability (D)		2,659	2,784
E) EQUITY			
a) Equity Share capital	2.19	10,000	10,000
b) Other Equity	2.20	18,417	16,858
Total Equity (E)		28,417	26,858
TOTAL LIABILITIES AND EQUITY (C + D + E)		39,980	38,578
Material Accounting Policies	1		
Notes to the financial statement	2		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For Pathak H.D. & Associates LLP
Chartered Accountants
Firm Registration No. : 107783W/W100593

Jigar T. Shah
Partner
Membership No: 161851

Place : Mumbai
Date: August 20, 2024

For and on behalf of the Board of Directors

Mehul Gandhi
(Executive Director & CEO)
(DIN : 08584229)

Dipanjali Nagpal
(Company Secretary)
Membership No. 39288

Aman Gudral
(Director)
(DIN : 08822974)

Rakesh Panjwani
(Chief Financial Officer)

Standalone Statement of Profit and Loss for the year ended March 31, 2024

₹ in Lakh

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
I Revenue from operation			
(a) Fees and commission income	2.21	6,129	7,108
(b) Gain on sale of Investment	2.22	551	-
Total Revenue from operation (I)		6,680	7,108
II Other income (II)	2.23	86	175
III Total Income (I+II)		6,766	7,283
IV Expenses			
(a) Finance costs	2.24	742	1,020
(b) Net loss on fair value changes	2.25	788	1,004
(c) Employee benefits expense	2.26	1,105	1,053
(d) Depreciation and amortisation	2.06, 2.07 & 2.08	128	104
(e) Other expenses	2.27	1,950	1,469
Total Expenses (IV)		4,713	4,650
V Profit / (Loss) before tax (III - IV)		2,053	2,633
VI Tax expense	2.28		
Current Tax		(478)	(600)
Taxes of Earlier Years		80	-
Deferred Tax		207	278
VII Profit / (Loss) after tax (V - VI)		1,862	2,311
VIII Other Comprehensive Income			
Items that will not be reclassified to statement of profit and loss			
Remeasurement Gain / (Loss) of defined benefit plans		(4)	3
Deferred Tax Expense on above		1	(1)
Other Comprehensive Income / (Loss) for the year (VIII)		(3)	2
Total Comprehensive Income / (Loss) for the year (VII + VIII)		1,859	2,313
Earning per equity share: (Nominal value per share: ₹ 10)			
Basic & Diluted (Amount in ₹)	2.42	1.86	2.31
Material Accounting Policies	1		
Notes to the financial statement	2		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date.

For Pathak H.D. & Associates LLP

Chartered Accountants

Firm Registration No. : 107783W/W100593

Jigar T. Shah

Partner

Membership No: 161851

Place : Mumbai

Date: August 20, 2024

For and on behalf of the Board of Directors
Mehul Gandhi

(Executive Director & CEO)

(DIN : 08584229)

Dipanjali Nagpal

(Company Secretary)

Membership No. 39288

Aman Gudral

(Director)

(DIN : 08822974)

Rakesh Panjwani

(Chief Financial Officer)

Standalone Statement of Changes in Equity for the year ended March 31, 2024

A. Equity share capital (Refer Note No. 2.19)

Particulars	Number	₹ in Lakh
As at April 01, 2022	10,00,00,000	10,000
Shares issued during the year	-	-
As at March 31, 2023	10,00,00,000	10,000
Shares issued during the year	-	-
As at March 31, 2024	10,00,00,000	10,000

B. Other equity (Refer Note No. 2.20)

Particulars	Note	Reserves and surplus		Other comprehensive income	Total other equity
		Debenture redemption reserve	Retained Earnings		
Balance as at April 01, 2022	2.20	-	14,862	(17)	14,845
Profit for the year		-	2,311	-	2,311
Dividend (including tax on dividend)		-	(300)	-	(300)
Other comprehensive income/(loss) for the year		-	-	2	2
Balance as at March 31, 2023		-	16,873	(15)	16,858
Profit for the year		-	1,862	-	1,862
Debenture redemption reserve		121	(121)	-	-
Dividend (including tax on dividend)		-	(300)	-	(300)
Other comprehensive income/(loss) for the year		-	-	(3)	(3)
Balance as at March 31, 2024		121	18,314	(18)	18,417

Material Accounting Policies 1

Note to the financial statements 2

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For Pathak H.D. & Associates LLP
Chartered Accountants
Firm Registration No. : 107783W/W100593

Jigar T. Shah
Partner
Membership No: 161851

Place : Mumbai
Date: August 20, 2024

For and on behalf of the Board of Directors

Mehul Gandhi
(Executive Director & CEO)
(DIN : 08584229)

Dipanjali Nagpal
(Company Secretary)
Membership No. 39288

Aman Gudral
(Director)
(DIN : 08822974)

Rakesh Panjwani
(Chief Financial Officer)

Standalone Statement of Cash Flow for the year ended March 31, 2024

₹ in Lakh

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Cash flow from operating activities		
Profit before tax	2,053	2,633
Adjustments for:		
Net loss on fair value changes (net)	788	1,004
Other Income	-	(3)
Reversal of doubtful debts (net)	(37)	(12)
Provision for advances (net)	33	23
Write off of Investment in Security Receipts	79	-
Advance to Trust Written off	4	-
Depreciation and amortisation	128	104
Gain on sale of investment	(551)	-
Interest on Income Tax Refund	(26)	(8)
Interest expenses	702	997
Interest on lease liability	40	23
Gratuity Expense	9	12
Operating Profit before working capital changes	3,222	4,773
Adjustments for working capital changes:		
(Decrease)/Increase in trade receivables and other financial assets	(110)	146
Increase/(Decrease) in trade payables and other financial liabilities and provisions	1,541	(931)
Cash generated from operations	4,653	3,988
Income tax paid (net of refund)	(508)	(420)
Net cash generated from operating activities (A)	4,145	3,568
B. Cash flow from investing activities		
Purchase of investments	(6,519)	(4,835)
Realisation from redemption of Security Receipts	3,826	5,042
Sale of Security Receipts	1130	-
Purchase of property, plant and equipment (Including CWIP and Intangible asset under development)	(45)	(25)
Net cash (used in) / generated from investing activities (B)	(1608)	182
C. Cash flow from financing activities		
Proceeds from borrowings	2,340	-
Repayment of borrowings	(2,275)	(600)
Dividend paid	(300)	(300)
Lease liability paid	(116)	(103)
Interest expenses	(681)	(979)
Net cash used in from financing activities (C)	(1,032)	(1,982)
Net increase in cash and cash equivalents (A+B+C)	1,505	1,768
Cash and cash equivalents at the beginning of the year	(5,726)	(7,494)
Cash and cash equivalents at the end of the year	(4,221)	(5,726)

Standalone Statement of Cash Flow for the year ended March 31, 2024

Cash and cash equivalents considered for cash flows

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents (Refer Note No. 2.01)	29	129
Less : Secured Bank Over Draft (Refer Note No. 2.13)	(4,250)	(5,855)
Cash and cash equivalents for cash flows purpose	(4,221)	(5,726)

Note 1: Secured bank overdraft has been considered as a part of cash and cash equivalent.

Note 2: The above Statement of Cash Flow has been prepared under the "Indirect Method" set out in Indian Accounting Standard (Ind AS) 7 "Statement of Cash Flows".

As per our report of even date

For Pathak H.D. & Associates LLP

Chartered Accountants

Firm Registration No. : 107783W/W100593

Jigar T. Shah

Partner

Membership No: 161851

Place : Mumbai

Date: August 20, 2024

For and on behalf of the Board of Directors

Mehul Gandhi

(Executive Director & CEO)

(DIN : 08584229)

Dipanjali Nagpal

(Company Secretary)

Membership No. 39288

Aman Gudral

(Director)

(DIN : 08822974)

Rakesh Panjwani

(Chief Financial Officer)

Notes on accounts to standalone financial statements for the year ended March 31, 2024

Corporate Information and Material Accounting Policies

1.01 Corporate Information

Reliance Asset Reconstruction Company Limited ('the Company') is a public company domiciled in India, and incorporated under the provisions of the Companies Act, 1956. The Company has obtained Certificate of Registration from Reserve Bank of India (RBI) on February 14, 2008, to act as a Securitization Company/ Reconstruction Company.

The Company is in the business of asset reconstruction and securitization in all forms and to acquire, hold, manage, assign NPA loan assets (of Banks or Financial Institutions) with or without underlying securities, and recover from the Borrower/ underlying securities or dispose off the loan assets to other body corporate, co-operative societies, firms or individuals.

The Company is Public Limited Company. The registered office of the Company is located at 11th Floor, North Side, R-Tech Park, Western Express Highway, Goregaon (East), Mumbai 400 063.

These standalone financial statement of the Company for the period ended March 31, 2024 were authorised for issue by the board of directors on August 20, 2024. Pursuant to the provision of the section of the Companies Act, 2013 (the 'Act') the Central Government, Income tax authorities, Securities and Exchange Board of India, other statutory regulatory body and under section 131 of the Act, the board of directors of the Company have powers to amend / re-open the standalone financial statements approved by the board / adopted by the members of the Company.

1.02 Material Accounting Policies

a) Basis of preparation of financial statements

(i) Compliance with Ind AS and regulation

The Standalone financial statements have been in accordance with the Indian Accounting standards (Ind AS) notified under section 133 of the Companies Act, 2013 ('the Act') [Companies (Indian Accounting Standards) Rules, 2015, as amended] and other relevant provisions of the Act to the extent applicable and the guidelines prescribed by the RBI, to the extent applicable.

(ii) Historical cost convention

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

- Certain financial assets and liabilities are measured at fair value; and
- Defined benefit plans – plan assets are measured at fair value.

- (iii) Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

b) Functional Currency and Presentation Currency

These standalone financial statements are presented in 'Indian Rupees', which is also the Company's functional currency and all amounts, are rounded to the nearest lakh, unless otherwise stated.

c) Use of Estimates and Judgements

The preparation of standalone financial statements requires estimates and assumptions to be made that effect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the standalone financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognized in the periods in which the results are known / materialised. Estimates and underlying assets are reviewed on periodical basis. Revisions to accounting estimates are recognised prospectively.

The preparation of standalone financial statements require the use of accounting estimates which, by definition, will seldom equal the results. The management also needs to exercise judgement in applying the accounting policies.

This notes provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation of each affected line item in the standalone financial statements.

Critical estimates and judgements

The Company has based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The areas involving critical estimates or judgements pertaining to Investment in security receipts (Note 2.03), useful life of property, plant and equipment including intangible asset (Note 2.06 and Note 2.08), current tax expense and tax payable, recognition of deferred tax assets for carried forward tax losses (Note 2.17), fair value of unlisted securities (Note 2.03), impairment of

Notes on accounts to standalone financial statements for the year ended March 31, 2024

trade receivables (Note 2.02) and other financial assets (Note 2.05), fair value of debenture (Note 2.12) and measurement of defined benefit obligation (Note 2.30). Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

- i) Useful life of Property, Plant and Equipment including Intangible asset: 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.
- ii) Taxes: The Company provides for tax considering the applicable tax regulations and based on probable estimates.

Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any.

The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Company against which such assets can be utilized.

- iii) Fair value measurement and valuation process: The Company measured financial assets and liabilities, if any, at fair value for financial reporting purposes.
- iv) Trade receivables and Other Financial Assets: The Company follows Expected Credit Loss ("ECL") for recognition of impairment loss allowance on Trade receivables. For the purpose of measuring lifetime ECL allowance for trade receivables, the Company estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Individual trade receivables are written off when management deems them not to be collectable.
- v) Defined benefit plans (gratuity benefits): The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter subject to frequent changes is the discount rate. In determining the appropriate

discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables in India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

- vi) Non-financial assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.
 - vii) Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
 - viii) For Investments made into Security receipts (SRs) and purchased impaired financial assets, Company uses discounted cash flow model. Expected cash flow levels including timing of cash flows are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including default rates, nature & value of collaterals, manner of resolution and other economic drivers. For any valuation which are based on models, Judgements and estimates are applied, which include considerations of liquidity, credit risk (both own and counterparty), funding value adjustments, correlation and volatility. Further, the Management also involves credit rating agencies for valuation of SRs.
- d) Property, Plant and Equipment**

- i) Property, plant and equipment (PPE) are stated at cost less accumulated depreciation, amortisation and impairment loss, if any. Cost of an item of PPE comprises of its the purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

- ii) The company has adopted estimate useful life of Property, Plant and Equipment as stipulated under Schedule II to the companies Act, 2013 and accordingly the depreciation is calculated on Straight Line Basis over the useful life prescribed under schedule II to the Act.

Notes on accounts to standalone financial statements for the year ended March 31, 2024

The estimated useful lives for the different types of assets are:

Assets	Useful Life
Computers	3 Years
Computer Software	3 Years
Furniture and Fixtures	10 years
Office Equipment	5 Years
Building	60 years
Refurbished Computer	1 year

- iii) Assets costing up to ₹ 5,000 are fully depreciated at the time of acquisition.
- iv) Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.
- v) Depreciation methods, useful lives and residual values are reviewed periodically at each reporting date and adjusted prospectively if appropriate.
- vi) Depreciation on additions is calculated pro rata from the following month of addition.

e) Intangible Assets

- i) Intangible assets acquired are measured on initial recognition at cost. Cost includes all direct costs relating to acquisition of Intangible assets and borrowing cost relating to qualifying assets.
- ii) Intangible assets are amortized over their useful life of 5 Years.
- iii) Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with expenditure will flow to the Company.
- iv) Amortisation methods, useful lives and residual values are reviewed periodically at each reporting period. Any gain or loss on disposal of an item of Intangible Assets is recognised in standalone statement of profit and loss.

f) Leases

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- i) the contract involves the use of identified asset;
- ii) the Company has substantially all the economic

benefits from the use of the asset through the period of lease; and

- iii) the Company has right to direct the use of the asset.

As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the useful life of the right-of-asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company considers incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. Lease liability and the right of use asset have been separately presented in the balance sheet and lease payments have been classified as financing activities.

g) Impairment of Non Financial Assets

Intangible assets that have an indefinite useful life are tested annually for impairment or more frequently if events or changes in circumstances indicate that they may be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is increased/reversed where there has been change in the estimate of

Notes on accounts to standalone financial statements for the year ended March 31, 2024

recoverable value. The recoverable value is the higher of the assets' net selling price and value in use.

h) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

i) Revenue Recognition

Revenue is measured at actual of the consideration received or receivable. Revenue is recognized when (or as) the company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When (or as) a performance obligation is satisfied, the company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

(i) Trusteeship Fees, Incentive Fees and Recovery Agent Fees:

Trusteeship Fees are recognised in terms of the provisions of the relevant trust deed / offer document. As per RBI guidelines, trusteeship fees recognised during the planning period and not realised within 180 days from the date of expiry of the planning period is reversed, and trusteeship fees recognised after the planning period and not realised within 180 days from the date of recognition or NAV of SRs falls below 50% of face value, whichever is earlier is reversed and no further management fees is recognized unless it is realized.

Incentive Fees are accounted in terms of the

provisions of the relevant trust deed / offer document.

Recovery Agent Fees are accounted in terms of the provisions of the relevant trust deed / offer document.

(ii) Coupon on Security Receipts:

The Coupon on Security Receipts are accounted in terms of provisions of the relevant trust deed / offer document and is recognised after redemption of security receipts.

(iii) Profit on Redemption of Security Receipts:

As per the RBI circular, profit on redemption of security receipts is accounted only after the full redemption of security receipts.

Amount realized in surplus/ deficit of the acquisition cost of security receipts in accordance with the terms of the trust deed/ offer document is recorded as profit/ loss on sale/ redemption of security receipts.

(iv) Profit/Loss on Assignment of Contractual Rights in Loan Assets:

Profit on Assignment of Contractual Rights in Loan Assets is amortized over the tenure of the agreement while loss is recognized on the date of transaction.

(v) Income on Settlement of Contractual Rights in Loan Assets:

Income on Settlement of Contractual Rights in Loan Assets is recognised as profit when the realised amount is over and above the acquisition price of the financial asset.

(vi) Interest Income:

Interest is recognised on a time proportion basis.

j) Employee benefits

(i) Short-term employee benefits:

Liabilities for salaries, including other monetary and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long-term employee benefits:

The company operates the following post-employment schemes:

- (a) Gratuity; and
- (b) Provident fund.

Notes on accounts to standalone financial statements for the year ended March 31, 2024

Defined Benefits plans

Gratuity Obligations

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Standalone statement of profit or loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in other equity in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined contribution plans

Provident fund

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

k) Taxes on Income and Deferred Tax

Income Tax comprises of current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or OCI.

Provision for income tax is made on the basis of taxable income for the year at the current rates. Tax expense comprises of current tax and deferred tax at the applicable enacted or substantively enacted rates. Current tax

represents amount of Income Tax payable/ recoverable in respect of taxable income/ loss for the reporting period. Deferred tax represents the effect of temporary difference between carrying amount of assets and liabilities in the standalone financial statement and the corresponding tax base used in the computation of taxable income. Deferred tax liabilities are generally accounted for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences, carried forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which such deductible temporary differences can be utilised.

l) Earnings per share

a) Basic earnings per share

Earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of equity shares outstanding during the financial Year, adjusted for bonus element in equity shares issued during the Year.

b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

m) Provisions, Contingent Liabilities and Contingent Asset

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or present obligation in respect of which the likelihood of outflow of resource is remote, no provision or disclosure is made.

Notes on accounts to standalone financial statements for the year ended March 31, 2024

Contingent assets are neither recognised nor disclosed in the standalone financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the assets and related income are recognized in the period in which the change occurs.

n) Expenses incurred on behalf of Trust and Advances paid by the Company to the Trusts

Advances paid by the Company to the trusts are shown as recoverable from trusts and are grouped under "Advance recoverable in cash or in kind or for value to be received". These advances are reimbursed to the Company by the trusts in terms of the provision of the trust deed/offer document/commitment agreement. In accordance with the Guidelines, expenses not realised within the time frame prescribed under the Guidelines or NAV of Security Receipts (SRs) fall below 50% of face value, whichever is earlier, is fully provided for in the statement of profit and loss. Outstanding expenses are assessed at each reporting date for recovery based on management estimates in accordance with the resolution plan already implemented/being implemented and recovery rating assigned by the rating agency to SRs issued by the trusts. Necessary provision, for amount not expected to be recovered alongwith outstanding recoverable expenses, is made, if such receivables are treated as "doubtful".

o) Measurement of Fair value of financial instruments

The Company's accounting policies and disclosures require measurement of fair values for the financial instruments. The Company has an established control framework with respect to measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses evidence obtained from third parties to support the conclusion that such valuations meet the requirements of Ind AS, including level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If inputs used to measure fair value of an asset or a liability fall into different levels of fair value hierarchy, then fair value measurement is categorised in its entirety in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of fair value hierarchy at the end of the reporting period during which the change has occurred. Refer Note No. 2.36 for information on detailed disclosures pertaining to the measurement of fair values.

p) 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 also include derivative contracts such as foreign exchange forward contracts.

Financial assets

i) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

ii) Subsequent measurement

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

Financial Assets measured at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) Asset is held within a business model whose objective is to hold assets for collecting contractual cash flows.
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. EIR amortisation is included in finance income in the Statement of Profit and Loss. Losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Notes on accounts to standalone financial statements for the year ended March 31, 2024

Financial Assets measured at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual cash flows of the assets represent SPPI: Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial Assets measured at fair value through profit or loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch')

Security receipt investments

All security receipt investments in scope of Ind-AS 109, "Financial Instruments" are measured at fair value. Security Receipts are classified as at FVTPL. Gains and losses on security investments are included in the statement of profit or loss.

Derecognition of Financial Assets

A financial asset is primarily derecognised when: a) Rights to receive cash flows from the asset have expired, or b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either(a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of Financial Assets

The Company assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in the credit risk. In case of significant increase in credit risk, life time ECL is used; otherwise twelve month ECL is used. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables, as permitted by Ind AS 109. Provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Financial Liabilities

i) Initial recognition and measurement

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described herein:

Financial liabilities at fair value through Profit or Loss: Financial liabilities at fair value through Profit or Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 - "Financial Instruments". Gains or losses on liabilities held for trading are recognised in the Standalone Statement of Profit and Loss.

Financial Liabilities measured at amortised cost: After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are

an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

q) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

r) Rounding of amounts

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated.

Notes on accounts to standalone financial statements for the year ended March 31, 2024

2.01 Cash and cash equivalents

₹in Lakh

Particulars	₹in Lakh	
	As at March 31, 2024	As at March 31, 2023
Balances with bank:		
In current accounts	29	129
	29	129

2.02 Trade receivables

₹in Lakh

Particulars	₹in Lakh	
	As at March 31, 2024	As at March 31, 2023
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured (Refer Note No. 2.41)	185	127
Receivables which have significant increase in credit risk	183	220
	368	347
Less: Expected credit losses (ECL)	(183)	(220)
	185	127

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

There is no disputed, unbilled or not due receivables, hence the same is not disclosed in the ageing schedule.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

₹in Lakh

Particulars	Trade receivables days past due	₹in Lakh			Total
		0-180 days	181-365 days	More than 365 days	
March 31, 2024	Estimated total gross carrying amount	190	174	4	368
	ECL - Simplified approach	(5)	(174)	(4)	(183)
	Net carrying amount	185	-	-	185
March 31, 2023	Estimated total gross carrying amount	127	168	52	347
	ECL - Simplified approach	-	(168)	(52)	(220)
	Net carrying amount	127	-	-	127

Reconciliation of provision of doubtful debts:

Particulars	₹in Lakh
ECL measured as per simplified approach	
ECL as on April 01, 2022	232
Add / (less): asset originated or acquired net of recoveries	(12)
ECL as on March 31, 2023	220
Add / (less): asset originated or acquired net of recoveries	(37)
ECL as on March 31, 2024	183

Disclosure pursuant to RBI Guidelines issued vide Circular n. RBI/ 2022-2023/182 and vide notification no. DOR.ACC.REC.No. 104/21.07.001/2022-23 dated February 22, 2023.

Notes on accounts to standalone financial statements for the year ended March 31, 2024

₹ in Lakh

Particulars	As at the end of Current Year	As at the end of Previous Year
Outstanding amount of unrealised management fee	368	379
1. Out of the above, amount outstanding for:	-	-
(a) Amounts where the net asset value of the security receipts has fallen below 50 per cent of the face value	147	75
(b) Other amounts unrealised for:		
(i) More than 180 days but upto 1 year	27	93
(ii) More than 1 year but upto 3 years	-	44
(iii) More than 3 years	4	8
Allowances held for unrealised management fee outstanding for less than 6 months	5	-
Total Allowances held for unrealised management fee	183	220
Net unrealised management fee receivable	185	159

(Since the circular was effective from 22nd February 2023, Company has provided for unrealised management fees as per the previous guidelines of RBI.)

2.03 Investments

₹ in Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
At fair value through profit and loss		
Investments in Security Receipts (Unquoted) (Refer Note 2.45)	38,889	37,644
Total	38,889	37,644
Investments outside India	-	-
Investments in India	38,889	37,644

2.04 Other financial assets

₹ in Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Considered good unless otherwise stated - Unsecured		
Advances to trust considered good (Refer Note No. 2.41)	62	121
Advances to trust which have significant increase in credit risk	223	190
Less: Provision for advances	(223)	(190)
	62	121
Security deposit	61	34
Trust fund (Refer Note No. 2.41)	1	1
	124	156

₹ in Lakh

Particulars	0-180 days	181-365 days	More than 365 days	Total
March 31, 2024				
Advance to trust	62	183	40	285
Provision	-	(183)	(40)	(223)
Net carrying amount	62	-	-	62
March 31, 2023				
Advance to trust	121	150	40	311
Provision	-	(150)	(40)	(190)
Net carrying amount	121	-	-	121

Notes on accounts to standalone financial statements for the year ended March 31, 2024

2.05 Current tax asset (Net)

₹ in Lakh

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Tax Receivable	1	-
(net of provision March 31, 2024 ₹2,324 lakh)	1	-

2.06 Property, plant and equipment

₹ in Lakh

Particulars	Own assets					Total
	Buildings	Furniture and fixtures	Office equipments	Leasehold Improvement	Computers	
Year ended March 31, 2023						
Gross carrying amount						
Opening gross carrying amount	25	14	6	7	81	133
Additions	-	-	1	-	24	25
Closing gross carrying amount	25	14	7	7	105	158
Accumulated depreciation						
Opening accumulated depreciation	2	14	3	1	59	79
Depreciation charge during the year	0	-	1	2	19	22
Closing accumulated depreciation	2	14	4	3	78	101
Net carrying amount as at March 31, 2023	23	-	3	4	27	57
Year ended March 31, 2024						
Gross carrying amount						
Opening gross carrying amount	25	14	7	7	105	158
Additions	-	-	-	-	15	15
Closing gross carrying amount	25	14	7	7	120	173
Accumulated depreciation						
Opening accumulated depreciation	2	14	4	3	78	101
Depreciation charge during the year	1	0	2	2	20	25
Closing accumulated depreciation	3	14	6	5	98	126
Net carrying amount as at March 31, 2024	22	-	1	2	22	47

1. No Property, plant and equipment have been revalued during the year.

2.07 Leases

- (a) The Company leases contracts for office premises facilities. The leases typically run for 1 - 6 years, with an option to renew the lease after that date. The Company also has certain leases of offices with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Information about leases for which the Company is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to leasehold properties.

Notes on accounts to standalone financial statements for the year ended March 31, 2024

₹ in Lakh			
Sr. No.	Particular	As at March 31, 2024	As at March 31, 2023
a.	Opening Balance	254	109
b.	Additions to right of use asset	255	243
c.	Depreciation charge for the year	(102)	(80)
d.	De-recognition of right of use assets	(117)	(53)
e.	Accumulated depreciation on "d" above	88	35
f.	Closing Balance	378	254

Other disclosure w.r.t. leases:

- Finance cost amounts to ₹ 40 lakh (March 31, 2023 ₹ 23 lakh).
- The total cash outflow for the year ended March 31, 2024 amounts to ₹ 116 lakh (March 31, 2023 ₹ 103 lakh).
- The Company incurred ₹ 52 lakh (March 31, 2023 ₹ 50 lakh) for the year ended March 31, 2024 towards expenses relating to lease of low-value assets.

Lease liabilities

Maturity analysis – contractual discounted cash flows

₹ in Lakh					
Lease liabilities	Contractual cash flows				
	Carrying amount	Total	0-1 years	1-5 years	5 years and above
2023-24	406	501	119	382	-
2022-23	261	319	103	202	14

2.08 Other intangible assets

₹ in Lakh	
Particulars	Total
Year ended March 31, 2023	
Gross carrying amount	
Opening gross carrying amount	66
Additions	-
Closing gross carrying amount	66
Accumulated amortisation	
Opening accumulated amortisation	61
Amortisation during the year	1
Closing accumulated amortisation	62
Net carrying amount as at March 31, 2023	4
Year ended March 31, 2024	
Gross carrying amount	
Opening gross carrying amount	66
Additions	-
Closing gross carrying amount	66

Notes on accounts to standalone financial statements for the year ended March 31, 2024

₹ in Lakh

Particulars	Total
Accumulated amortisation	
Opening accumulated amortisation	62
Amortisation during the year	2
Closing accumulated amortisation	64
Net carrying amount as at March 31, 2024	2

- Intangible assets are other than internally generated and average remaining useful life is 4 years.
- No Intangibles have been revalued during the year.

2.09 Intangible assets under development (IAUD)

₹ in Lakh

Particulars	Total
Year ended March 31, 2023	
Gross carrying amount	
Opening gross carrying amount	15
Additions	-
Written off	15
Capitalisation	-
Closing gross carrying amount as at March 31, 2023	-
Year ended March 31, 2024	
Gross carrying amount	
Opening gross carrying amount	-
Additions	30
Written off	-
Capitalisation	-
Closing gross carrying amount as at March 31, 2024	30

Intangible assets under development ageing schedule

Intangible assets under development	Amount in IAUD				Total
	Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	30	-	-	-	30
Projects temporarily suspended	-	-	-	-	-
Total	30	-	-	-	30

Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan

Intangible assets under development	Amount in IAUD				Total
	Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

Notes on accounts to standalone financial statements for the year ended March 31, 2024

2.10 Other non financial assets

₹ in Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Considered good unless otherwise stated - Unsecured		
Balances with Government authorities	131	83
Prepaid expenses	28	24
Income Tax Refund Receivable	124	86
Advances recoverable in cash and kind or for value to be received which are considered good (Refer Note No. 2.41)	12	14
	295	207

2.11 Trade Payables

₹ in Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Total outstanding dues of micro enterprises and small enterprises*	-	-
(b) Total outstanding dues of creditors other than microenterprises and small enterprises*	225	93
	225	93

Trade Payables ageing

₹ in Lakh

As at March 31, 2024	Outstanding for following periods from due date of payments					Total
Particulars	Not due	Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade Payables - MSME	-	-	-	-	-	-
(ii) Undisputed Trade Payables - Others	-	225	-	-	-	225
Total	-	225	-	-	-	225

As at March 31, 2023	Outstanding for following periods from due date of payments					Total
Particulars	Not due	Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade Payables - MSME	-	-	-	-	-	-
(ii) Undisputed Trade Payables - Others	-	93	-	-	-	93
Total	-	93	-	-	-	93

There are no disputed trade payables, hence the same is not disclosed in the ageing schedule.

* The Company has not received any information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. To the extent of information available with the Company, the Company does not owe any sum including interest to such parties

Notes on accounts to standalone financial statements for the year ended March 31, 2024

2.12 Debt securities

₹in Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
At amortised cost		
Non Convertible Debentures	1,205	-
Total (A)	1,205	-
Debt securities in India	1,205	-
Debt securities outside India	-	-
Total (B)	1,205	-

Note : During the year the Company has issued, Non Convertible Debentures of ₹ 750 lakh to Cleardu Fintech Private Limited with a coupon rate of 15% p.a. for 24 months with call option and ₹ 455 Lakh to Torus Distress Fund - I with a coupon rate of 14% p.a. for 24 months with call option or bullet on completion of 30 months.

2.13 Borrowings (Other than debt Securities)

₹in Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
At amortised cost		
Loans from banks		
Secured bank over draft (Refer Note No. 2.39)	4,250	5,855
Inter Corporate Deposit		
Unsecured from others	1,135	2,275
Total (A)	5,385	8,130
Borrowings in India	5,385	8,130
Borrowings outside India	-	-
Total (B)	5,385	8,130

a) During the year the Company had renewed overdraft facility from Union Bank of India. This facility is secured by first pari-pasu charge on security receipts in Demat form (Refer Note No. 2.43). excluding security receipts specifically charged to debenture holders, first pari-pasu charge on the cash flows coming to the Company on its investment in security receipts excluding cash flows specifically charged to debenture holders, and first pari-pasu charge on all other current assets including financial assets and investments in security receipts excluding specifically charged to debenture holders.

b) Repayment terms of Borrowings:

- Secured bank overdraft having interest rate of 10.95% (March 31, 2023 9.5% - 10.45%) is required to be renewed on yearly basis.
- Unsecured Inter corporate deposit having interest rate of 14% (March 31, 2023 12% - 13%) has maturity within 1 year.

2.14 Other financial liabilities

₹in Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on borrowings	21	-
Employee benefits payable	283	317
Recovery received on behalf of trust*	1,378	128
Other payables	1	7
Lease liability	406	261
	2,089	713

Notes on accounts to standalone financial statements for the year ended March 31, 2024

* The Company has maintained bank account with Union Bank of India in which online collection of recovery is done on behalf of trust. The amounts so collected are subsequently transferred to respective trust, after the balance sheet date except one case which is from one of the trust where revision of commercial is pending with the seller bank. The above amount represents amounts pending to be transferred to the trust as on balance sheet date.

2.15 Current tax liability (Net)

₹in Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Tax Payable (net of Tax paid March 31, 2023 ₹2,163 lakh)	-	131
	-	131

2.16 Provisions

₹in Lakh

Particulars	As at March 31, 2024	As at March 31, 2024
Provision for employee benefits		
Gratuity (Refer Note No. 2.30)	45	32
Movement of Provisions	45	32
Provision Others		
Balance at the beginning of the year		
Provision / (reversal) of expenses	32	38
Balance at the close of the year	13	(6)
	45	32

2.17 Deferred tax liability (Net)

₹in Lakh

Particulars	As at March 31, 2024	As at March 31, 2024
Deferred tax liabilities		
Related to Property, plant and equipment and intangible	-	-
Fair valuation of investments	551	749
	551	749
Deferred tax assets		
Related to Property, plant and equipment and intangible	(3)	(3)
Gratuity	(12)	(8)
Leased liability	(2)	(4)
Provisions	(56)	(49)
	(73)	(64)
	478	685

Notes on accounts to standalone financial statements for the year ended March 31, 2024
Movements in deferred tax

						₹in Lakh
Particulars	Property, plant and equipment and intangible	Fair valuation of investments	Gratuity	Leased liability	Provisions	Total
As at April 01, 2022	3	1,002	(8)	(1)	(31)	965
Charged/(Credited) to						
Statement of profit and loss	(6)	(253)	(1)	(3)	(18)	(281)
Other comprehensive income/(loss)	-	-	1	-	-	1
As at March 31, 2023	(3)	749	(8)	(4)	(49)	685
Charged/(Credited) to						
Statement of profit and loss	(0)	(198)	(3)	2	(7)	(206)
Other comprehensive income/(loss)	-	-	(1)	-	-	(1)
As at March 31, 2024	(3)	551	(12)	(2)	(56)	478

2.18 Other Non financial liabilities

			₹in Lakh
Particulars	As at March 31, 2024	As at March 31, 2023	
Advances payable to trust (Refer Note No. 2.41)	142	-	
Income received in advance	1,581	1,484	
Statutory dues*	413	452	
	2,136	1,936	

*Including goods and services tax, tax deducted at source payable and other taxes payables

2.19 Share capital

			₹in Lakh
Particulars	As at March 31, 2024	As at March 31, 2024	
Authorised			
15,00,00,000 (March 31, 2023 - 15,00,00,000) equity shares of ₹10 each	15,000	15,000	
1,00,00,000 (March 31, 2023 - 1,00,00,000) preference shares of ₹10 each	1,000	1,000	
Total	16,000	16,000	
Issued, Subscribed and Fully Paid Up			
10,00,00,000 (March 31, 2023 - 10,00,00,000) equity shares of ₹10 each	10,000	10,000	
Total	10,000	10,000	

Notes on accounts to standalone financial statements for the year ended March 31, 2024

a. Reconciliation of number of equity shares outstanding at the beginning and at the end of the year.

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	₹in Lakh	Number	₹in Lakh
Outstanding at the beginning of the year	10,00,00,000	10,000	10,00,00,000	10,000
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	10,00,00,000	10,000	10,00,00,000	10,000

b. Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible to one vote per share held.

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

c. Shares held by sponsor/promoter companies

Particulars	As at March 31, 2024		% Change during the year
	Number	₹in lakh	
Equity Shares of Rs. 10 each fully paid held by Reliance Capital Limited	4,90,00,000	4,900	-
Cosmea Financial Holdings Pvt. Ltd.	1,35,00,000	1,350	2.00%

Particulars	As at March 31, 2023		% Change during the year
	Number	₹in lakh	
Equity Shares of Rs. 10 each fully paid held by Reliance Capital Limited	4,90,00,000	4,900	-
Union Bank of India	1,15,00,000	1,150	-
Cosmea Financial Holdings Pvt. Ltd.	1,15,00,000	1,150	2.00%

d. Details of shareholders holding more than 5% of the Shares in the Company

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	% Holding	Number	% Holding
Reliance Capital Limited	4,90,00,000	49.00%	4,90,00,000	49.00%
Cosmea Financial Holdings Pvt. Ltd.	1,35,00,000	13.50%	1,15,00,000	11.50%
Union Bank of India	95,00,000	9.50%	1,15,00,000	11.50%
Indian Bank	95,00,000	9.50%	95,00,000	9.50%
Dacecroft Limited	95,00,000	9.50%	95,00,000	9.50%
General Insurance Corporation of India	90,00,000	9.00%	90,00,000	9.00%
	10,00,00,000	100.00%	10,00,00,000	100.00%

Notes on accounts to standalone financial statements for the year ended March 31, 2024

2.20 Other equity

₹in Lakh

Particulars	As at March 31, 2024	As at March 31, 2024
Retained earnings	18,314	16,873
Other comprehensive income	(18)	(15)
Debenture redemption reserve	121	-
Total other equity	18,417	16,858
Retained earnings		
Opening balance	16,873	14,862
Add: Profit for the year	1,862	2,311
Less: Dividend paid	(300)	(300)
Less: Transfer to debenture redemption reserve	(121)	-
Closing balance	18,314	16,873
Other comprehensive income		
Opening balance	(15)	(17)
Additions during the year (net)	(3)	2
Closing balance	(18)	(15)
Debenture redemption reserve		
Opening balance	-	-
Add: Transfer from retained earnings	121	-
Less: Transfer to retained earnings	-	-
Closing balance	121	-

Nature and purpose of reserve

a) Retained Earnings

Retained earnings represents surplus/accumulated earnings of the company and are available for distribution to shareholders.

b) Other comprehensive income

Other comprehensive income represents actuarial gain/losses arising on recognition of defined benefit plans.

c) Debenture Redemption Reserve :

The Company has created and maintained a debenture redemption reserve from annual profits in pursuance of the provisions of the Companies Act, 2013. The Company has transferred the requisite percentage (as provided in the Companies Act, 2013) of the outstanding redeemable debentures to the debenture redemption reserve. The amounts credited to the debenture redemption reserve shall be utilized as per the provisions of the Companies Act, 2013. On redemption of debentures, the amount may be transferred from debenture redemption reserve to the retained earnings.

2.21 Fees and commission income

₹in Lakh

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Trusteeship fees	3,116	4,153
Incentive fees	139	198
Recovery agent fees (Refer Note No. 2.41)	2,600	2,741
Profit on redemption of security receipts	274	16
	6,129	7,108

Notes on accounts to standalone financial statements for the year ended March 31, 2024

2.22 Gain on sale of Investments

₹in Lakh

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Gain on sale of Investments	551	-
	551	-

2.23 Other income

₹in Lakh

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
On financial assets measured at amortised cost		
Interest on advance given to trusts	46	49
Interest on Income Tax Refund	26	8
Professional Fees	-	106
Other income	14	12
	86	175

2.24 Finance costs

₹in Lakh

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on financial liabilities measured at fair value through profit or loss		
Interest on debt securities	57	-
Interest on financial liabilities measured at amortised cost		
Interest on other borrowings	624	957
Processing charges	16	39
Bank charges	1	1
Interest - Others	4	-
Interest on leased liability	40	23
	742	1,020

2.25 Net loss on fair value changes

₹in Lakh

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net loss on financial instruments at fair value through profit or loss		
Fair value loss on investment	788	1,004
	788	1,004
Fair value changes:		
- Realised	-	-
- Unrealised	788	1,004
	788	1,004

Notes on accounts to standalone financial statements for the year ended March 31, 2024

2.26 Employee benefit expense

₹in Lakh

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salary, bonus and allowances	1,017	904
Contribution to provident fund and other funds	39	33
Gratuity expense (Refer Note No. 2.30)	9	12
Staff welfare expenses	40	104
	1,105	1,053

2.27 Other expenses

₹in Lakh

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Professional and legal charges	667	408
Premises rent and electricity expenses	41	67
Payment to auditors		
- Statutory audit fees	11	11
- Limited review fees	3	3
Provision for advances	33	23
Investment Written off	79	-
Advance to Trust Written off	4	-
Recovery commission	670	572
Business development expenses	1	-
Director's sitting fees	29	23
Travelling expenses	44	37
Telephone expenses	29	19
Stamp duty and processing fees	1	-
Repair and maintenance	23	15
Courier and postage	6	6
Software maintenance Charges	119	79
Office printing and stationery	5	4
Due diligence expense	7	-
Expenditure towards corporate social responsibility (Refer Note No. 2.31)	61	57
Miscellaneous expenses	117	145
	1,950	1,469

Notes on accounts to standalone financial statements for the year ended March 31, 2024

2.28 Income tax expense

₹ in Lakh

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Tax Expense recognized in the statement of profit and loss		
(a) Income tax expense		
Current tax on profits for the year	478	600
Adjustments for current tax of prior periods	(80)	-
Total current tax expense (I)	398	600
Deferred tax		
(Decrease) / increase in deferred tax	(207)	(278)
Total deferred tax expense provided / (reversal) (II)	(207)	(278)
Income tax expense (I + II)	191	322
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Tax rates	25.17%	25.17%
Profit before tax	2,053	2,633
Tax calculated at tax rates applicable	517	663
Difference due to:		
Corporate social responsibility	15	14
Depreciation and amortization of ROU Asset	26	10
Provision disallowed and others	2	(13)
Fair value loss on investment	198	253
Losses of trusts claimed as deduction under Income Tax Act, 1961	(289)	(352)
Ind AS adjustment	(198)	(253)
Adjustments for current tax of prior periods	(80)	-
Total income tax expense / (credit)	191	322

Pursuant to introduction of Section 115BAA of Income-Tax Act, 1961 inserted by the Taxation Laws (Amendment) Ordinance, 2019, the Company has elected to exercise the option to adopt the new tax rates, accordingly provided tax at Base tax rate of 22% and total effective tax rate at 25.17%.

2.29 (A) Capital management

The primary objective of the Company for its capital management is to ensure that it complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

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

Regulatory Capital

₹ in Lakh

Capital to risk assets ratio (CRAR):		As at March 31, 2024	As at March 31, 2023
(a)	Common Equity Tier 1 capital	25,087	23,581
(b)	Other Tier 2 capital instruments	-	-
(c)	Total capital	25,087	23,581
(d)	Risk weighted assets	37,774	35,541
(e)	CRAR (%)	66.41%	66.35%

Notes on accounts to standalone financial statements for the year ended March 31, 2024

Regulatory capital Tier I capital, which comprises share capital, special reserves, retained earnings including current year profit. Certain adjustments are made to Ind AS based results and reserves, as prescribed by the Reserve Bank of India.

(B) Dividends

		₹ in Lakh	
Particular		As at March 31, 2024	As at March 31, 2023
(i)	Equity Shares Final dividend paid for the year ended March 31, 2023 of ₹ 0.30 per share fully paid share.	300	300
(ii)	Dividends not recognised at the end of the reporting period In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 0.30 per fully paid equity share (March 31, 2023 - ₹ 0.30). This proposed dividend is subject to the approval of shareholders in ensuing annual general meeting.	300	300

2.30 Employee benefits :

(a) Provident fund :

		₹ in Lakh	
Particulars		As at March 31, 2024	As at March 31, 2023
(a)	Defined contribution plan		
	Amount recognised in the statement of profit and loss		
(i)	Employer's contribution to provident fund	32	28
(ii)	Employer's contribution to pension fund	5	4
		37	32

(b) Gratuity :

Disclosures required as per the Ind AS 19 , Employee Benefits

		₹ in Lakh	
Particulars		As at March 31, 2024	As at March 31, 2023
I. Reconciliation of opening and closing balances of the present value of the defined benefit obligation			
	Obligation at the beginning of the year	54	44
	Interest cost	4	3
	Service cost	7	10
	Liability transferred in / acquisition	-	-
	Benefit paid	(5)	-
	Actuarial (gains) / losses recognised in other comprehensive income		
	- Due to change in demographic assumptions	(2)	(4)
	- Due to change in financial assumptions	(1)	(5)
	- Due to experience adjustments	7	6
	Obligation at the end of the year	64	54
II. Change in plan assets			
	Fair value of plan assets at the beginning of the year	22	6

Notes on accounts to standalone financial statements for the year ended March 31, 2024

₹ in Lakh

Particulars	As at March 31, 2024	As at March 31, 2023			
Expected return on plan assets	-	-			
Contribution	-	15			
Benefit paid from the fund	(5)	-			
Liability transferred in / acquisition	-	-			
Actuarial gains / (losses) on plan assets - due to experience	-	-			
Interest income	2	1			
Fair value of plan assets at the end of the year	19	22			
III. Reconciliation of present value of obligation and fair value of the plan assets					
Fair value of plan assets at the end of the year	19	22			
Present value of the defined benefit obligation at the end of year	64	54			
Liability recognised in the balance sheet	45	32			
IV. Expense recognized in statement of profit or loss					
Service cost	7	10			
Interest cost	2	2			
Expense recognized in statement of profit or loss	9	12			
V. Amount recognized in the other comprehensive income / (loss)					
Actuarial (gain)/loss recognised in other comprehensive income	4	(3)			
Expected return on plan assets	-	-			
Amount recognized in the other comprehensive income/(loss)	4	(3)			
VI. Investment details on plan assets					
100% of the plan assets are invested in insurance fund	19	22			
VII. Actual return on plan assets*	0	0			
(Current year ₹ 27,531 ; Previous year ₹ 39,962)					
VIII. Assumptions					
Interest rate	7.14%	7.30%			
Salary growth rate	5.12%	6.00%			
Estimated return on plan assets	7.14%	7.30%			
Employee turnover rate	37.00%	15.00%			
IX. Particulars of the amounts for the year and previous years					
					₹ in Lakh
	2024	2023	2022	2021	2020
Present value of benefit obligation	(64)	(54)	(44)	(30)	(22)
Fair value of plan assets	19	22	6	1	3
Excess of obligation over plan assets	(45)	(32)	(38)	(29)	(19)

Notes on accounts to standalone financial statements for the year ended March 31, 2024
X. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

₹ in Lakh

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Discount rate (+1% movement)	(1)	(2)
Discount rate (-1% movement)	1	2
Future salary growth (+1% movement)	1	2
Future salary growth (-1% movement)	(1)	(2)
Employee turnover (+1% movement)	-	-
Employee turnover (-1% movement)	-	-

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.

XI. Maturity analysis of the defined benefit plan (fund)

₹ in Lakh

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Projected benefits payable in future from the date of reporting		
1st following year	34	17
2nd following year	12	6
3rd following year	8	6
4th following year	6	5
5th following year	4	5
Sum of 6 to 10 years	6	18
Sum of 11 years and above	1	21

Notes on accounts to standalone financial statements for the year ended March 31, 2024

2.31 Corporate Social Responsibility Expenditure:

₹in Lakh

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) amount required to be spent by the company during the year,	61	57
(b) amount of expenditure incurred,	61	57
(c) shortfall at the end of the year,	-	-
(d) total of previous years shortfall,	-	-
(e) reason for shortfall,	NA	NA
(f) nature of CSR activities,	Setting up homes for womens and orphans etc. Eradicating hunger, poverty and malnutrition Promoting health care	Annam Brahma - A program focused towards distributing fresh vegetarian food to poor, needy and hungry people. Supply of medical equipment/ medicines for the mentally deficient children of Home for Mentally Deficient Children Conducting woman empowerment programs Health and education camps/ scholarships Installation of solar plant in backward rural areas for continuous power supply resulting in improvement in health and livelihood. Affordable housing/ shelter for blind, handicapped, deaf, widow, divorcee, helpless women, mentally challenged, orphans, cancer, dialysis, kidney patients, heart disease patients, HIV Patients, homosexual and the people below poverty line.
(g) details of related party transactions,	NA	NA
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NA	NA

2.32 Contingent liability and capital commitments:

- (a) During the earlier year the Company had received an order from the Board of Revenue, Madhya Pradesh office with a demand of ₹ 144 lakh which was earlier received from the local corporation in the year 2014 to pay additional duty of 1% on the loan amount. The Company has contested the matter with the Hon'ble High Court of Madhya Pradesh requesting for quashing and setting aside the order passed by Collector of Stamps, Raisen on August 12, 2014 and by Board of Revenue on May 26, 2016 respectively stating various grounds i.e. the property is beyond the jurisdiction of the Municipal limits and falls with the limits of the Village Panchayat etc. Based on the evaluation and assessment by the management, the Company believes that we have merits in the Writ Petition filed by the company which is presently sub judice.

Notes on accounts to standalone financial statements for the year ended March 31, 2024

2.33 Foreign currency

The Company has incurred ₹ NIL (March 31, 2023 ₹ NIL) in foreign currency during the year towards professional fees.

2.34 Disclosure pursuant to para 44A to 44E of Ind AS 7 - Statement of cash flows

₹ in Lakh

Particulars	As at	
	March 31, 2024	March 31, 2023
Debt securities		
Opening balance	-	-
Availed during the year	1,205	-
Impact of non-cash items	-	-
Repaid during the year	-	-
Closing balance	1,205	-
Borrowings (other than debt securities)		
Opening balance	2,275	2,875
Availed during the year	1,135	-
Repaid during the year	(2,275)	(600)
Closing balance	1,135	2,275
Interest		
Opening balance	-	-
Interest Expenses	742	1,020
Impact of non-cash items	(40)	(41)
Repaid during the year	(681)	979
Closing balance	21	-

2.35 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

₹ in Lakh

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	29	-	29	129	-	129
Trade receivables	185	-	185	127	-	127
Investments*	5,950	32,939	38,889	9,500	28,144	37,644
Other financial asset	62	62	124	121	35	156
Non-financial assets						
Current tax assets (Net)	1	-	1	-	-	-
Property, plant and equipment	-	47	47	-	57	57
Right of use assets	-	378	378	-	254	254
Other intangible assets	-	2	2	-	4	4
Intangible assets under development	-	30	30	-	-	-
Other non-financial asset	295	-	295	207	-	207
Total assets (a)	6,522	33,458	39,980	10,084	28,494	38,578

Notes on accounts to standalone financial statements for the year ended March 31, 2024

₹ in Lakh

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities						
Financial liabilities						
Payables						
(l) 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	225	-	225	93	-	93
Borrowings (Other than debt securities)	4,250	1,135	5,385	8,130	-	8,130
Debt Securities	-	1,205	1,205	-	-	-
Other financial liabilities	1,909	180	2,089	497	216	713
Non-financial Liabilities						
Current tax Liabilities (Net)	-	-	-	131	-	131
Provisions	33	12	45	20	12	32
Deferred tax liability (Net)	-	478	478	-	685	685
Other non-financial liabilities	2,136	-	2,136	1,936	-	1,936
Total liabilities (b)	8,553	3,010	11,563	10,807	913	11,720
Net (a - b)	(2,031)	30,448	28,417	(723)	27,581	26,858

* As expected by management of the Company

2.36 Fair value measurements

a) Financial instruments by category

₹ in Lakh

Particular	March 31, 2024		March 31, 2023	
	Fair value through profit or loss	Amortised cost	Fair value through profit or loss	Amortised cost
Financial assets				
Cash and cash equivalents	-	29	-	129
Trade receivables	-	185	-	127
Investments - Unquoted	38,889	-	37,644	-
Other financial asset	-	124	-	156
Total financial assets	38,889	338	37,644	412
Financial liabilities				
Payables	-	225	-	93
Debt Securities	-	1,205	-	-
Borrowings (Other than debt securities)	-	5,385	-	8,130
Other financial liabilities	-	2,089	-	713
Total financial liabilities	-	8,904	-	8,936

Notes on accounts to standalone financial statements for the year ended March 31, 2024

Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. The Company has not disclosed the fair values of financial instruments such as trade receivables, trade payables, cash and cash equivalents, fixed deposits, security deposits, etc. as carrying value is reasonable approximation of the fair values. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standards. An explanation of each level follows underneath the table:

₹in Lakh				
Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2024	Level 1	Level 2	Level 3	Total
Financial assets				
Investments - Unquoted	-	-	38,889	38,889
Total	-	-	38,889	38,889

₹in Lakh				
Financial liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2024	Level 1	Level 2	Level 3	Total
Financial liabilities				
Borrowings (Other than debt securities)	-	-	5,385	5,385
Debt Securities			1,205	1,205
Total	-	-	6,590	6,590

₹in Lakh				
Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Investments - Unquoted	-	-	37,644	37,644
Total	-	-	37,644	37,644

₹in Lakh				
Financial liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2023	Level 1	Level 2	Level 3	Total
Financial liabilities				
Borrowings (Other than debt securities)	-	-	8,130	8,130
Total	-	-	8,130	8,130

Notes:

Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active market for identical assets that the entity can access at the measurement date.

Level 2 hierarchy includes the fair value of financial instruments measured using quoted prices for identical or similar assets in markets that are not active.

Level 3 If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted compound instruments.

There are no transfers between any of these levels during the year. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Notes on accounts to standalone financial statements for the year ended March 31, 2024

c) Valuation techniques used to determine fair value

Specific valuation techniques used to value investment in security receipt include:

- the fair value of investment in security receipt is based on Net Asset Value (NAV) calculated using discounted cash flow method and valuation range provided by the rating agencies. This is included in Level 3.

Specific valuation techniques used to value market linked debentures:

Fair valuation of Market linked debentures is determined based on cash flows discounted using a current lending rate, however the change in current rate does not have any significant impact on fair values as at the current year end. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

d) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2024 and March 31, 2023:

Particulars	₹in Lakh	
	Investment	Debt securities
As at April 01, 2022	38,855	1,135
Additions	4,835	-
Disposals / Repayment / Write off	(5,042)	(1,135)
Gains/(losses) recognised in statement of profit and loss	(1,004)	-
As at March 31, 2023	37,644	-
Additions	6,520	-
Disposals / Repayment	(4,487)	-
Gains/(losses) recognised in statement of profit and loss	(788)	-
As at March 31, 2024	38,889	-

e) Fair value of financial assets and liabilities measured at amortised cost

The carrying amount of remaining financial assets and liabilities is considered as fair value.

Notes on accounts to standalone financial statements for the year ended March 31, 2024

2.37 Fair value measurements

f) Unobservable inputs used in measuring fair value categorised within Level 3

₹ in Lakh

Type of financial instruments	Fair value of asset as on March 31, 2024	Fair value of liability as on March 31, 2024	Valuation Techniques	Significant Unobservable input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Investments in security receipts	38,889	-	Discounted projected cash flow	Expected gross recoveries *	2,14,129	21,413	1,984	(21,413)	(3,455)
				Discount rates	4.81% - 10%	0.50%	(251)	0.50%	258

Type of Financial Instruments	Fair value of asset as on March 31, 2023	Fair value of liability as on March 31, 2023	Valuation Techniques	Significant Unobservable input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Investments in security receipts	37,644	-	Discounted projected cash flow	Expected gross recoveries *	2,11,919	21,243	2,177	(21,243)	(953)
				Discount rates	5.22% - 10%	0.50%	(258)	0.50%	237

* Expected gross recoveries are pertaining to the overall asset under management of the Company. The cash attributable to the Company's share in expected gross recoveries will be dependent on the company's investment share and terms of the securities receipts subscriber.

g) Quantitative analysis of significant unobservable inputs

Discount margin/spreads

Discount margin/spreads represent the discount rates used when calculating the present value of future cash flows. In discounted cash flow models such spreads are added to the benchmark rate when discounting the future expected cash flows. Hence, these spreads reduce the net present value of an asset or increase the value of a liability. They generally reflect the premium an investor expects to achieve over the benchmark interest rate to compensate for the higher risk driven by the uncertainty of the cash flows caused by the credit quality of the asset. They can be implied from market prices and are usually unobservable for illiquid or complex instruments.

Recovery rates

Recovery rates reflect the estimated loss that the company will suffer given expected defaults. The recovery rate is given as a percentage and reflects the opposite of loss severity (i.e. 100% recovery reflects 0% loss severity). In line with general market convention, loss severity is applied to asset-backed securities while recovery rate is more often used as pricing input for corporate or government instruments. Higher loss severity levels / lower recovery rates indicate lower expected cash flows upon the default of the instruments. Recovery rates for complex, less liquid instruments are usually unobservable and are estimated based on historical data.

Notes on accounts to standalone financial statements for the year ended March 31, 2024

2.38 a) Liquidity risk and funding management

Liquidity risk emanates from the mismatches existing on the balance sheet due to differences in maturity and repayment profile of assets and liabilities. These mismatches could either be forced in nature due to market conditions or created with an interest rate view. Such risk can lead to a possibility of unavailability of funds to meet upcoming obligations arising from liability maturities. To avoid such a scenario, the Company has ensured maintenance of a liquidity cushion in the form of fixed deposits, cash, credit lines etc. These assets carry minimal credit risk and can be liquidated in a very short period of time. These would be to take care of immediate obligations while continuing to honour our commitments as a going concern.

b) Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the company's financial assets and liabilities as at March 31. However, the Company expects that the counterparties will not request repayment on the earliest date it could be required to pay.

As at March 31, 2024

₹ in Lakh

Contractual maturities of assets and liabilities	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial assets					
Cash and cash equivalents	29	-	-	-	29
Trade Receivables *	-	185	-	-	185
Investments *	729	5,221	23,739	9,200	38,889
Other financial assets *	1	88	35	-	124
Total financial assets (a)	759	5,494	23,774	9,200	39,227
Financial liabilities					
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	225	-	-	-	225
Borrowings (Other than debt securities)	-	5,385	-	-	5,385
Debt Borrowing			1,205		1,205
Other financial liabilities	1,428	374	287	-	2,089
Total financial liabilities (b)	1,653	5,759	1,492	-	8,904
Net (a - b)	(894)	(265)	22,282	9,200	30,323

As at March 31, 2023

₹ in Lakh

Contractual maturities of assets and liabilities	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial assets					
Cash and cash equivalents	129	-	-	-	129
Trade Receivables *	-	127	-	-	127
Investments *	1,200	8,300	18,944	9,200	37,644
Other financial assets *	1	88	20	15	124
Total financial assets (a)	1,330	8,515	18,964	9,215	38,024
Financial liabilities					
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	93	-	-	-	93
Borrowings (Other than debt securities)	-	8,130	-	-	8,130
Other financial liabilities	465	68	166	14	713
Total financial liabilities (b)	558	8,198	166	14	8,936
Net (a - b)	772	317	18,798	9,201	29,088

* As expected by management of the Company

Notes on accounts to standalone financial statements for the year ended March 31, 2024

2.39 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss. The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year.

Currency of borrowing / advances	2023-24			
	Increase in basis points	Effect on profit before tax (₹ in lakh)	Decrease in basis points	Effect on profit before tax (₹ in lakh)
INR	50	(21)	50	21

Currency of borrowing / advances	2022-23			
	Increase in basis points	Effect on profit before tax (₹ in lakh)	Decrease in basis points	Effect on profit before tax (₹ in lakh)
INR	50	(30)	50	30

2.40 Additional Disclosures

Additional disclosure pursuant to The Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 issued vide Circular n. RBI/ 2007-2008/9 DNBS (PD) CC. No. 7 / SCRC / 10.30.000/ 2007-2008 dated July 02, 2007 and vide notification no. DNBS.PD (SC/RC).8/CGM (ASR) - 2010 dated April 21, 2010.

Disclosures made in paragraphs (i) to (xi) below represent total value of the assets in the respective trusts subscribed by the Company and the co-investors as also assets directly acquired by the Company.

- (i) The names and addresses of the Banks/ Financial Institutions from whom Financial Assets were acquired as at March 31, 2024 (since inception) and the value at which such assets were acquired from each such Bank/ Financial Institutions:

Sr. No.	Name of the Bank / Financial Institution	Address	Acquisition price (₹ in lakh)	
			For the year ended March 31, 2024	For the year ended March 31, 2023
1	Asset Reconstruction Company (India) Limited	The Ruby, 10th Floor, 29, Senapati Bapat Marg, Dadar (West), Mumbai - 400 028	68	68
2	Union Bank of India (erstwhile Corporation Bank)	Managala Devi Temple Road, Mangalore 575001	249	249
3	Bank of Baroda (erstwhile Dena Bank)	Dena Corporate Centre, C-10, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051	3,077	3,077
4	Indian Bank	66,Rajaji Salai, Chennai – 600 001	1,25,700	1,25,700
5	Central Bank of India	Chandramukhi, Nariman Point, Mumbai – 400 021	243	243
6	Bank of Baroda (erstwhile Vijaya Bank)	41/2, M G Road, Bengaluru, Karnataka – 560 001	990	990
7	IFCI	IFCI Tower, 61, Nehru Place, New Delhi – 110 192	2,000	2,000
8	IDBI	IDBI Tower, Cuffe Parade, Mumbai – 400005	1,226	1,226
9	Union Bank of India	Union Bank Bhavan, 239, Vidhan Bhavan Marg, Mumbai 400 021	625	625
10	Industrial Investment Bank of India Limited	19, Netaji Subhash Road, Kolkatta - 700 001	550	550
11	City Union Bank Limited	24-80, Raja Bahadur Compound, Ambalala Doshi Marg, Fort, Mumbai - 400 023	28,398	28,398
12	Laxmi Vilas Bank	Salem Road, Kathaprai, Karur - 639 006.Tamil Nadu	21,409	21,409
13	UCO Bank	10, B T M Sarani, Kolkata - 700 001, West Bengal	151	151

Notes on accounts to standalone financial statements for the year ended March 31, 2024

Sr. No.	Name of the Bank / Financial Institution	Address	Acquisition price (₹ in lakh)	
			For the year ended March 31, 2024	For the year ended March 31, 2023
14	Yes Bank	Indiabulls Finance Centre, Tower II, Senapati Marg, Elphinstone (W), Mumbai - 400 013	1,030	1,030
15	The Saraswat Co-operative Bank Ltd.	953, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025	375	375
16	Abhyudaya Co-operative Bank Limited	Shram Safalya, 63, G D Ambekar Marg, Parel Village, Mumbai - 400 012	325	325
17	Bank of Baroda	Suraj Plaza-1, Sayaji Ganj, Baroda - 390005	113	113
18	The Akola Urban Co-operative Bank Limited	“Jankalyan”, 58/59, Toshniwal Layout, Murtizapur Road, Behind Govt. Milk Scheme, Akola-444001	4,200	4,200
19	State Bank of India	State Bank Bhavan, Madam Cama Road, Mumbai – 400021	48,447	48,447
20	Kotak Mahindra Bank (erstwhile ING Vysya Bank)	22, MG Road, Bangalore, Karnataka- 560001	16,870	16,870
21	State Bank of India (erstwhile State Bank of Travancore)	Poojappura, Thiruvananthapuram-695012	6,194	6,194
22	State Bank of India (erstwhile State Bank of Hyderabad)	Gunfoundry, Hyderabad-500001	1,660	1,660
23	Karur Vysya Bank	Erode Road, Karur-639002, Tamilnadu	382	382
24	Reliance Capital Limited	Kamala Mills, Trade One Building 'D' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013	9,599	9,599
25	Magma Fincorp Limited	Magma House, No.24 Park Street, Kolkata-700 016	5,948	5,948
26	Magma Housing Finance	Magma House, No.24 Park Street, Kolkata -700 016	1,442	1,442
27	SVC Co-operative Bank Limited	SVC Tower, Nehru Road, Vakola, Santacruz (E), Mumbai - 400 055	4,779	4,779
28	Union Bank of India (erstwhile Andhra Bank)	Mama Paramanand Marg, Opera House, Girgaon, Mumbai, Maharashtra 400004	440	440
29	Reliance Commercial Finance	The Ruby, 11th Floor, North West Wing, Plot No. 29, JK Sawant marg, Dadar, Mumbai- 400 028	11,501	11,501
30	The Kalyan Janata Sahakari Bank Limited	Kalyanam_astu, Om Vijaykrishna Apartment, Adharwadi, Kalyan (W), Dist. Thane - 421301	6,206	6,206
31	Indian Overseas Bank	4/B, Ground Floor, Sangam CHSL, S.V Road, Santacruz (W), Mumbai 400054	80,167	50,295
32	Shubham Housing Development Finance Corporation Limited	Plot No. 425, Udyog Vihar, Phase IV, Gurgaon-122015	7,243	7,243
33	Religare Housing Development Finance Corporation Limited	1st Floor, Tower "A" PRIUS Global, Sector-125, NOIDA, U.P- 201301	3,047	3,047
32	IndusInd Bank Limited	IndusInd Bank Ltd., 11th floor, Tower 1, One Indiabulls Centre, 841, Senapati Bapat Marg, Elphinstone Road, Mumbai-400013, India	466	466
33	HDFC Bank Limited	16th Floor, Tower A, Peninsula Business Park, Lower Parel, Mumbai - 400013	20,977	20,977
34	Orange Retail Finance India Private Limited	No.4/363, Second Floor, Kandhanchavadi, Old Mahabalipuram Road, Chennai – 600 096	2,706	2,706

Notes on accounts to standalone financial statements for the year ended March 31, 2024

Sr. No.	Name of the Bank / Financial Institution	Address	Acquisition price (₹ in lakh)	
			For the year ended March 31, 2024	For the year ended March 31, 2023
35	Jana Small Finance Bank Ltd	The Fairway Business Park, #10/1, 11/2 & 12/2B Off Domlur, Koramangala Inner Ring Road, Next to EGL, Challaghatta, Bengaluru – 560071	15,998	12,535
36	Indian School Finance Company Ltd	8-2-269/2/52, Plot No. 52, Sagar Society Road No. 2, Banjara Hills, Hyderabad - 500034	5,289	5,289
37	Light Microfinance Pvt Ltd	310, Piinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad - 380015	1,039	1,039
38	DBS Bank India Limited	DBS Bank India Ltd, Express Tower, Level 19, Nariman Point, Mumbai - 400 021, India.	150	150
39	Baid Finserv Limited	BAID HOUSE, IIND Floor, 1, Tara Nagar, Ajmer Road, Jaipur-302006	496	496
40	Ambit Finvest Private Limited	Ambit House, 449, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, Maharashtra	864	-
41	PHF Leasing Limited	87, Radio Colony, Mahavir Marg, Jalandhar, Punjab- 144001.	325	-
42	Laxmi India Finance Private Limited	2, Gopinath Marg, MI Rd, Jaipur - 302001	1,432	850
43	Manba Finance Limited	Manba House, Plot No A - 79, Road No 16, Wagle Estate, Thane (West) - 400604	2,102	2,102
TOTAL			4,46,496	4,11,391

(ii) Dispersion of various Financial Assets Industry-wise.

Industry	Acquisition Cost Outstanding (₹in lakh)	Percentage to total assets	Acquisition Cost Outstanding (₹in lakh)	Percentage to total assets
	For the year ended March 31, 2024		For the year ended March 31, 2023	
Agriculture	31,516	7.06%	31,516	7.66%
Education	1,55,696	34.87%	1,25,824	30.59%
Housing	17,238	3.86%	17,238	4.19%
MSME	1,41,387	31.67%	1,41,387	34.37%
Seeds / Biotech	5,730	1.28%	5,730	1.39%
Food processing	9,735	2.18%	9,735	2.37%
Power	270	0.06%	270	0.07%
Plastics	230	0.05%	230	0.06%
Casting & Forging	3,343	0.75%	3,343	0.81%
Construction	2,440	0.55%	2,440	0.59%
Waste Processing	440	0.10%	440	0.11%
Vehicle	15,767	3.53%	15,767	3.83%
Personal	13,586	3.04%	13,586	3.30%
Infrastructure	3,905	0.87%	3,905	0.95%
Information Technology	294	0.07%	294	0.07%
Advertisement	3	0.00%	3	0.00%
Textile	4,735	1.06%	4,735	1.15%
Electricals	592	0.13%	592	0.14%
Gems & Jewellery	710	0.16%	710	0.17%
Others	38,880	8.71%	33,646	8.18%
TOTAL	4,46,496	100.00%	4,11,391	100.00%

Notes on accounts to standalone financial statements for the year ended March 31, 2024

(iii) Dispersion of various Financial Assets Sponsor-wise

Industry	Acquisition Cost Outstanding (₹ in lakh)	Percentage to total assets	Acquisition Cost Outstanding (₹ in lakh)	Percentage to total assets
	For the year ended March 31, 2024		For the year ended March 31, 2023	
A. Sponsor				
- Reliance Capital Limited	9,599	2%	9,599	2%
- Union Bank of India	-	0%	1,314	0%
Total Sponsor (A)	9,599	2%	10,913	3%
B. Non-Sponsors	4,37,322	98%	4,00,903	97%
Total Non Sponsor (B)	4,37,322	98%	4,00,903	97%
TOTAL (A+B)	4,46,921	100%	4,11,816	100%

₹ in Lakh

	As at March 31, 2024	As at March 31, 2023
(iv) A statement charting the migration of Financial Assets from Standard to Non-Performing. Opening balance of Standard Assets Opening balance of Non-Performing Assets Assets acquired during the year (Standard) Assets redeemed during the year (Standard and NPA) Downgradation of Assets from Standard to Non-Performing (gross of provisions) during the year Closing balance of Standard Assets Closing balance of Non-Performing Assets (gross of provisions)	- - - - - - -	- - - - - - -
(v) Value of Financial Assets acquired during the financial year either on its own books or in the books of the Trust	35,105	24,946
(vi) Value of Financial Assets realised during the financial year	23,004	27,114
(vii) Value of Financial Assets outstanding for realisation as at the end of the financial year.	2,32,914	2,20,813
(viii) Value of Security Receipts redeemed/Contractual Rights in Loan Assets realised partially and the Security Receipts redeemed /Contractual Rights in Loan Assets realised fully during the financial year. - Value of Security Receipts redeemed fully during the financial year - Value of Security Receipts redeemed partially during financial year	- 23,004	- 27,114
(ix) Value of Security Receipts/Contractual Rights in Loan Assets, pending for redemption as at the end of the financial year	2,32,914	2,20,813
(x) Value of Security Receipts which could not be redeemed as a result of non-realisation of the Financial Asset as per the policy formulated by the Securitisation Company or Reconstruction Company under Paragraph 7(6)(ii) or 7(6)(iii) of The Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 as amended from time to time. In Reliance ARC CUB SDPL Trust (2014) SR issued was of Rs 7,100 lakhs where redemption of Rs 5,528 lakhs has been done during its tenure. Hence, Rs. 1572 has been written off in FY 2023-24 as per the policy formulation.		
(xi) Value of land and / or building acquired in ordinary course of business of reconstruction of assets. - NIL		
Additional disclosure as per RBI notification no. DNBS (PD) CC. No. 41/SCRC/26.03.001/2014-15 date August 5th, 2014		
(xii) The basis of valuation of assets if the acquisition value of the assets is more than the book value - Nil		
(xiii) The details of the assets disposed of (either by write off or by realisation during the year at a discount of more than 20% of valuation as on the previous year end and the reasons therefore. There were no asset disposed off (either by write off or by realisation) during the year at a discount of more than 20% of valuation as on the previous year end and the reasons therefore.		

Notes on accounts to standalone financial statements for the year ended March 31, 2024

(xiv) The details of the assets where the value of the SRs has declined more than 20% below the acquisition value

Sr. no.	Trust Name	Closing SR (₹ in lakh)	NAV as at March 31, 2024
1	Reliance ARC - LVB Trust	1,568	-
2	Reliance ARC - INB Retail Portfolio Trust (2013)	35,048	-
3	Reliance ARC - AUCB 2014 (1) Trust	203	-
4	Reliance ARC - CUB 2014 (1) Trust	434	-
4	Reliance ARC - SBI Maan Sarovar Trust	460	-
5	Reliance ARC - CUB(CTRPL)(2014)Trust	2,510	-
6	Reliance ARC CUB HL & SME 2014 1 Trust	157	-
7	Reliance ARC 001 Trust	13,129	-
8	Reliance ARC 002 Trust	275	-
9	Reliance ARC 007 Trust - Class A	1,580	-
10	Reliance ARC 004 Trust	0	-
11	Reliance ARC 006 Trust	1,376	-
12	Reliance ARC 008 Trust	907	-
13	Reliance ARC 010 Trust	2,045	-
14	Reliance ARC 011 Trust	3,743	-
15	Reliance ARC 012 Trust	1,367	-
16	Reliance ARC 015 Trust	4,629	-
17	Reliance ARC 016 Trust	1,440	-
18	Reliance ARC 013 Trust	113	-
19	Reliance ARC SBI(CHN)018 Trust	4,955	-
20	Reliance ARC SBI(HYD)021 Trust	112	-
21	RARC Dena Bank 024 Trust	157	75%
22	RARC Dena Bank 025 Trust	346	50%
23	LVB RARC 029 Trust	792	75%
24	Andhra Bank RARC 039 Trust	211	75%
25	RARC (IOB EL) 050 Trust	8,164	75%
26	RARC 053 (IB SME) Trust	2,678	75%
27	RARC 058 (KJSB SME) Trust	1,228	75%

2.41 Related party transactions
A. List of Related Parties and their relationship:
i) Entity having significant influence on the Company

Reliance Capital Limited

ii) Subsidiaries of Entity having significant influence referred in (i) above

1. Reliance Commercial Finance Limited (ceased w.e.f October 14, 2022)
2. Reliance General Insurance Company Limited
3. Reliance Nippon Life Insurance Company Limited
4. Reliance Corporate Advisory Services Limited
5. Reliance Securities Limited
6. Reliance Financial Limited

Notes on accounts to standalone financial statements for the year ended March 31, 2024

7. Reliance ARC SBI Maan Sarovar Trust

iii) **Asset Reconstruction trusts - controlled by the company**

1. Reliance ARC CUB 2014 (1) Trust
2. Reliance ARC - CUB (HL&SME) (2014) (1) Trust
3. Reliance ARC 004 Trust
4. Reliance ARC 007 Trust
5. Reliance ARC ALPLUS Trust
6. RARC 061 (INDUSIND RETAIL) Trust
7. RARC 076 Trust

iv) **Trust - Employee Benefit Plan**

Reliance Asset Reconstruction Company Limited Group Gratuity Cum Life Assurance Scheme

v) **Key management personnel**

- a) **Mr. Mehul Gandhi**
Executive Director & Chief Executive Office
- b) **Mr. Rakesh Panjwani**
Chief Financial Officer
- c) **Mr. Rajesh Gandhi** (upto October 31, 2022)
Company Secretary
- d) **Ms. Dipanjali Nagpal** (w.e.f November 21, 2022)
Company Secretary

B. **Transactions during the year with related parties:**

₹ in Lakh						
Particulars	Year	Entity having Significant Influence	Subsidiaries of Entity having significant influence	Asset Reconstruction trusts - controlled by the company	Key Management Personnel	Total
Total Income (Net of Provision)						
Trust Controlled by the Company	2023-24	-	-	8	-	8
	2022-23	-	-	50	-	50
Reliance ARC SBI Maan Sarovar Trust	2023-24	-	(0)		-	(0)
	2022-23	-	(2)		-	(2)
Interest on Borrowings other than debt securities						
Reliance Corporate Advisory Services Limited (assigned to Acre- 116 Trust on June 07, 2023) Hence interest of INR 165 lakh being paid to Acre-116 Trust during FY 2023-24	2023-24	-	-	-	-	-
	2022-23	-	273	-	-	273
Reliance Capital Limited	2023-24	-	-	-	-	-
	2022-23	75	-	-	-	75

Notes on accounts to standalone financial statements for the year ended March 31, 2024

₹ in Lakh

Particulars	Year	Entity having Significant Influence	Subsidiaries of Entity having significant influence	Asset Reconstruction trusts - controlled by the company	Key Management Personnel	Total
Other Expenses						
Reliance Capital Limited (Software Maintenance Charges & Other Expense)	2023-24	7	-	-	-	7
	2022-23	6	-	-	-	3
Reliance General Insurance Company Limited (Mediclaime Premium Expense & Other Expense)	2023-24	-	13	-	-	13
	2022-23	-	21	-	-	21
Reliance Nippon Life Insurance Company Limited (Gratuity Expense)	2023-24	-	-	-	-	-
	2022-23	-	10	-	-	10
Reliance Financial Limited (* ₹ 4000)	2023-24	-	*	-	-	*
	2022-23	-	-	-	-	-
Reliance Securities Ltd (Rent & Maintenance Expense & Other Expenses)	2023-24	-	79	-	-	79
	2022-23	-	65	-	-	65
Trade Receivables						
Trust Controlled by the Company	2023-24	-	-	3	-	3
	2022-23	-	-	2	-	2
Reliance ARC SBI Maan Sarovar Trust (* ₹ 56,428 , ** ₹ 21121)	2023-24	-	1	-	-	*
	2022-23	-	**	-	-	**
Investments						
Trust Controlled by the Company	2023-24	-	-	2,985	-	2,985
	2022-23	-	-	4,089	-	4,089
Reliance ARC SBI Maan Sarovar Trust	2023-24	-	-	-	-	-
	2022-23	-	-	-	-	-
Other Financial Asset						
Advance To Trust						
Trust Controlled by the Company	2023-24	-	-	0	-	0
	2022-23	-	-	7	-	7
Reliance ARC SBI Maan Sarovar Trust	2023-24	-	(0)	-	-	(0)
	2022-23	-	2	-	-	2
Trust Fund						
Trust Controlled by the Company (* ₹ 7000, ** ₹ 7000)	2023-24	-	-	*	-	*
	2022-23	-	-	**	-	**
Reliance ARC SBI Maan Sarovar Trust (* ₹ 1000, ** ₹ 1000)	2023-24	-	*	-	-	*
	2022-23	-	**	-	-	**

Notes on accounts to standalone financial statements for the year ended March 31, 2024

₹ in Lakh

Particulars	Year	Entity having Significant Influence	Subsidiaries of Entity having significant influence	Asset Reconstruction trusts - controlled by the company	Key Management Personnel	Total
Other Non Financial Asset						
Reliance General Insurance Company Limited	2023-24	-	1	-	-	1
	2022-23	-	8	-	-	8
Reliance Commercial Finance Limited	2023-24	-	-	-	-	*
	2022-23	-	-	-	-	**
Trade Payables						
Reliance Capital Limited (*8403 ,** 8403)	2023-24	-	*	-	-	*
	2022-23	-	**	-	-	**
Reliance Securities Limited	2023-24	-	33	-	-	33
	2022-23	-	6	-	-	6
Reliance Financial Limited	2023-24	-	-	-	-	-
	2022-23	-	-	-	-	-
Reliance Nippon Life Insurance Company Limited	2023-24	-	-	-	-	-
	2022-23	-	-	-	-	-
Borrowings other than debt securities						
Taken during the year						
Reliance Corporate Advisory Services Limited	2023-24	-	-	-	-	-
	2022-23	-	-	-	-	-
Reliance Capital Limited	2023-24	-	-	-	-	-
	2022-23	-	-	-	-	-
Reliance Financial Limited	2023-24	-	-	-	-	-
	2022-23	-	-	-	-	-
Returned during the year						
Reliance Corporate Advisory Services Limited (assigned to Acre- 116 Trust on June 07, 2023)	2023-24	-	2,275	-	-	2,275
	2022-23	-	-	-	-	-
Reliance Capital Limited	2023-24	-	-	-	-	-
	2022-23	-	-	-	-	-
Reliance Financial Limited	2023-24	-	-	-	-	-
	2022-23	-	-	-	-	-
Closing Balances						
Reliance Corporate Advisory Services Limited (assigned to Acre- 116 Trust on June 07, 2023)	2023-24	-	-	-	-	-
	2022-23	-	2,275	-	-	2,275
Reliance Capital Limited	2023-24	-	-	-	-	-

Notes on accounts to standalone financial statements for the year ended March 31, 2024

₹ in Lakh

Particulars	Year	Entity having Significant Influence	Subsidiaries of Entity having significant influence	Asset Reconstruction trusts - controlled by the company	Key Management Personnel	Total
Reliance Financial Limited	2022-23	600	-	-	-	600
	2023-24	-	-	-	-	-
Other Financial Liabilities	2022-23	-	-	-	-	-
	2023-24	-	-	-	-	-
Interest accrued but not due on borrowings						
Reliance Corporate Advisory Services Limited	2023-24	-	-	-	-	-
Reliance Capital Limited	2022-23	-	206	-	-	206
	2023-24	-	-	-	-	-
Other Non Financial Liabilities	2022-23	57	-	-	-	57
	2023-24	-	-	-	-	-
Trust Controlled by the Company						
Income Received in Advance	2023-24	-	-	1	-	1
	2022-23	-	-	1	-	1
Advance Received from Trust	2023-24	-	-	61	-	61
	2022-23	-	-	1	-	-
Reliance ARC SBI Maan Sarovar Trust	2023-24	-	-	-	-	-
	2022-23	-	-	-	-	-
Key Managerial Personnel						
Remuneration	2023-24	-	-	-	380	380
	2022-23	-	-	-	333	333

2.42 Earning per equity share

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Basic and diluted earning per equity share		
Net Profit after tax attributable to equity shareholders (₹ in lakh) (A)	1,862	2,311
Weighted average number of Equity Shares (Nos) (B)	10,00,00,000	10,00,00,000
Nominal value of equity shares (₹)	10	10
Basic and Diluted Earning Per Share (₹) (A/B)	1.86	2.31

2.43 Dividend remitted in foreign currency

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Dividend paid during the year (₹ in lakh)	29	29
Number of non-resident shareholder	1	1
Number of equity shares held by non-resident shareholder	95,00,000	95,00,000
Financial Year to which the dividends relates to	2022 - 2023	2021 - 2022

Notes on accounts to standalone financial statements for the year ended March 31, 2024

2.44 Comparison between provisions required under Income Recognition, Asset Classification and Provisioning (IRACP) Norms and impairment allowances made under Ind AS 109 pursuant to the RBI circular no. DOR (NBFC).CC.PD.No.116/22.10.106/2019-20 dated March 13, 2020.

As at year ended March 31, 2024

₹ in Lakh

Asset Classification as per RBI Norms	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
		(1)	(2)	(3) =(1)-(2)	(4)	(5) =(2)-(4)
Performing Assets						
Standard	Stage 1	29	-	29	-	-
	Stage 2	-	-	-	-	-
Subtotal Performing Assets(A)		29	-	29	-	-
Non Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal Non Performing Assets (NPA) (B)		-	-	-	-	-
Other items						
Advances to trust and other financial assets (C)	Stage 1	62	-	62	-	-
	Stage 2	183	183	-	178	5
	Stage 3	40	40	-	40	-
Trade receivables (D)	NA	368	183	185	183	-
Purchased or Originated credit impaired (E)	Purchased or Originated credit impaired	-	-	-	-	-
Subtotal (F) = (C) + (D) + (E)		653	406	247	401	5
Total assets (a)	Stage 1	92	-	91	-	-
	Stage 2	183	183	-	178	5
	Stage 3	40	40	-	40	-
	Others	368	183	185	183	-
	Total	683	406	276	401	5

Notes on accounts to standalone financial statements for the year ended March 31, 2024

As at year ended March 31, 2023

Asset Classification as per RBI Norms	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
		(1)	(2)	(3) =(1)-(2)	(4)	(5) =(2)-(4)
Performing Assets						
Standard	Stage 1	129	-	129	-	-
	Stage 2	-	-	-	-	-
Subtotal Performing Assets(A)		129	-	129	-	-
Non Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal Non Performing Assets (NPA) (B)		-	-	-	-	-
Other items						
Advances to trust and other financial assets (C)	Stage 1	124	-	124	-	-
	Stage 2	150	150	-	150	-
	Stage 3	40	40	-	40	-
Trade receivables (D)	NA	347	220	127	220	-
Purchased or Originated credit impaired (E)	Purchased or Originated credit impaired	-	-	-	-	-
Subtotal (F) = (C) + (D) + (E)		661	410	251	410	-
Total assets (a)						
	Stage 1	253	-	253	-	-
	Stage 2	150	150	-	150	-
	Stage 3	40	40	-	40	-
	Others	347	220	127	220	-
	Total	790	410	380	410	-

Notes on accounts to standalone financial statements for the year ended March 31, 2024

2.45 Schedule of security receipts (SRs)

	Name of Trust	As at March 31, 2024		As at March 31, 2023	
		No. of SRs	₹ in Lakh	No. of SRs	₹ in Lakh
A)	Structured entities controlled by the Company (Refer Note 2.38)				
	Reliance ARC - CUB (2014) Trust	43,421	709	55,619	392
	Reliance ARC – CUB (HL & SME)(2014) Trust *	15,653	231	15,653	231
	Reliance ARC 004 Trust	1	464	18,121	527
	Reliance ARC 007 Trust	1,06,951	433	1,35,051	800
	RARC 061 (Indusind Retail) Trust	16,290	452	33,272	898
	RARC 076 TRUST	5,673	905	13,906	1,240
	Reliance ARC ALPLUS Trust	-	-	-	-
	Total (A)		3,194		4,088
B)	Other structured entities				
	Reliance ARC – LVB Trust	7,841	-	7,841	-
	Reliance ARC – INB Retail Portfolio Trust (2013)	2,45,364	1,008	2,47,355	949
	Reliance ARC - AUCB 2014 (1) Trust	1,017	13	3,634	38
	Reliance ARC - SBI Maan Sarovar Trust	4,602	-	4,602	-
	Reliance ARC – CUB (CTRPL) (2014) Trust	12,551	-	12,551	-
	Reliance ARC – CUB SDPL Trust (2014)	-	-	7,862	-
	Reliance ARC 001 Trust	1,96,932	-	1,98,731	-
	Reliance ARC 002 Trust	4,132	-	4,282	-
	Reliance ARC 006 Trust	34,390	-	34,390	-
	Reliance ARC 008 Trust	22,679	-	22,679	-
	Reliance ARC 010 Trust	30,680	124	30,680	-
	Reliance ARC 011 Trust	56,151	558	60,379	604
	Reliance ARC 012 Trust	20,507	137	20,507	52
	Reliance ARC 015 Trust	69,408	415	76,195	1,026
	Reliance ARC 016 Trust	21,606	130	21,606	300
	Reliance ARC 013 Trust	1,697	-	2,192	34
	RELIANCE ARC SBI (HYD) 021 Trust	1,685	-	1,685	25
	RELIANCE ARC SBI (CHN) 018 Trust	74,325	443	79,041	1,076
	RELIANCE ARC SBI (MUM) 020 Trust	3,080	-	3,563	58
	RELIANCE ARC SBI (BHO) 019 Trust	10,750	-	10,805	117
	RELIANCE ARC SBI (CHN) 022 Trust	1,27,642	988	1,40,724	1,923
	RARC SVC 023 Trust	-	4	1,874	30
	RARC Dena Bank 024 Trust	2,354	18	2,557	19
	RARC 026 Trust	61,428	932	74,391	1,123
	RARC Dena Bank 025 Trust	5,194	25	11,427	86
	INB RARC 030 Trust	84,165	1,098	84,165	1,073
	RARC 027 Trust	19,964	318	29,179	394
	Magma RARC 031 Trust *	4,868	55	8,105	87

Notes on accounts to standalone financial statements for the year ended March 31, 2024

Name of Trust	As at March 31, 2024		As at March 31, 2023	
	No. of SRs	₹ in Lakh	No. of SRs	₹ in Lakh
INB RARC 036 Trust	41,108	411	48,718	611
LVB RARC 029 Trust	11,878	88	12,690	127
SVC Bank RARC 033 Trust	22,826	343	28,715	430
SBI RARC 035 Trust	57,304	787	57,304	788
LVB RARC 038 Trust	79,622	796	83,611	836
Andhra Bank RARC 039 Trust	3,164	24	3,164	24
RARC 040 IB SME Trust	22,463	337	28,067	425
RARC 045 IB SME Trust	16,570	166	16,570	249
RARC 048 RCFL Trust	78,931	1,148	79,341	1,140
RARC 049 (Kalyan Janata SME) Trust *	6,308	95	8,834	127
RARC (IOB EL) 050 Trust	1,22,462	907	1,35,470	1,355
RARC 051 (KJSB SME) Trust	40,944	514	40,944	512
RARC 052 (IB Retail) Trust	1,50,375	1,504	1,66,108	1,661
RARC 053 (IB SME) Trust	40,170	301	41,271	307
RARC 057 (SHDFCL HL) Trust	1,141	26	3,101	80
RARC 058 (KJSB SME) Trust	18,416	130	26,640	266
RARC 059 (RHDFC HL) Trust	10,753	170	19,408	306
RARC (IOB EL) 062 Trust *	98,630	1,340	1,04,988	1,378
RARC 064 (HDFC Retail) Trust *	60,847	926	76,385	1,182
RARC (IOB EL) 065 Trust *	1,46,988	2,215	1,64,869	2,429
RARC (ORFIPL TWL) 066 Trust	14,280	203	15,212	203
Shubham Housing RARC Trust	42,935	661	59,795	919
RARC 068 Trust	1,40,709	1,709	1,49,183	1,762
RARC 069 Trust	13,500	185	15,249	190
RARC 070 Trust *	81,270	1,252	1,21,467	1,806
RARC 071 Trust	21,562	325	24,895	361
RARC 072 Trust *	90,389	1,211	94,189	1,225
RARC 073 Trust	11,845	183	14,783	193
RARC 074 Trust	11,121	167	13,133	180
RARC 075 Trust	13,267	214	18,335	272
RARC 077 TRUST	6,415	110	7,438	74
RARC 078 TRUST	10,541	164	12,756	128
RARC (IOB EL)079 TRUST	1,67,827	2,730	2,21,383	2,214
RARC 080 TRUST	7,591	128	11,527	115
RARC 081 TRUST	13,379	221	14,512	145
RARC 082 TRUST	15,844	259	24,752	248
RARC 083 TRUST	23,013	406	27,436	274
RARC 086 TRUST	1,24,803	1,914	-	-
RARC 084 Trust	51,899	519	-	-
RARC 087 Trust	8,718	87	-	-
RARC 089 Trust	4,37,410	4,374	-	-

Notes on accounts to standalone financial statements for the year ended March 31, 2024

Name of Trust	As at March 31, 2024		As at March 31, 2023	
	No. of SRs	₹ in Lakh	No. of SRs	₹ in Lakh
RARC 090 Trust	12,964	130	-	-
RARC 091 Trust	4,878	49	-	-
Total (B)		35,695		33,556
Total (A + B)		38,889		37,644

Since Reliance Asset Reconstruction Company Limited (the Company) is preparing and presenting financial statements under Ind AS, investments made by the Company in securing receipts of the trust are recognized at fair value under Ind AS 109. Investments in the security receipts of the trust, which have expired 8 years and future cash flow is expected are valued at fair value. The valuation is done by an independent valuer.

During the pervious year, the company had written-off investment in security receipts (No. of Security Receipts - 7,862) amounting to ₹ 79 Lakh as no further recovery is expected.

* Security Receipts which are pledged with Union Bank of India against overdraft facility

2.46 The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of accounts, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of accounts along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company uses the accounting software SAP & Servosys for maintaining books of account. During the year ended March 31, 2024, the Company had complied with the above provisions.

2.47 Segment reporting

The Company is primarily engaged in the Business of Acquisition and Resolution of Non Performing Assets and all other activities revolve around the main business of the Company. The Financial Statements of the Company have been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 as amended and as prescribed under Section 133 of the Companies Act 2013 and all activities are conducted within India and as such there is no separate reportable segment as per the Ind AS 108 "Operating Segments".

2.48 Events after reporting date

The Board of Directors have recommended dividend of ₹ 0.30 per fully paid up equity share of ₹ 10/- each for the financial year 2023-24.

2.49 Other Additional Regulatory Information

2.49.1 Title deeds of Immovable Properties not held in name of the company

The Company do not have any immovable properties where title deeds are not held in the name of the Company.

2.49.2 Loans and Advances

There are no loans or advances in the nature of loans which are granted to promoters, directors, key managerial persons and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are:

- repayable on demand or
- without specifying any terms or period of repayment.

Notes on accounts to standalone financial statements for the year ended March 31, 2024

2.49.3 Details of Benami Property held

The Company does not have benami property, where any proceedings has been initiated or pending against the Company for holding any Benami property.

2.49.4 Details of Benami Property held

The Company has no borrowings from bank or financial institutions on the basis of security of current assets.

2.49.5 Wilful defaulter

The Company is not declared as wilful defaulter by any bank or financial institution or other lender.

2.49.6 Relationship with Struckoff Companies

The Company does not have any transactions with struck off companies.

2.49.7 Registration of charges or satisfaction of charges with Registrar of Companies (ROC)

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

2.49.8 Ratios

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Debt-Equity Ratio (No. of times) a	0.23	0.30
Debt Service Coverage Ratio (No. of times) b	0.89	2.57
Capital to risk asset ratio (CRAR) (%) c	66.41%	66.35%
Liquidity Coverage Ratio d	-	-

a Formula for Debt Equity Ratio = Total Debt / Total Equity

b Formula for Debt Service Coverage Ratio = (Earnings after Tax and before Interest, Depreciation, Fair Value and Exceptional Items) / (Interest Expense + Principal Repayments of long term debts made during the year)

c Formula for Capital to risk asset ratio = (Tier I Capital + Tier II Capital) / Risk Weighted Assets

d Liquidity Coverage Ratio - The Company has availed bank overdraft and it makes its payment to vendors from such overdraft facility and the Company has not maintained liquid assets. Further The Company is required to deposit all its income in such overdraft account and as a part of covenant the Company is not allowed to maintain any other current account.

2.49.9 Utilisation of Borrowed funds and share premium

- (A) During the year, the company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
- 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).
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (B) During the year, the company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recored in writing or otherwise) that the Company shall:
- 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).
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

Notes on accounts to standalone financial statements for the year ended March 31, 2024

2.49.10 Undisclosed Income

The Company has no such transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961.

2.49.11 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto Currency of Virtual Currency during the current financial year or any previous financial years.

2.50 Previous year figures

Figures for the previous year has been regrouped / reclassified wherever necessary to make them comparable.

As per our report of even date.

For Pathak H.D. & Associates LLP

Chartered Accountants

Firm Registration No. : 107783W/W100593

Jigar T. Shah

Partner

Membership No: 161851

Place : Mumbai

Date: August 20, 2024

For and on behalf of the Board of Directors

Mehul Gandhi

(Executive Director & CEO)

(DIN : 08584229)

Dipanjali Nagpal

(Company Secretary)

Membership No. 39288

Aman Gudral

(Director)

(DIN : 08822974)

Rakesh Panjwani

(Chief Financial Officer)

Independent Auditor's Report

To

The Members of Reliance Asset Reconstruction Company Limited

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Reliance Asset Reconstruction Company Limited** ("hereinafter referred to as the Parent Company") and Trusts formed by the Company (the Company and its trusts together referred to as the 'Group'), which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and its consolidated profit, its consolidated other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current period these matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key Audit Matters	How our audit addressed the Key Audit Matters
Valuation of Investments in Security Receipts(SR) (as described in Note No 2.04 of consolidated financial statements)	
<p>The Group has investment in SR amounts to Rs 35,695 Lakh and the net fair valuation loss on such investments during the year amounts to Rs 729 Lakh as disclosed in Note No. 2.26 of the consolidated financial statements.</p> <p>The fair value of SR is determined through discounted cash flow method which involves management judgement using level 3 inputs such as projection of future cash flows and expenses.</p> <p>The management has involved credit rating agencies for valuation of SR.</p> <p>Considering the fair valuation of investments is significant to overall consolidated financial statements and the degree of management's judgment involved in the estimate, any error in the estimate could lead to material misstatement in the consolidated financial statements.</p> <p>Therefore, it is considered as a key audit matter.</p>	<ul style="list-style-type: none"> • Our audit procedures included an assessment of internal controls over measurement of fair value and evaluating the methodologies, inputs, judgements made and assumptions used by the management in determining fair values. • We evaluated rationale of the models and accounting treatment applied. We compared observable inputs against independent sources and externally available market data for sample cases. • We compared the rating provided by the independent rating agencies with fair valuation determined by the Company. • We assessed the disclosures related to investments in SR and fair valuation included in these consolidated financial statements
Revenue Recognition: Trusteeship Fee (as described in Note No 1.03 (i) and 2.22 of consolidated financial statements)	
<p>Trusteeship Fee is the most significant account balance in the Consolidated Statement of Profit and Loss.</p> <p>Key aspects relating to timing and recognition of revenue in respect of Trusteeship Fee are set out below:</p> <ul style="list-style-type: none"> • The calculation of investment management fees, is based on a percentage of the Assets Under Management ('AUM') of the funds managed by the Company, in accordance with guidelines prescribed under RBI regulations RBI/2015-16/94 DNBR.(PD).CC.No. 03/SCRC/26.03.001/2015-16' as amended from time to time. • Trusteeship Fee is accrued based on a five step model as set out in Ind AS 115 "Revenue from Contract with Customers" • The contracts include a single performance obligation that is satisfied over time. 	<p>Our audit procedures included:</p> <p>Design/controls</p> <ul style="list-style-type: none"> • Understood and evaluated the design and implementation of key controls in place around recognition of Trusteeship Fee; • Test checked management review controls over recognition of Trusteeship Fee. Substantive tests • Evaluated the appropriateness of recognition of revenue in respect of Trusteeship Fee income based on the requirements of Ind AS 115; • Obtained AUM and Trusteeship Fee from the Company and then reconciled Trusteeship Fee to amounts included in consolidated financial statements; • Test checked that Trusteeship Fee rates were approved by authorised personnel; • Test checked Trusteeship Fee invoices and reconciled with the accounting records; • Evaluated the adequacy of disclosures relating to the Trusteeship Fee earned by the Group.

Other Information

The Parent Company's management and Board of Directors is responsible for the other information. The other information comprises the information included in Parent Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management Responsibilities for the consolidated financial statements

The Parent Company's management and Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors of the Companies are also responsible for overseeing the financial reporting process of the Group.

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

- Obtain an understanding of internal 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 financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Management's and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the trusts or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such Trusts included in consolidated financial statements.

Materiality is the magnitude of misstatements in the Consolidated Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Ind AS Financial Statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The consolidated financial statement includes the financial statement of the following Trusts :

List of Trusts :

1. Reliance ARC 004 Trust
2. Reliance ARC 007 Trust
3. Reliance ARC CUB 2014 (1) Trust
4. Reliance ARC CUB (HL&SME) (2014) (1) Trust
5. Reliance ARC ALPLUS Trust
6. Reliance ARC 061 Trust
7. Reliance ARC 076 Trust

Report on other legal and regulatory requirements

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 explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books;
 - c) The consolidated Balance Sheet, the consolidated statement of profit and loss (including other comprehensive income) the consolidated statement of cash flow and consolidated statement of changes in equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014:
 - e) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2024 taken on record by the Board of Directors of the Parent Company, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Parent Company.
- Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of the Parent company, for reasons stated therein.
- g) With respect to the matter to be included in the Auditor's report under section 197(16) of the Act. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - (i) The consolidated financial statements disclose the impact of pending litigations as at March 31, 2024 on its consolidated financial position of the Group in its consolidated financial statements;
 - (ii) The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2024;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent Company.
 - (iv) (a) Management has represented to us that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts 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 Group to or in any other persons or entities, 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) Management has represented to us that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts 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.
 - (c) Based on our audit procedure conducted that are considered reasonable and appropriate in the

circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2)(h) (iv)(a) & (b) contain any material misstatement.

- (v) (a) The final dividend paid by the Parent Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
- (b) As stated in note 2.47 of the consolidated financial statements, the Board of Directors of the Parent Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing annual general meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- (vi) The reporting under Rule 11(g) of the companies (Audit and Auditors) Rules, 2014 is applicable only to the parent company as the subsidiaries are in form of trusts
- (vii) Based on our examination which includes test check, the Company has used an accounting software SAP and its allied software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of audit we did not come across any instances of audit trail feature being tampered with.
- (viii) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.
- (2) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us for the Holding Company, we report that there are no qualifications or adverse remarks in the CARO report. Trusts controlled by the Company and included in the Consolidated Ind AS Financial Statements are not subject to CARO.

For **Pathak H. D. & Associates LLP**
Chartered Accountants
Firm's Registration No: 107783W/W100593

Jigar T. Shah
Partner

Place: Mumbai
Date: August 20, 2024

Membership No: 161851
UDIN: 241618513KBHOJ7122

Annexure A to Independent Auditors' Report on the consolidated financial statements of Reliance Asset Reconstruction Company Limited for the year ended March 31, 2024

Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

(Referred to in Paragraph (1) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In conjunction with our engagement to audit the consolidated financial statements of the Reliance Asset Reconstruction Company Limited as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of Reliance Asset Reconstruction Company Limited (hereinafter referred to as "the Parent Company"), as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Director of Parent Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the Parent 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 Parent Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

Meaning of Internal Financial Controls with reference to consolidated financial statements

A parent company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group;
- (ii) 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 authorisations of management and directors of the Group; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Group assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements 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 and to the best of our information and according to the explanations given to us, the Parent has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note.

Other Matters

Our report under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls with

reference to consolidated financial statements includes only the Company. The trusts forming part of the Consolidated Ind AS Financial Statements are not companies as defined as per the Act and accordingly reporting on the adequacy and operating effectiveness of the internal controls is not applicable to these trusts.

For **Pathak H. D. & Associates LLP**
Chartered Accountants
Firm's Registration No: 107783W/W100593

Place: Mumbai
Date: August 20, 2024

Jigar T. Shah
Partner
Membership No: 161851
UDIN: 241618513KBHOJ7122

Consolidated Balance Sheet as at March 31, 2024

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
I) ASSETS			
A) Financial Assets			
(a) Cash & cash equivalents	2.01	42	130
(b) Trade receivables	2.02	181	158
(c) Loans	2.03	367	603
(d) Investments	2.04	35,695	33,556
(e) Other financial asset	2.05	107	114
Total Financial Assets (A)		36,392	34,561
B) Non-financial Assets			
(a) Current tax assets (Net)	2.06	1	-
(b) Property, plant and equipment	2.07	47	57
(c) Right of use assets	2.08	378	254
(d) Other intangible assets	2.09	2	4
(e) Intangible assets under development	2.10	30	-
(f) Other non-financial assets	2.11	296	208
Total Non Financial Assets (B)		754	523
TOTAL ASSETS (A + B)		37,146	35,084
II) LIABILITIES AND EQUITY			
LIABILITIES			
(C) Financial Liabilities			
(a) Trade Payables	2.12	-	-
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		229	103
(b) Debt Securities	2.13	1,205	-
(c) Borrowings (Other than debt securities)	2.14	5,385	8,130
(d) Other financial liabilities	2.15	2,145	713
Total Financial Liabilities (C)		8,964	8,946
(D) Non-Financial Liabilities			
(a) Current tax liability (Net)	2.16	-	131
(b) Provisions	2.17	45	32
(c) Deferred tax (Net)	2.18	147	340
(d) Other non-financial liabilities	2.19	2,139	1,935
Total non financial Liabilities (D)		2,331	2,438
(E) EQUITY			
a) Equity Share capital	2.20	10,000	10,000
b) Other Equity	2.21	15,741	13,696
c) Non Controlling Interest (Security Receipt issued by Trust)		110	4
Total Equity (E)		25,851	23,700
TOTAL LIABILITIES AND EQUITY (C + D+ E)		37,146	35,084
Material Accounting Policies	1		
Notes to the Financial Statements	2		

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date.

For Pathak H.D. & Associates LLP
Chartered Accountants
Firm Registration No. : 107783W/W100593

Jigar T. Shah
Partner
Membership No: 161851

Place : Mumbai
Date: August 20, 2024

For and on behalf of the Board of Directors

Mehul Gandhi
(Executive Director & CEO)
(DIN : 08584229)

Dipanjali Nagpal
(Company Secretary)
Membership No. 39288

Aman Gudral
(Director)
(DIN : 08822974)

Rakesh Panjwani
(Chief Financial Officer)

Consolidated statement of profit and loss for the period ended March 31, 2024

₹ in Lakh

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
I Revenue from operation			
(a) Fees and commission income	2.22	5,881	7,038
(b) Gain on sale of Investment	2.23	597	-
Total Revenue from operation (I)		6,478	7,038
II Other income (II)	2.24	785	587
III Total Income (I+II)		7,263	7,625
IV Expenses			
(a) Finance costs	2.25	742	1,021
(b) Net loss on fair value changes	2.26	729	2,574
(c) Employee benefits expense	2.27	1,105	1,053
(d) Depreciation and amortisation	2.06, 2.07 & 2.08	128	104
(e) Other expenses	2.28	2,029	1,542
IV Total Expenses (IV)		4,733	6,294
V Profit / (Loss) before tax (III - IV)		2,530	1,331
VI Tax expense	2.29		
Current Tax		(478)	(600)
Tax of Earlier Years		80	-
Deferred Tax		191	388
VII Profit / (Loss) after tax (V - VI)		2,323	1,119
VIII Other Comprehensive Income			
Items that will not be reclassified to Consolidated statement of profit and loss			
Remeasurement Gain / (Loss) of defined benefit plans		(4)	3
Deferred Tax Expense on above		1	(1)
Other Comprehensive Income / (Loss) for the year (VIII)		(3)	2
Total Comprehensive Income / (Loss) for the year (VII + VIII)		2,320	1,121
Net profit for the year attributable to:			
Owners of the Company		2,271	1,411
Non Controlling Interest		52	(292)
Total Comprehensive Income attributable to:			
Owners of the Company		2,268	1,413
Non Controlling Interest		52	(292)
Earning per equity share: (Nominal value per share: ₹ 10)			
Basic & Diluted (Amount in ₹)	2.42	2.27	1.41
Material Accounting Policies	1		
Notes to the Financial Statements	2		

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For Pathak H.D. & Associates LLP
Chartered Accountants
Firm Registration No. : 107783W/W100593

Jigar T. Shah
Partner
Membership No: 161851

Place : Mumbai
Date: August 20, 2024

For and on behalf of the Board of Directors

Mehul Gandhi
(Executive Director & CEO)
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Dipanjali Nagpal
(Company Secretary)
Membership No. 39288

Aman Gudral
(Director)
(DIN : 08822974)

Rakesh Panjwani
(Chief Financial Officer)

Consolidated statement of cash flows for the year ended March 31, 2024

₹ in Lakh

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Cash flow from operating activities		
Profit before Tax	2,530	1,331
Adjustments for:		
Net (gain) / loss on fair value changes (net)	(59)	2,574
Other Income	(45)	(3)
Provision / (Reversal) of doubtful debts (net)	(37)	(30)
Provision / (Reversal) for advances (net)	34	19
Writte off of Investment in Security Receipts	79	-
Writte off of Advances given to trust	4	-
Depreciation and amortisation	128	104
Gain on sale of Investment	(597)	-
Interest on Income Tax Refund	(26)	(8)
Interest expenses	702	998
Interest on lease liability	40	23
Gratuity Expense	9	12
Operating Profit before working capital changes	2,762	5,020
Adjustments for working capital changes:		
(Increase) (Decrease) in trade receivables and other financial assets	(69)	146
(Increase) (Decrease) in trade payables and other financial liabilities R Provisions	1,604	(856)
Cash generated from operations	4,297	4,310
Income tax paid (net of refund)	(479)	(420)
Net cash generated from operating activities (A)	3818	3,890
B. Cash flow from investing activities		
Purchase of investments	(6,519)	(4,685)
Realisation from Redemption of securny Receipts	3,883	3,624
Recovery from financial asset of trust	236	940
Purchase of property, plant and equipment Intagible WIP and Intangible asset under development	(45)	(25)
Net cash (used in) / generated from investing activities (B)	(2,445)	(146)
C. Cash flow from financing activities		
Proceeds from borrowings	2,340	-
Repayment of borrowings	(2,275)	(600)
Proceeds from sale of Non-Controlling Interest	1176	
Dividend paid	(300)	(300)
Lease liability paid	(116)	(103)
Interest expenses	(681)	(980)
Net cash (used in) / generated from financing activities (C)	(144)	(1,983)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	1,518	1,761
Cash and cash equivalents at the beginning of the year	(5,726)	(7,487)
Cash and cash equivalents at the end of the year	(4,208)	(5,726)

Consolidated statement of cash flows for the year ended March 31, 2024

Cash and cash equivalents considered for cash flows

Particulars	₹ in Lakh	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash and cash equivalents (Refer Note No. 2.01)	42	129
Less : Secured Bank Over Draft (Refer Note No. 2.14)	(4,250)	(5,855)
Cash and cash equivalents for cash flows purpose	(4,208)	(5,726)

Note 1: Secured bank overdraft has been considered as a part of cash and cash equivalent.

Note 2: The above Statement of Cash Flow has been prepared under the "Indirect Method" set out in Indian Accounting Standard (Ind AS) 7 "Statement of Cash Flows".

As per our report of even date.

For Pathak H.D. & Associates LLP

Chartered Accountants
Firm Registration No. : 107783W/W100593

Jigar T. Shah

Partner
Membership No: 161851

Place : Mumbai

Date: August 20, 2024

For and on behalf of the Board of Directors

Mehul Gandhi

(Executive Director & CEO)
(DIN : 08584229)

Dipanjali Nagpal

(Company Secretary)
Membership No. 39288

Aman Gudral

(Director)
(DIN : 08822974)

Rakesh Panjwani

(Chief Financial Officer)

Consolidated statement of changes in equity for the year ended March 31, 2024

A. Equity share capital (Refer Note No. 2.20)

Particulars	Of Shares	₹ in Lakh
As at April 01, 2022	10,00,00,000	10,000
Shares issued during the year	-	-
As at March 31, 2023	10,00,00,000	10,000
Shares issued during the year	-	-
As at March 31, 2024	10,00,00,000	10,000

B. Other equity (Refer Note No. 2.21)

₹ in Lakh

Particulars	Reserves and surplus		Other comprehensive income	Total other equity
	Debenture redemption reserve	Retained Earnings		
Balance as at April 01, 2022	-	12,559	(17)	12,542
Profit for the year	-	1,411	-	1,411
Dividend (including tax on dividend)	-	(300)	-	(300)
Transfer to Debenture Redemption Reserve (Net)	-	-	-	-
Loss on NCI Transferred	-	-	-	-
Non Controlling Interest Share Adjustment	-	41	-	41
Other comprehensive income/(loss) for the year	-	-	2	2
Balance as at March 31, 2023	-	13,711	(15)	13,696
Profit for the year	-	2,271	-	2,271
Dividend (including tax on dividend)	-	(300)	-	(300)
Non Controlling Interest Share Adjustment	-	77	-	77
Gain on sale of SRs	-	-	-	-
Debenture redemption reserve	121	(121)	-	-
Other comprehensive income/(loss) for the year	-	-	(3)	(3)
Balance as at March 31, 2024	121	15,638	(18)	15,741

As per our report of even date

For and on behalf of the Board of Directors

For Pathak H.D. & Associates LLP

Chartered Accountants

Firm Registration No. : 107783W/W100593

Jigar T. Shah

Partner

Membership No: 161851

Place : Mumbai

Date: August 20, 2024

Mehul Gandhi

(Executive Director & CEO)

(DIN : 08584229)

Dipanjali Nagpal

(Company Secretary)

Membership No. 39288

Aman Gudral

(Director)

(DIN : 08822974)

Rakesh Panjwani

(Chief Financial Officer)

Notes on accounts to consolidated financial statements for the year ended March 31, 2024

Corporate Information and Material Accounting Policies

1.01 Corporate Information

Reliance Asset Reconstruction Company Limited ('the Company') is a public company domiciled in India, and incorporated under the provisions of the Companies Act, 1956. The company has obtained Certificate of Registration from Reserve Bank of India (RBI) on February 14, 2008, to act as a Securitization Company / Reconstruction Company.

The Company is in the business of asset reconstruction and securitization in all forms and to acquire, hold, manage, assign NPA loan assets (of Banks or Financial Institutions) with or without underlying securities, and recover from the Borrower/ underlying securities or dispose off the loan assets to other body corporate, co-operative societies, firms or individuals.

The Company is Public Limited Company. The registered office of the Company is located at 11th Floor, North Side, R-Tech Park, Western Express Highway, Goregaon (East), Mumbai 400 063.

These consolidated financial statement of the Company for the year ended March 31, 2023 were authorised for issue by the board of directors on April 25, 2023. Pursuant to the provision of the section of the Companies Act, 2013 (the 'Act') the Central Government, Income tax authorities, Securities and Exchange Board of India, other statutory regulatory body and under section 131 of the Act, the board of directors of the Company have powers to amend / re-open the consolidated financial statements approved by the board / adopted by the members of the Company.

1.02 Principles of Consolidation

These Consolidated Financial Statements relate to the Company and trusts (structured entities) controlled by the Company (hereinafter collectively referred to as "the Group"). The Company consolidates a trust when it controls it. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those return through its power over the investee. Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

- (a) The financial statements of the Company and entities controlled by the Company are consolidated by combining like items of assets, liabilities, incomes and expenses and cash flows after fully eliminating intra group balances and intra group transactions resulting in unrealized profit or loss in accordance with the Indian Accounting Standard ("Ind AS") 110 "Consolidated Financial Statements" as referred to in the Indian Accounting Standards Rules, 2015 and as amended from time to time.
- (b) Investments in trust controlled by the Company are eliminated and there is no differences between the costs of investment over the net assets, as the trusts is formed by the Company resulting in no Goodwill or Capital Reserve. Subsequent to initial recognition, the Consolidated Financial Statements include the Group's share of profit or loss, until the Group loses the control over trust. The difference in fair value of investments in trust and company's share of security receipts in the trusts are adjusted in other equity / profit and loss.
- (c) Changes in ownership interests for transactions with non controlling interests that do not result in loss of control are treated as the transactions with the equity owners of the Group. For purchases from non controlling interests, the difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to consolidate an investment because of loss of control, any retained interest in the trust is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes initial carrying amount for the purpose of subsequent accounting for the retained interest as an associate or financial asset.

- (d) Share of Non Controlling Interest in net profit or loss of consolidated trust for the year is identified and adjusted against income of the Group in order to arrive at the net income attributable to the Equity Shareholders of the Company.
- (e) Share of Non Controlling Interest in net assets of consolidated trust is identified and presented in the consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated balance sheet respectively as a separate item from liabilities and the Shareholders' Equity.
- (f) The Consolidated Financial Statements are prepared using uniform Accounting Policies for like transactions and other events in similar circumstances and are presented in the same manner as far as possible, as the standalone financial statements of the Company.

Notes on accounts to consolidated financial statements for the year ended March 31, 2024

1.03 Material Accounting Policies

a) Basis of preparation of financial statements

(i) Compliance with Ind AS

The consolidated financial statements have been prepared under historical cost convention/ fair valuation, in accordance with the Indian Accounting standards (Ind AS) notified under section 133 of the Companies Act, 2013 ('the Act') [Companies (Indian Accounting Standards) Rules, 2015, as amended] and other relevant provisions of the Act to the extent applicable and the guidelines prescribed by the RBI, to the extent applicable.

(ii) Historical cost convention

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

- Certain financial assets and liabilities are measured at fair value; and
- Defined benefit plans – plan assets are measured at fair value.

(iii) Recent Accounting Developments

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2023.

- (i) Ind AS 101 – First-time Adoption of Indian Accounting Standards
- (ii) Ind AS 102 – Share-based Payment
- (iii) Ind AS 103 – Business Combinations
- (iv) Ind AS 107 – Financial Instruments Disclosures
- (v) Ind AS 109 – Financial Instruments
- (vi) Ind AS 115 – Revenue from Contracts with Customers
- (vii) Ind AS 1 – Presentation of Financial Statements
- (viii) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- (ix) Ind AS 12 – Income Taxes
- (x) Ind AS 34 - Interim Financial Reporting

Application of above standards are not expected to have any significant impact on the company's financial statements..

b) Functional Currency and Presentation Currency

These consolidated financial statements are presented in 'Indian Rupees', which is also the Group's functional currency and all amounts, are rounded to the nearest lakh, unless otherwise stated.

c) Use of Estimates and Judgements

The preparation and presentation of consolidated financial statements requires estimates and assumptions to be made that effect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and difference between actual results and estimates are recognized in the periods in which the results are known / materialised. Estimates and underlying assets are reviewed on periodical basis. Revisions to accounting estimates are recognised prospectively.

The preparation of consolidated financial statements require the use of accounting estimates which, by definition, will seldom equal the results. The management also needs to exercise judgement in applying the accounting policies.

This notes provides an overview of the areas that involved a higher degree of judgements or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation of each affected line item in the consolidated financial statements.

Critical estimates and judgements

The Group has based assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The areas involving critical estimates or judgements pertaining to Investment in security receipts (Note 2.04), useful life of property, plant and equipment including intangible asset (Note 2.07 and Note 2.09), current tax expense and tax payable, recognition of deferred tax assets for carried forward tax losses (Note 2.18), fair value of unlisted securities (Note 2.04), impairment of trade receivables and other financial assets (Note 2.05) and measurement of defined benefit obligation (Note 2.17). Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

- (i) Useful life of Property, Plant and Equipment including intangible asset: 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.
- (ii) Taxes: The group provides for tax considering the

Notes on accounts to consolidated financial statements for the year ended March 31, 2024

applicable tax regulations and based on probable estimates.

Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any.

The recognition of deferred tax assets is based on availability of sufficient taxable profits in the group against which such assets can be utilized.

- (iii) Fair value measurement and valuation process: The group measured financial assets and liabilities, if any, at fair value for financial reporting purposes.
- (iv) Trade receivables and Other Financial Assets: The group follows Expected Credit Loss ("ECL") for recognition of impairment loss allowance on Trade receivables. For the purpose of measuring lifetime ECL allowance for trade receivables, the group estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Individual trade receivables are written off when management deems them not to be collectable.
- (v) Defined benefit plans (gratuity benefits): The group's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter subject to frequent changes is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables in India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

- (vi) Non-financial assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.
- (vii) Provisions and contingent liabilities are reviewed at

each balance sheet date and adjusted to reflect the current best estimates.

- (viii) For Investments made into Security receipts (SRs) and purchased impaired financial assets, Group uses discounted cash flow model. Expected cash flow levels including timing of cash flows are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including default rates, nature & value of collaterals, manner of resolution and other economic drivers. For any valuation which are based on models, Judgements and estimates are applied, which include considerations of liquidity, credit risk (both own and counterparty), funding value adjustments, correlation and volatility. Further, the Management also involves credit rating agencies for valuation of SRs.

d) Property, Plant and Equipment

- (i) Property, plant and equipment (PPE) are stated at cost less accumulated depreciation, amortisation and impairment loss, if any. Cost of an item of PPE comprises of its the purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

- (ii) The group has adopted estimate useful life of Property, Plant and Equipment as stipulated under Schedule II to the companies Act, 2013 and accordingly the depreciation is calculated on Straight Line Basis over the useful life prescribed under schedule II to the Act.

The estimated useful lives for the different types of assets are:

Assets	Useful Life
Computers	3 Years
Computer Software	3 Years
Furniture and Fixtures	10 years
Office Equipment	5 Years
Building	60 years
Refurbished Asset	1 year

- (iii) Assets costing up to Rs. 5,000 are fully depreciated at the time of acquisition.
- (iv) Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.
- (v) Depreciation methods, useful lives and residual

Notes on accounts to consolidated financial statements for the year ended March 31, 2024

values are reviewed periodically at each reporting date and adjusted prospectively if appropriate.

- (vi) Depreciation on additions is calculated pro rata from the following month of addition.

e) Intangible Assets

- (i) Intangible assets acquired are measured on initial recognition at cost. Cost includes all direct costs relating to acquisition of Intangible assets and borrowing cost relating to qualifying assets.
- (ii) Intangible assets are amortized over their useful life of 5 Years.
- (iii) Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with expenditure will flow to the Company.
- (iv) Amortisation methods, useful lives and residual values are reviewed periodically at each reporting period.
- (v) Any gain or loss on disposal of an item of Intangible Assets is recognised in standalone statement of profit and loss.

f) Leases

The group assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether:

- (i) the contract involves the use of identified asset;
- (ii) the Company has substantially all the economic benefits from the use of the asset through the period of lease; and
- (iii) the Company has right to direct the use of the asset.

As a lessee

The group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the useful life of the right-of-asset or the end of the

lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot readily determined, the Company's incremental borrowing rate. The Company considers incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method.

Lease liability and the right of use asset have been separately presented in the balance sheet and lease payments have been classified as financing activities.

g) Impairment of Non Financial Assets

Goodwill and Intangible assets that have an indefinite useful life are tested annually for impairment or more frequently if events or changes in circumstances indicate that they may be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is increased/ reversed (for the assets other than Goodwill) where there has been change in the estimate of recoverable value. The recoverable value is the higher of the assets' net selling price and value in use.

h) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities in the balance sheet..

i) Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when (or as) the group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset..

When (or as) a performance obligation is satisfied, the group recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The group applies the five-step approach for recognition of revenue:

Notes on accounts to consolidated financial statements for the year ended March 31, 2024

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

(i) Trusteeship Fees, Incentive Fees and Recovery Agent Fees:

Trusteeship Fees are recognised in terms of the provisions of the relevant trust deed / offer document. As per RBI guidelines, trusteeship fees recognised during the planning period and not realised within 180 days from the date of expiry of the planning period is reversed, and trusteeship fees recognised after the planning period and not realised within 180 days from the date of recognition or NAV of SRs falls below 50% of face value, whichever is earlier is reversed and no further management fees is recognized unless it is realized.

Incentive Fees are accounted in terms of the provisions of the relevant trust deed / offer document.

Recovery Agent Fees are accounted in terms of the provisions of the relevant trust deed / offer document.

(ii) Coupon on Security Receipts:

The Coupon on Security Receipts are accounted in terms of provisions of the relevant trust deed / offer document and is recognised after redemption of security receipts.

(iii) Profit on Redemption of Security Receipts:

As per the RBI circular, profit on redemption of security receipts is accounted only after the full redemption of security receipts.

Amount realized in surplus/ deficit of the acquisition cost of security receipts in accordance with the terms of the trust deed/ offer document is recorded as profit/ loss on sale/ redemption of security receipts.

(iv) Profit/Loss on Assignment of Contractual Rights in Loan Assets:

Profit on Assignment of Contractual Rights in Loan Assets is amortized over the tenure of the agreement while loss is recognized on the date of transaction.

(v) Income on Settlement of Contractual Rights in Loan Assets:

Income on Settlement of Contractual Rights in Loan Assets is recognised as profit when the realised

amount is over and above the acquisition price of the financial asset.

vi) Interest Income:

Interest is recognised on a time proportion basis.

j) Employee benefits

(i) Short-term employee benefits:

Liabilities for salaries, including other monetary and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long-term employee benefits:

The company operates the following post-employment schemes:

- (a) Gratuity; and
- (b) Provident fund.

Defined Benefits plans

Gratuity Obligations

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Standalone statement of profit or loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in other equity in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Notes on accounts to consolidated financial statements for the year ended March 31, 2024

Defined contribution plans

Provident fund

The group pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available

k) Taxes on Income and Deferred Tax

Income Tax comprises of current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or OCI

Provision for income tax is made on the basis of taxable income for the year at the current rates. Tax expense comprises of current tax and deferred tax at the applicable enacted or substantively enacted rates. Current tax represents amount of Income Tax payable/ recoverable in respect of taxable income/ loss for the reporting period. Deferred tax represents the effect of temporary difference between carrying amount of assets and liabilities in the consolidated financial statement and the corresponding tax base used in the computation of taxable income. Deferred tax liabilities are generally accounted for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences, carried forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which such deductible temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when deferred income tax assets and liabilities relate to the income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net or simultaneous basis. Deferred tax assets/ liabilities are not recognised for initial recognition of Goodwill or on an asset or liability in a transaction that is not a business combination and at the time of transaction affects neither the accounting profit nor taxable profit or loss.

l) Earnings per share

(a) Basic earnings per share

Earnings per share is calculated by dividing the profit attributable to owners of the group by the weighted average number of equity shares outstanding during the financial Year, adjusted for bonus element in equity shares issued during the Year

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

m) Provisions, Contingent Liabilities and Contingent Asset

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or present obligation in respect of which the likelihood of outflow of resource is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed in the standalone financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the assets and related income are recognized in the period in which the change occurs.

n) Expenses incurred on behalf of Trust and Advances paid by the Company to the Trusts

Advances paid by the Company to the trusts are shown as recoverable from trusts and are grouped under "Advance recoverable in cash or in kind or for value to be received". These advances are reimbursed to the Company by the trusts in terms of the provision of the trust deed/ offer document/commitment agreement. In accordance with the Guidelines, expenses not realised within the time frame prescribed under the Guidelines or NAV of Security Receipts (SRs) fall below 50% of face value, whichever is earlier, is fully provided for in the statement of profit and loss. Outstanding expenses are assessed at each reporting date for recovery based on management estimates in accordance with the resolution plan already

Notes on accounts to consolidated financial statements for the year ended March 31, 2024

implemented/being implemented and recovery rating assigned by the rating agency to SRs issued by the trusts. Necessary provision, for amount not expected to be recovered alongwith outstanding recoverable expenses, is made, if such receivables are treated as "doubtful".

o) Measurement of Fair value of financial instruments

The group's accounting policies and disclosures require measurement of fair values for the financial instruments. The group has an established control framework with respect to measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses evidence obtained from third parties to support the conclusion that such valuations meet the requirements of Ind AS, including level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If inputs used to measure fair value of an asset or a liability fall into different levels of fair value hierarchy, then fair value measurement is categorised in its entirety in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of fair value hierarchy at the end of the reporting period during which the change has occurred. Refer Note No. 2.37 for information on detailed disclosures pertaining to the measurement of fair values.

p) 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 also include derivative contracts such as foreign exchange forward contracts.

Financial assets

(i) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not

recorded at fair value through Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

(ii) Subsequent measurement

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Financial Assets measured at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) Asset is held within a business model whose objective is to hold assets for collecting contractual cash flows.
- b) Contractual terms of the asset give rise to cash flows, on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. EIR amortisation is included in finance income in the Statement of Profit and Loss. Losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss. This category generally applies to trade and other receivables.

Financial Assets measured at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) Contractual cash flows of the assets represent SPPI: Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Notes on accounts to consolidated financial statements for the year ended March 31, 2024

Financial Assets measured at fair value through profit or loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch')

Security Receipt investments

All security receipt investments in scope of Ind-AS 109, "Financial Instruments" are measured at fair value. Security Receipts are classified as at FVTPL. Gains and losses on security investments are included in the statement of profit or loss.

Derecognition of Financial Assets

A financial asset is primarily derecognised when: a) Rights to receive cash flows from the asset have expired, or II) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. Impairment methodology applied depends on whether there has been a significant increase in the credit risk. As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables, as permitted by Ind AS 109. Provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

Financial Liabilities

(i) Initial recognition and measurement

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank bank overdrafts.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described herein:

Financial liabilities at fair value through Profit or Loss:

Financial liabilities at fair value through Profit or Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 - "Financial Instruments". Gains or losses on liabilities held for trading are recognised in the Standalone Statement of Profit and Loss.

Financial Liabilities measured at amortised cost: After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Market linked debentures (MLDs)

The group has issued certain non-convertible debentures, the rate of interest on which is linked to performance of specified indices over the period of the debentures. The group has opted to designate the entire hybrid contract at FVTPL as the embedded derivative significantly modifies the cash flows that otherwise would be required by the contract. Further, the embedded derivative is not closely related to the financial liability host contract.

Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

q) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

r) Rounding off amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lakh as per the requirements of Schedule III, unless otherwise stated.

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

2.01 Cash and cash equivalents

₹in Lakh

Particulars	₹in Lakh	
	As at March 31, 2024	As at March 31, 2023
Balances with bank:		
In current accounts	42	130
	42	130

2.02 Trade receivables

₹in Lakh

Particulars	₹in Lakh	
	As at March 31, 2024	As at March 31, 2023
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured (Refer Note No. 2.41)	181	158
Receivables which have significant increase in credit risk	183	220
	364	378
Less: Expected credit losses (ECL)	(183)	(220)
	181	158

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

There is no disputed, unbilled or not due receivables, hence the same is not disclosed in the ageing schedule.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

₹in Lakh

Particulars	Trade receivables days past due	₹in Lakh			Total
		0-180 days	181-365 days	More than 365 days	
March 31, 2024	Estimated total gross carrying amount at default	181	183	-	364
	ECL - Simplified approach	-	(183)	-	(183)
	Net carrying amount	181	-	-	181
March 31, 2023	Estimated total gross carrying amount at default	158	168	52	378
	ECL - Simplified approach	-	(168)	(52)	(220)
	Net carrying amount	158	-	-	158

Reconciliation of provision of doubtful debts:

Particulars	₹in Lakh
ECL measured as per simplified approach	
ECL as on April 01, 2022	250
Add/ (less): asset originated or acquired net of recoveries	(30)
ECL as on March 31, 2023	220
Add/ (less): asset originated or acquired net of recoveries	(37)
ECL as on March 31, 2024	183

Disclosure pursuant to RBI Guidelines issued vide Circular n. RBI/ 2022-2023/182 and vide notification no. DOR.ACC.REC.No. 104/21.07.001/2022-23 dated February 22, 2023.

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

₹in Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Outstanding amount of unrealised management fee	364	378
1. Out of the above, amount outstanding for:	-	-
(a) Amounts where the net asset value of the security receipts has fallen below 50 per cent of the face value	147	75
(b) Other amounts unrealised for:	-	-
(i) More than 180 days but upto 1 year	36	93
(ii) More than 1 year but upto 3 years	-	44
(iii) More than 3 years	-	8
Total Allowances held for unrealised management fee	183	220
Net unrealised management fee receivable	181	158

(*Since the circular was effective from 22nd February 2023, Company has provided for unrealised management fees as per the previous guidelines of RBI.)

2.03 Loans

₹in Lakh

	As at March 31, 2024	As at March 31, 2023
Loans Considered good	367	603
	367	603

2.04 Investments

₹in Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
At fair value through profit and loss		
Investments in Security Receipts (Unquoted) (Refer Note 2.46)	35,695	33,556
Total	35,695	33,556
Investments outside India	-	-
Investments in India	35,695	33,556

2.05 Other financial assets

₹in Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Considered good unless otherwise stated - Unsecured		
Advances to trust considered good (Refer Note No. 2.40)	45	79
Advances to trust which have significant increase in credit risk	225	185
Less: Provision for advances	(225)	(185)
	45	79
Security deposit	61	34
Collection on behalf of trust	-	-
Trust fund	1	1
	107	114

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

₹in Lakh

Particulars		0-180 days	181-365 days	More than 365 days	Total
March 31, 2024	Advance to trust	45	185	40	270
	Provision	-	(185)	(40)	(225)
	Net carrying amount	45	-	-	45
March 31, 2023	Advance to trust	79	147	38	264
	Provision	-	(147)	(38)	(185)
	Net carrying amount	79	-	-	79

2.06 Current tax assets (Net)

₹in Lakh

	As at March 31, 2024	As at March 31, 2023
Income Tax Assets (Tax deducted at source) (net of provision for tax March 31, 2024 ₹ 2,324 lakh)	1	-
	1	-

2.07 Property, plant and equipment

₹in Lakh

Particulars	Own assets					Total
	Buildings	Furniture and fixtures	Office equipments	Leasehold Improvement	Computers	
Year ended March 31, 2023						
Gross carrying amount						
Opening gross carrying amount	25	14	6	7	81	133
Additions	-	-	1	-	24	25
Closing gross carrying amount	25	14	7	7	105	158
Accumulated depreciation						
Opening accumulated depreciation	2	14	3	1	59	79
Depreciation charge during the year	0	-	1	2	19	23
Closing accumulated depreciation	2	14	4	4	78	102
Net carrying amount as at March 31, 2023	23	-	3	3	27	56
Year ended March 31, 2024						
Gross carrying amount						
Opening gross carrying amount	25	14	7	7	105	158
Additions	-	-	-	-	15	15
Closing gross carrying amount	25	14	7	7	120	173
Accumulated depreciation						
Opening accumulated depreciation	2	14	4	4	78	102
Depreciation charge during the year	1	0	1	2	20	24
Closing accumulated depreciation	3	14	5	6	98	126
Net carrying amount as at March 31, 2024	22	-	2	1	22	47

1. No Property, plant and equipment have been revalued during the year.

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

2.08 Leases

- (a) The Group leases contracts for office premises facilities. The leases typically run for 1 - 6 years, with an option to renew the lease after that date. The Group also has certain leases of offices with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to leasehold properties.

Sr. No.	Particular	₹in Lakh	
		As at March 31, 2024	As at March 31, 2023
a.	Opening Balance	255	109
b.	Additions to right of use asset	255	243
c.	Depreciation charge for the year	(102)	(80)
d.	De-recognition of right of use assets	(117)	(53)
e.	Accumulated depreciation on "d" above	88	35
f.	Closing Balance	378	255

Other disclosure w.r.t. leases:

- Finance cost amounts to ₹ 40 lakh (March 31, 2023 ₹ 23 lakh).
- The total cash outflow for the year ended March 31, 2024 amounts to ₹ 116 lakh (March 31, 2023 ₹ 103 lakh).
- The Company incurred ₹ 52 lakh (March 31, 2023 ₹ 50 lakh) for the year ended March 31, 2024 towards expenses relating to lease of low-value assets.

Lease liabilities

Maturity analysis – contractual discounted cash flows

Lease liabilities	₹in Lakh				
	Contractual cash flows				
	Carrying amount	Total	0-1 years	1-5 years	5 years and above
2023-24	406	501	119	382	-
2022-23	261	319	103	202	14

2.09 Other intangible assets

₹in Lakh	
Particulars	Total
Year ended March 31, 2023	
Gross carrying amount	
Opening gross carrying amount	66
Additions	-
Closing gross carrying amount	66
Accumulated amortisation	
Opening accumulated amortisation	61
Amortisation during the year	1
Closing accumulated amortisation	62
Net carrying amount as at March 31, 2023	4

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

₹in Lakh

Particulars	Total
Year ended March 31, 2024	
Gross carrying amount	
Opening gross carrying amount	66
Additions	-
Closing gross carrying amount	66
Accumulated amortisation	
Opening accumulated amortisation	62
Amortisation during the year	2
Closing accumulated amortisation	64
Net carrying amount as at March 31, 2024	2

- Intangible assets are other than internally generated and average remaining useful life is 4 years.
- No Intangibles have been revalued during the year.

2.10 Intangible assets under development (IAUD)

₹in Lakh

Particulars	Total
Year ended March 31, 2023	
Gross carrying amount	
Opening gross carrying amount	15
Additions	-
Written off	15
Capitalisation	-
Closing gross carrying amount as at March 31, 2023	-
Year ended March 31, 2024	
Gross carrying amount	
Opening gross carrying amount	-
Additions	30
Written off	-
Capitalisation	-
Closing gross carrying amount as at March 31, 2024	30

Intangible assets under development ageing schedule

March 31, 2024

₹in Lakh

Intangible assets under development	Amount in IAUD				Total
	Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	30	-	-	-	30
Projects temporarily suspended	-	-	-	-	-
Total	30	-	-	-	30

Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

March 31, 2023

₹in Lakh

Intangible assets under development	Amount in IAUD				Total
	Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

2.11 Other non financial assets

₹in Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Considered good unless otherwise stated - Unsecured		
Balances with Government authorities	131	83
Prepaid expenses	29	25
Income Tax Refund Receivable	124	86
Advances recoverable in cash and kind or for value to be received which are considered good (Refer Note No. 2.41)	12	1
Advances recoverable in cash or in kind or for value to be received which have significant increase in credit risk	-	13
	296	208

2.12 Trade Payables

₹in Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Total outstanding dues of micro enterprises and small enterprises*	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	229	103
	229	103

Trade Payables ageing

₹in Lakh

As at March 31, 2024 Particulars	Outstanding for following periods from due date of payments					Total
	Not due	Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Payables - MSME	-	-	-	-	-	-
(ii) Undisputed Trade Payables - Others	-	229	-	-	-	229
Total	-	229	-	-	-	229

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

₹in Lakh

As at March 31, 2023 Particulars	Outstanding for following periods from due date of payments					Total
	Not due	Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Payables - MSME	-	-	-	-	-	-
(ii) Undisputed Trade Payables - Others	-	103	-	-	-	103
Total	-	103	-	-	-	103

There are no disputed trade payables, hence the same is not disclosed in the ageing schedule.

* The Group has not received any information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. To the extent of information available with the Company, the Company does not owe any sum including interest to such parties.

2.13 Debt securities

₹in Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
At fair value through profit and loss		
'Non Convertible Debentures - (Refer Note No. 2.39)	1,205	-
Total (A)	1,205	-
Debt securities in India	1,205	-
Debt securities outside India	-	-
Total (B)	1,205	-

During the year, the parent company has issued, non convertible debentures of Rs. 750 lakh to clear due Fintech Private Limited with the coupon rate of 15% p.a. for 24 months with call option and Rs. 455 lakh to Torus Distress Fund - I with the coupon rate of 14% p.a. for the 24 months with call option or bullet on completion on 30 months.

2.14 Borrowings (Other than debt Securities)

₹in Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
At amortised cost		
Loans from banks		
Secured bank over draft (Refer Note No. 2.39)	4,250	5,855
Inter Corporate Deposit		
Unsecured from others	1,135	2,275
Total (A)	5,385	8,130
Borrowings in India	5,385	8,130
Borrowings outside India	-	-
Total (B)	5,385	8,130

a) During the year the parent company had renewed overdraft facility from Union Bank of India. This facility is secured by first pari-pasu charge on security receipts in Demat form (Refer Note No. 2.46). excluding security receipts specifically charged to debenture holders, first pari-pasu charge on the cash flows coming to the Company on its investment in security receipts excluding cash flows specifically charged to debenture holders, and first pari-pasu charge on all other current assets including financial assets and investments in security receipts excluding specifically charged to debenture holders.

b) Repayment terms of Borrowings:

(i) Secured bank overdraft having interest rate of 10.95% (March 31, 2023 9.5% - 10.45%) is required to be renewed on yearly basis.

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

- (ii) Unsecured Inter corporate deposit having interest rate of 14% (March 31, 2023 12% - 13%) has maturity within 1 year.

2.15 Other financial liabilities

Particulars	₹in Lakh	
	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on borrowings	21	-
Employee benefits payable	283	317
Recovery received on behalf of trust*	1,434	128
Other payables	1	7
Lease liability	406	261
	2,145	713

* The group has maintained bank account with Union Bank of India in which online collection of recovery is done on behalf of trust. The amounts so collected are subsequently transferred to respective trust, after the balance sheet date except one case which is from one of the trust where revision of commercial is pending with the seller bank. The above amount represents amounts pending to be transferred to the trust as on balance sheet date.

2.16 Current tax liability (Net)

Particulars	₹in Lakh	
	As at March 31, 2024	As at March 31, 2023
Tax Payable (net of Tax paid March 31, 2023 ₹2,163 lakh)	-	131
	-	131

2.17 Provisions

Particulars	₹in Lakh	
	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Gratuity (Refer Note No. 2.31)	45	32
	45	32

2.18 Deferred tax (Net)

Particulars	₹in Lakh	
	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities		
Related to Property, plant and equipment and intangibles	-	-
Fair valuation of investments	220	403
	220	403
Deferred tax assets		
Related to Property, plant and equipment and intangibles	(3)	(3)
Gratuity	(11)	(8)
Leased liability	(2)	(4)
Provisions	(57)	(48)
	(73)	(63)
	147	340

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)
Movements in deferred tax

₹in Lakh

Particulars	Property, plant and equipment and intangibles	Fair valuation of investments	Gratuity	Provisions for SARs	Leased Liability	Provisions	Total
As at April 01, 2022	3	767	(9)	-	(1)	(32)	728
Charged/(Credited) to							
Statement of profit and loss	(6)	(364)	-	-	(3)	(16)	(389)
Other comprehensive income/(loss)	-	-	1	-	-	-	1
As at March 31, 2023	(3)	403	(8)	-	(4)	(48)	340
Charged/(Credited) to							
Statement of profit and loss	(0)	(183)	(2)	-	2	(9)	(192)
Other comprehensive income/(loss)	-	-	(1)	-	-	-	(1)
As at March 31, 2024	(3)	220	(11)	-	(2)	(57)	147

2.19 Other Non financial liabilities

₹in Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Income received in advance	1,579	1,482
Statutory dues*	478	453
Advance received from Trust	82	-
	2,139	1,935

*Including goods and services tax, tax deducted at source payable and other taxes payables.

2.20 Share capital

₹in Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised		
15,00,00,000 (March 31, 2023 - 15,00,00,000) equity shares of ₹10 each	15,000	15,000
1,00,00,000 (March 31, 2023 - 1,00,00,000) preference shares of ₹10 each	1,000	1,000
Total	16,000	16,000
Issued, Subscribed and Fully Paid Up		
10,00,00,000 (March 31, 2023 - 10,00,00,000) equity shares of ₹10 each	10,000	10,000
Total	10,000	10,000

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

a. Reconciliation of number of equity shares outstanding at the beginning and at the end of the year.

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	₹in Lakh	Number	₹in Lakh
Outstanding at the beginning of the year	10,00,00,000	10,000	10,00,00,000	10,000
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	10,00,00,000	10,000	10,00,00,000	10,000

b. Terms and rights attached to equity shares

The Group has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible to one vote per share held.

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

c. Shares held by sponsor/promoter companies

Particulars	As at March 31, 2024		% Change during the year
	Number	₹in lakh	
Equity Shares of Rs. 10 each fully paid held by Reliance Capital Limited	4,90,00,000	4,900	-
Cosmea Financial Holdings Pvt. Ltd.	1,35,00,000	1,350	2.00%

Particulars	As at March 31, 2023		% Change during the year
	Number	₹in lakh	
Equity Shares of Rs. 10 each fully paid held by Reliance Capital Limited	4,90,00,000	4,900	-
Union Bank of India	1,15,00,000	1,150	-
Cosmea Financial Holdings Pvt. Ltd.	1,15,00,000	1,150	2.00%

d. Details of shareholders holding more than 5% of the Shares in the Company

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	% Holding	Number	% Holding
Reliance Capital Limited	4,90,00,000	49.00%	4,90,00,000	49.00%
Cosmea Financial Holdings Pvt. Ltd.	1,35,00,000	13.50%	1,15,00,000	11.50%
Union Bank of India	95,00,000	9.50%	1,15,00,000	11.50%
Indian Bank	95,00,000	9.50%	95,00,000	9.50%
Dacecroft Limited	95,00,000	9.50%	95,00,000	9.50%
General Insurance Corporation of India	90,00,000	9.00%	90,00,000	9.00%
	10,00,00,000	100.00%	10,00,00,000	100.00%

2.21 Other equity

Particulars	₹in Lakh	
	As at March 31, 2024	As at March 31, 2023
Retained earnings	15,638	13,711
Other comprehensive income	(18)	(15)
Debenture redemption reserve	121	-
Total other equity	15,741	13,696

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

₹in Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Retained earnings		
Opening balance	13,711	12,559
Add: Profit for the year	2,271	1,411
Less: Dividend paid	(300)	(300)
Less: Transfer to debenture redemption reserve	(121)	-
Add: Transfer from debenture redemption reserve	-	-
Add: Loss on NCI Transferred	-	-
Add: Non Controlling Interest Share Adjustment	77	41
Closing balance	15,638	13,711
Other comprehensive income		
Opening balance	(15)	(17)
Additions during the year (net)	(3)	2
Closing balance	(18)	(15)
Debenture redemption reserve		
Opening balance	-	-
Add: Transfer from retained earnings	121	-
Less: Transfer to retained earnings	-	-
Closing balance	121	-

Nature and purpose of reserve
a) Retained Earnings

Retained earnings represents surplus/accumulated earnings of the Group and are available for distribution to shareholders.

b) Other comprehensive income

Other comprehensive income represents actuarial gain/losses arising on recognition of defined benefit plans.

c) Debenture Redemption Reserve :

The group has created and maintained a debenture redemption reserve from annual profit in pursuance of the provisions of the Companies Act 2013. The group has transferred the requisite percentage (as provided in the Company Act 2013) of the outstanding redeemable debentures to the debenture redemption reserve. The amounts credited to the debenture redemption reserve shall be utilized as per the provisions of the Companies Act 2023. On the redemption of debenture redemption reserve to the retained earnings.

2.22 Fees and commission income

₹in Lakh

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Trusteeship fees	3,114	4,100
Incentive fees	139	198
Recovery agent fees (Refer No. 2.41)	2,600	2,724
Profit on redemption of security receipts	28	16
	5,881	7,038

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

2.23 Gain on sale of Investment

₹in Lakh

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net gain / (loss) on financial instruments at fair value through profit or loss		
Fair value gain/(loss) on investment - Unrealised	597	-
	597	-
Fair value changes:		
- Realised	-	-
- Unrealised	597	-
	597	-

2.24 Other income

₹in Lakh

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
On financial assets measured at amortised cost		
Interest on fixed deposits	-	-
Interest on advance given to trusts	42	48
Interest on Income Tax Refund	26	8
Other income		
- Professional Fees	-	106
- Realisation over Financial Asset	717	414
- Other Income	-	11
	785	587

2.25 Finance costs

₹in Lakh

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on financial liabilities measured at fair value through profit or loss		
Interest on debt securities	57	-
Interest on financial liabilities measured at amortised cost		
Interest on other borrowings	624	957
Processing charges	16	40
Bank charges	1	1
Interest - Others	4	-
Interest on leased liability	40	23
	742	1,021

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)
2.26 Net loss on fair value changes

₹in Lakh

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net loss on financial instruments at fair value through profit or loss		
Fair value gain/(loss) on investment - Unrealised	729	1,446
Fair value gain/(loss) on Loan Assets - Unrealised	-	1,128
	729	2,574
Fair value changes:		
- Realised	-	-
- Unrealised	729	2,574
	729	2,574

2.27 Employee benefit expenses

₹in Lakh

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salary, bonus and allowances	1,017	904
Contribution to provident fund and other funds	39	33
Gratuity expense (Refer Note No 2.31)	9	12
Staff welfare expenses	40	104
	1,105	1,053

2.28 Other expenses

₹in Lakh

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Professional and legal charges	690	448
Premises rent and electricity expenses	41	67
Payment to auditors		
- Statutory audit fees	15	13
- Limited review fees	3	3
Provision for advances	34	19
Investment Written off	79	-
Advance to Trust Written off	4	-
Recovery commission	703	591
Director's sitting fees	29	23
Travelling expenses	44	38
Telephone expenses	29	20
Stamp duty and processing fees	5	2
Repair and maintenance	22	15
Courier and postage	6	6
Software maintenance Charges	119	79
Office printing and stationery	5	4
Due diligence expense	7	-
Expenditure towards corporate social responsibility (refer note 2.31)	61	57
Rating fees	2	2
Miscellaneous expenses	132	155
	2,029	1,542

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

2.29 Income tax expense

₹ in Lakh

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Tax Expense recognized in the statement of profit and loss		
(a) Income tax expense		
Current tax on profits for the year	478	600
Adjustments for current tax of prior periods	(80)	-
Total current tax expense	398	600
Deferred tax		
(Decrease) / increase in deferred tax	(191)	(388)
Total deferred tax expense / (benefit)	(191)	(388)
Income tax expense	207	212
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Tax rates	25.17%	25.17%
Profit before tax	2,530	1,331
Tax calculated at tax rates applicable	637	335
Difference due to:		
Corporate social responsibility	14	14
Depreciation and amortization	15	(4)
Provision disallowed and others	13	11
Losses of Trust	(508)	(135)
Others	(145)	(262)
Ind AS adjustment	253	253
Adjustments for current tax of prior periods	(80)	-
Total income tax expense / (credit)	198	212

Pursuant to introduction of Section 115BAA of Income-Tax Act, 1961 inserted by the Taxation Laws (Amendment) Ordinance, 2019, the Group has elected to exercise the option to adopt the new tax rates, accordingly provided tax at Base tax rate of 22% and total effective tax rate at 25.168%.

2.30 (A) Capital management

The primary objective of the Group for its capital management is to ensure that it complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

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

Regulatory Capital

₹ in Lakh

Capital to risk assets ratio (CRAR):		As at March 31, 2024	As at March 31, 2023
(a)	Common Equity Tier 1 capital	22,762	20,771
(b)	Other Tier 2 capital instruments	-	-
(c)	Total capital	22,762	20,771
(d)	Risk weighted assets	35,512	33,420
(e)	CRAR (%)	64.10%	62.15%

Regulatory capital : Tier I capital, which comprises share capital, special reserves, retained earnings including current year profit. Certain adjustments are made to Ind AS based results and reserves, as prescribed by the Reserve Bank of India.

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)
(B) Dividends

		₹ in Lakh	
Particular		As at March 31, 2024	As at March 31, 2023
(i) Equity Shares			
	Final dividend paid for the year ended March 31, 2023 of ₹ 0.30 (March 31, 2022 - ₹ 0.30) per share fully paid share.	300	300
(ii) Dividends not recognised at the end of the reporting period.			
	In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 0.30 per fully paid equity share (March 31, 2023 - ₹ 0.30). This proposed dividend is subject to the approval of shareholders in ensuing annual general meeting.	300	300

2.31 Employee benefits :

		₹ in Lakh	
Particulars		As at March 31, 2024	As at March 31, 2023
(a) Defined contribution plan			
	Amount recognised in the statement of profit and loss		
	(i) Employer's contribution to provident fund	32	28
	(ii) Employer's contribution to pension fund	5	4
		37	32
(b) Gratuity:			
	Disclosures required as per the Ind AS 19 , Employee Benefits		

		₹ in Lakh	
Particulars		As at March 31, 2024	As at March 31, 2023
I. Reconciliation of opening and closing balances of the present value of the defined benefit obligation			
	Obligation at the beginning of the year	54	44
	Interest cost	4	3
	Service cost	7	10
	Liability transferred in / acquisition	-	-
	Benefit paid	(5)	-
	Actuarial (gains) / losses recognised in other comprehensive income		
	- Due to change in demographic assumptions	(2)	(4)
	- Due to change in financial assumptions	(1)	(5)
	- Due to experience adjustments	7	6
	Obligation at the end of the year	64	54
II. Change in plan assets			
	Fair value of plan assets at the beginning of the year	22	6
	Expected return on plan assets	-	-
	Contribution	-	15
	Benefit paid from the fund	(5)	-
	Liability transferred in / acquisition	-	-
	Actuarial gains / (losses) on plan assets - due to experience	-	-

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

₹ in Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Interest income	2	1
Fair value of plan assets at the end of the year	19	22
III. Reconciliation of present value of obligation and fair value of the plan assets		
Fair value of plan assets at the end of the year	19	22
Present value of the defined benefit obligation at the end of year	64	54
Liability recognised in the balance sheet	45	32
IV. Expense recognized in consolidated statement of profit or loss		
Service cost	7	10
Interest cost	2	2
Expense recognized in consolidated statement of profit or loss	9	12
V. Amount recognized in the other comprehensive income / (loss)		
Actuarial (gain)/loss recognised in other comprehensive income	4	(3)
Expected return on plan assets	-	-
Amount recognized in the other comprehensive income/(loss)	4	(3)
VI. Investment details on plan assets		
100% of the plan assets are invested in insurance fund	19	22
VII. Actual return on plan assets	0	0
(Current year ₹ 27,531 ; Previous year ₹ 39,962)		
VIII. Assumptions		
Interest rate	7.14%	7.30%
Salary growth rate	5.12%	6.00%
Estimated return on plan assets	7.14%	7.30%
Employee turnover rate	37.00%	15.00%

IX. Particulars of the amounts for the year and previous years						₹ in Lakh
	2024	2023	2022	2021	2020	
Present value of benefit obligation	(64)	(54)	(44)	(30)	(22)	
Fair value of plan assets	19	22	6	1	3	
Excess of obligation over plan assets	(45)	(32)	(38)	(29)	(19)	

X. Sensitivity analysis			₹ in Lakh	
Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holdings other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.				
Particulars	As at March 31, 2024	As at March 31, 2023		
Discount rate (+1% movement)	(1)	(2)		
Discount rate (-1% movement)	1	2		
Future salary growth (+1% movement)	1	2		

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

₹ in Lakh

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Future salary growth (-1% movement)	(1)	(2)
Employee turnover (+1% movement)	-	(0)
Employee turnover (-1% movement)	-	(0)
Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.		

XI. Maturity analysis of the defined benefit plan (fund)		
Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Projected benefits payable in future from the date of reporting		
1st following year	34	17
2nd following year	12	6
3rd following year	8	6
4th following year	6	5
5th following year	4	5
Sum of 6 to 10 years	6	18
Sum of 11 years and above	1	21

XII. The weighted average duration of the defined benefit obligation is 5 years. (March 31, 2023 - 5 years)

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

2.32 Corporate Social Responsibility Expenditure:

₹in Lakh

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) amount required to be spent by the company during the year,	61	57
(b) amount of expenditure incurred,	61	57
(c) shortfall at the end of the year,	-	-
(d) total of previous years shortfall,	-	-
(e) reason for shortfall,	NA	NA
(f) nature of CSR activities,	<p>Setting up homes for womens and orphans etc.</p> <p>Eradicating hunger, poverty and malnutrition</p> <p>Promoting health care</p>	<p>Annam Brahma - A program focused towards distributing fresh vegetarian food to poor, needy and hungry people.</p> <p>Supply of medical equipment/ medicines for the mentally deficient children of Home for Mentally Deficient Children</p> <p>Conducting woman empowerment programs</p> <p>Health and education camps/ scholarships</p> <p>Installation of solar plant in backward rural areas for continuous power supply resulting in improvement in health and livelihood</p> <p>Affordable housing/ shelter for blind, handicapped, deaf, widow, divorcee, helpless women, mentally challenged, orphans, cancer, dialysis, kidney patients, heart disease patients, HIV Patients, homosexual and the people below poverty line.</p>
(g) details of related party transactions,	NA	NA
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NA	NA

2.33 Contingent liability and capital commitments:

- (a) During the earlier year the parent company had received an order from the Board of Revenue, Madhya Pradesh office with a demand of ₹ 144 lakh which was earlier received from the local corporation in the year 2014 to pay additional duty of 1% on the loan amount. The parent company has contested the matter with the Hon'ble High Court of Madhya Pradesh requesting for quashing and setting aside the order passed by Collector of Stamps, Raisen on August 12, 2014 and by Board of Revenue on May 26, 2016 respectively stating various grounds i.e. the property is beyond the jurisdiction of the

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

Municipal limits and falls with the limits of the Village Panchayat etc. Based on the evaluation and assessment by the management, the parent company believes that we have merits in the Writ Petition filed by the company which is presently sub judice.

2.34 Foreign currency

The Group has incurred ₹ NIL (March 31, 2023 ₹ NIL) in foreign currency during the year towards professional fees.

2.35 Disclosure pursuant to para 44A to 44E of Ind AS 7 - Statement of cash flows

₹ in Lakh

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Debt securities		
Opening balance	-	-
Availed during the year	1,205	-
Impact of non-cash items	-	-
Repaid during the year	-	-
Closing balance	1,205	-
Borrowings (other than debt securities)		
Opening balance	2,275	2,875
Availed during the year	1,135	-
Impact of non-cash items	-	-
Repaid during the year	(2,275)	(600)
Closing balance	1,135	2,275
Interest		
Opening balance	-	-
Interest Expenses	742	1,020
Impact of non-cash items	(40)	(41)
Repaid during the year	(681)	980
Closing balance	21	-

2.36 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

₹ in Lakh

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	42	-	42	130	-	130
Trade receivables	181	-	181	158	-	158
Loans*	367	-	367	-	603	603
Investments*	5,950	29,745	35,695	9,500	24,056	33,556
Other financial asset	45	62	107	79	35	114
Non-financial assets						
Current tax assets (Net)	-	1	1	-	-	-
Property, plant and equipment	-	47	47	-	57	57
Right of use assets	-	378	378	-	254	254
Other intangible assets	-	2	2	-	4	4
Intangible assets under development	-	30	30	-	-	-
Other non-financial asset	296	-	296	208	-	208
Total assets (a)	6,881	30,265	37,146	10,075	25,009	35,084

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

₹in Lakh

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities						
Financial liabilities						
Payables						
(I) 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	229	-	229	103	-	103
Borrowings (Other than debt securities)	5,385		5,385	8,130	-	8,130
Other financial liabilities	1,965	180	2,145	533	180	713
Debt securities	-	1,205	1,205	-	-	-
Non-financial Liabilities						
Current tax liability (Net)	-	-	-	131		131
Provisions	33	12	45	20	12	32
Deferred tax (Net)	-	147	147	-	340	340
Other non-financial liabilities	2,139		2,139	1,935	-	1,935
Total liabilities (b)	9,751	1544	11295	10,852	532	11,384
Net (a - b)	(2,870)	28,721	25,851	(777)	24,477	23,700

*As expected by management of the group.

2.37 Fair value measurements

a) Financial instruments by category

₹in Lakh

Particular	March 31, 2024		March 31, 2023	
	Fair value through profit or loss	Amortised cost	Fair value through profit or loss	Amortised cost
Financial assets				
Cash & cash equivalents	-	42	-	130
Trade receivables	-	181	-	158
Loans	-	367	-	603
Investments - Unquoted	35,695	-	33,556	-
Other financial asset	-	107	-	114
Total financial assets	35,695	697	33,556	1,005
Financial liabilities				
Payables	-	229	-	103
Debt Securities	-	1,205	-	-
Borrowings (Other than debt securities)	-	5,385	-	8,130
Other financial liabilities	-	2,145	-	713
Total financial liabilities	-	8,964	-	8,946

Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. The Group has not disclosed the fair values of financial instruments such as trade receivables, trade

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

payables, cash and cash equivalents, fixed deposits, security deposits, etc. as carrying value is reasonable approximation of the fair values. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the Indian Accounting Standards. An explanation of each level follows underneath the table:

b) Fair value hierarchy for assets

₹ in Lakh

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2024	Level 1	Level 2	Level 3	Total
Financial assets				
Investments - Unquoted	-	-	35,695	35,695
Total	-	-	35,695	35,695

₹ in Lakh

Financial liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2024	Level 1	Level 2	Level 3	Total
Financial liabilities				
Borrowings (Other than debt securities)	-	-	5,385	5,385
Debt Securities*			1,205	1,205
Total	-	-	6,590	6,590

₹ in Lakh

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Investments - Unquoted	-	-	33,556	33,556
Total	-	-	33,556	33,556

₹ in Lakh

Financial liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2023	Level 1	Level 2	Level 3	Total
Financial liabilities				
Borrowings (Other than debt securities)	-	-	8,130	8,130
Total	-	-	8,130	8,130

* The management has estimated the fair value of these debt instruments shall be approximately same as the amortised cost.

Notes:

Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active market for identical assets that the entity can access at the measurement date.

Level 2 hierarchy includes the fair value of financial instruments measured using quoted prices for identical or similar assets in markets that are not active.

Level 3 If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted compound instruments.

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

There are no transfers between any of these levels during the year. The group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

c) Valuation techniques used to determine fair value

Specific valuation techniques used to value investment in security receipt include:

- the fair value of investment in security receipt is based on Net Asset Value (NAV) calculated using discounted cash flow method and valuation range provided by the rating agencies. This is included in Level 3.

Specific valuation techniques used to value market linked debentures:

'Fair valuation of Market linked debentures is determined based on cash flows discounted using a current lending rate, however the change in current rate does not have any significant impact on fair values as at the current year end. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

d) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2024 and March 31, 2023:

Particulars	₹in Lakh
	Investment
As at April 01, 2022	33,941
Additions	4,685
Disposals	(3,624)
Gains/(losses) recognised in consolidated statement of profit and loss	(1,446)
As at March 31, 2023	33,556
Additions	6,519
Disposals / Repayment / Write off	(3,651)
Gains/(losses) recognised in consolidated statement of profit and loss	(729)
As at March 31, 2024	35,695

e) Fair value of financial assets and liabilities measured at amortised cost

The carrying amount of remaining financial assets and liabilities is considered as fair value.

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

f) Unobservable inputs used in measuring fair value categorised within Level 3

Type of financial instruments	Fair value of asset as on March 31, 2024	Fair value of liability as on March 31, 2024	Valuation Techniques	Significant Unobservable input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Investments in security receipts	35,695	-	Discounted projected cash flow	Expected gross recoveries *	2,09,968	20,997	1,658	(20,997)	(3,129)
				Discount rates	4.81% - 10%	0.50%	(220)	0.50%	228

₹ in Lakh

Type of Financial Instruments	Fair value of asset as on March 31, 2023	Fair value of liability as on March 31, 2023	Valuation Techniques	Significant Unobservable input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Investments in security receipts	33,556	-	Discounted projected cash flow	Expected gross recoveries *	2,06,942	20,745	1,679	(20,745)	(538)
				Discount rates	5.22% - 10%	0.50%	(219)	0.50%	194

* Expected gross recoveries are pertaining to the overall asset under management of the Group. The cash attributable to the Group's share in expected gross recoveries will be dependent on the Group's Investment share and terms of the securities receipts subscriber.

g) Quantitative analysis of significant unobservable inputs

Discount margin/spreads

Discount margin/spreads represent the discount rates used when calculating the present value of future cash flows. In discounted cash flow models such spreads are added to the benchmark rate when discounting the future expected cash flows. Hence, these spreads reduce the net present value of an asset or increase the value of a liability. They generally reflect the premium an investor expects to achieve over the benchmark interest rate to compensate for the higher risk driven by the uncertainty of the cash flows caused by the credit quality of the asset. They can be implied from market prices and are usually unobservable for illiquid or complex instruments.

Recovery rates

Recovery rates reflect the estimated loss that the group will suffer given expected defaults. The recovery rate is given as a percentage and reflects the opposite of loss severity (i.e. 100% recovery reflects 0% loss severity). In line with general market convention, loss severity is applied to asset-backed securities while recovery rate is more often used as pricing input for corporate or government instruments. Higher loss severity levels / lower recovery rates indicate lower expected cash flows upon the default of the instruments. Recovery rates for complex, less liquid instruments are usually unobservable and are estimated based on historical data.

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

2.38 a) Liquidity risk and funding management

Liquidity risk emanates from the mismatches existing on the balance sheet due to differences in maturity and repayment profile of assets and liabilities. These mismatches could either be forced in nature due to market conditions or created with an interest rate view. Such risk can lead to a possibility of unavailability of funds to meet upcoming obligations arising from liability maturities. To avoid such a scenario, the group has ensured maintenance of a liquidity cushion in the form of fixed deposits, cash, credit lines etc. These assets carry minimal credit risk and can be liquidated in a very short period of time. These would be to take care of immediate obligations while continuing to honour our commitments as a going concern.

b) Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the company's financial assets and liabilities as at March 31. However, the Company expects that the counterparties will not request repayment on the earliest date it could be required to pay.

As at March 31, 2024

₹ in Lakh

Contractual maturities of assets and liabilities	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial assets					
Cash and cash equivalents	42	-	-	-	42
Trade Receivables	-	181	-	-	181
Loans	-	-	367	-	367
Investments *	1,488	4,462	20,546	9,199	35,695
Other financial assets	1	44	20	42	107
Total financial assets (a)	1,531	4,687	20,933	9,241	36,392
Financial liabilities					
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	229	-	-	-	229
Debt Securities			1,205		1,205
Borrowings (Other than debt securities)	-	5,385	-	-	5,385
Other financial liabilities	1,767	91	287	-	2,145
Total financial liabilities (b)	1,996	5,476	1,492	-	8,964
Net (a - b)	(465)	(789)	19,441	9,241	27,428

As at March 31, 2023

₹ in Lakh

Contractual maturities of assets and liabilities	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial assets					
Cash and cash equivalents	130	-	-	-	130
Trade Receivables	-	158	-	-	158
Loans	-	-	603	-	603
Investments*	1,200	8,300	14,856	9,200	33,556
Other financial assets	1	78	20	15	114
Total financial assets (a)	1,331	8,536	15,479	9,215	34,561
Financial liabilities					
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	103	-	-	-	103
Borrowings (Other than debt securities)	-	8,130	-	-	8,130
Other financial liabilities	465	68	166	14	713
Total financial liabilities (b)	568	8,198	166	14	8,946
Net (a - b)	763	338	15,313	9,201	25,615

* As expected by management of the group

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

2.39 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Group's statement of profit and loss. The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year.

Currency of borrowing / advances	2023-24			
	Increase in basis points	Effect on profit before tax (₹in lakh)	Decrease in basis points	Effect on profit before tax (₹in lakh)
INR	50	(21)	50	21

Currency of borrowing / advances	2022-23			
	Increase in basis points	Effect on profit before tax (₹in lakh)	Decrease in basis points	Effect on profit before tax (₹in lakh)
INR	50	(30)	50	30

2.40 Additional Disclosures

Additional disclosure pursuant to The Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 issued vide Circular n. RBI/ 2007-2008/9 DNBS (PD) CC. No. 7 / SCRC / 10.30.000/ 2007-2008 dated July 02, 2007 and vide notification no. DNBS.PD (SC/RC).8/CGM (ASR) - 2010 dated April 21, 2010.

Disclosures made in paragraphs (i) to (xi) below represent total value of the assets in the respective trusts subscribed by the Company and the co-investors as also assets directly acquired by the Company.

- (i) **The names and addresses of the Banks/ Financial Institutions from whom Financial Assets were acquired as at March 31, 2024 (since inception) and the value at which such assets were acquired from each such Bank/ Financial Institutions:**

Sr. No.	Name of the Bank / Financial Institution	Address	Acquisition price (₹ in lakh)	
			As at March 31, 2024	As at March 31, 2023
1	Asset Reconstruction Company (India) Limited	The Ruby, 10th Floor, 29, Senapati Bapat Marg, Dadar (West), Mumbai - 400 028	68	68
2	Union Bank of India (erstwhile Corporation Bank)	Managala Devi Temple Road, Mangalore 575001	249	249
3	Bank of Baroda (erstwhile Dena Bank)	Dena Corporate Centre, C-10, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051	3,077	3,077
4	Indian Bank	66,Rajaji Salai, Chennai – 600 001	1,25,700	1,25,700
5	Central Bank of India	Chandramukhi, Nariman Point, Mumbai – 400 021	243	243
6	Bank of Baroda (erstwhile Vijaya Bank)	41/2, M G Road, Bengaluru, Karnataka – 560 001	990	990
7	IFCI	IFCI Tower, 61, Nehru Place, New Delhi – 110 192	2,000	2,000
8	IDBI	IDBI Tower, Cuffe Parade, Mumbai – 400005	1,226	1,226
9	Union Bank of India	Union Bank Bhavan, 239, Vidhan Bhavan Marg, Mumbai 400 021	625	625
10	Industrial Investment Bank of India Limited	19, Netaji Subhash Road, Kolkatta - 700 001	550	550
11	City Union Bank Limited	24-80, Raja Bahadur Compound, Ambalala Doshi Marg, Fort, Mumbai - 400 023	28,398	28,398
12	Laxmi Vilas Bank	Salem Road, Kathaprai, Karur - 639 006. Tamil Nadu	21,409	21,409
13	UCO Bank	10, B T M Sarani, Kolkata - 700 001, West Bengal	151	151
14	Yes Bank	Indiabulls Finance Centre, Tower II, Senapati Marg, Elphinstone (W), Mumbai - 400 013	1,030	1,030

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

Sr. No.	Name of the Bank / Financial Institution	Address	Acquisition price (₹ in lakh)	
			As at March 31, 2024	As at March 31, 2023
15	The Saraswat Co-operative Bank Ltd.	953, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025	375	375
16	Abhyudaya Co-operative Bank Limited	Shram Safalya, 63, G D Ambekar Marg, Parel Village, Mumbai - 400 012	325	325
17	Bank of Baroda	Suraj Plaza-1, Sayaji Ganj, Baroda - 390005	113	113
18	The Akola Urban Co-operative Bank Limited	“Jankalyan”, 58/59, Toshniwal Layout, Murtizapur Road, Behind Govt. Milk Scheme, Akola - 444001	4,200	4,200
19	State Bank of India	State Bank Bhavan, Madam Cama Road, Mumbai – 400021	48,447	48,447
20	Kotak Mahindra Bank (erstwhile ING Vysya Bank)	22, MG Road, Bangalore, Karnataka- 560001	16,870	16,870
21	State Bank of India (erstwhile State Bank of Travancore)	Poojappura, Thiruvananthapuram - 695012	6,194	6,194
22	State Bank of India (erstwhile State Bank of Hyderabad)	Gunfoundry, Hyderabad - 500001	1,660	1,660
23	Karur Vysya Bank	Erode Road, Karur-639002, Tamilnadu	382	382
24	Reliance Capital Limited	Kamala Mills, Trade One Building 'D' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013	9,599	9,599
25	Magma Fincorp Limited	Magma House, No.24 Park Street, Kolkata-700 016	5,948	5,948
26	Magma Housing Finance	Magma House, No.24 Park Street, Kolkata-700 016	1,442	1,442
27	SVC Co-operative Bank Limited	SVC Tower, Nehru Road, Vakola, Santacruz (E), Mumbai - 400 055	4,779	4,779
28	Union Bank of India (erstwhile Andhra Bank)	Mama Paramanand Marg, Opera House, Girgaon, Mumbai, Maharashtra 400004	440	440
29	Reliance Commercial Finance	The Ruby, 11th Floor, North West Wing, Plot No. 29, JK Sawant marg, Dadar, Mumbai- 400 028	11,501	11,501
30	The Kalyan Janata Sahakari Bank Limited	Kalyanam_astu, Om Vijaykrishna Apartment, Adharwadi, Kalyan (W), Dist. Thane - 421301	6,206	6,206
31	Indian Overseas Bank	4/B, Ground Floor, Sangam CHSL, S.V Road, Santacruz (W), Mumbai 400054	80,167	50,295
32	Shubham Housing Development Finance Corporation Limited	Plot No. 425, Udyog Vihar, Phase IV, Gurgaon-122015	7,243	7,243
33	Religare Housing Development Finance Corporation Limited	1st Floor, Tower "A" PRIUS Global, Sector-125, NOIDA, U.P- 201301	3,047	3,047
32	IndusInd Bank Limited	Indusind Bank Ltd., 11th floor, Tower 1, One Indiabulls Centre, 841, Senapati Bapat Marg, Elphinstone Road, Mumbai-400013, India	466	466
33	HDFC Bank Limited	16th Floor, Tower A, Peninsula Business Park, Lower Parel, Mumbai - 400013	20,977	20,977
34	Orange Retail Finance India Private Limited	No.4/363, Second Floor, Kandhanchavadi, Old Mahabalipuram Road, Chennai – 600 096	2,706	2,706
35	Jana Small Finance Bank Ltd	The Fairway Business Park, #10/1, 11/2 & 12/2B Off Domlur, Koramangala Inner Ring Road, Next to EGL, Challaghatta, Bengaluru – 560071	15,998	12,535

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

Sr. No.	Name of the Bank / Financial Institution	Address	Acquisition price (₹ in lakh)	
			As at March 31, 2024	As at March 31, 2023
36	Indian School Finance Company Ltd	8-2-269/2/52, Plot No. 52, Sagar Society Road No. 2, Banjara Hills, Hyderabad - 500034	5,289	5,289
37	Light Microfinance Pvt Ltd	310, Piinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad - 380015	1,039	1,039
38	DBS Bank India Limited	DBS Bank India Ltd, Express Tower, Level19, Nariman Point, Mumbai - 400 021, India.	150	150
39	Baid Finserv Limited	BAID HOUSE, IIND Floor,1, Tara Nagar, Ajmer Road, Jaipur-302006	496	496
40	Ambit Finvest Private Limited	Ambit House, 449, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, Maharashtra	864	-
41	PHF Leasing Limited	87, Radio Colony, Mahavir Marg, Jalandhar, Punjab- 144001.	325	-
42	Laxmi India Finance Private Limited	2, Gopinath Marg, MI Rd, Jaipur - 302001	1,432	850
43	Manba Finance Limited	Manba House, Plot No A - 79, Road No 16, Wagle Estate, Thane (West) - 400604	2,102	2,102
		TOTAL	4,46,496	4,11,391

(ii) Dispersion of various Financial Assets Industry-wise

Industry	Acquisition Cost Outstanding (₹ in lakh)	Percentage to total assets	Acquisition Cost Outstanding (₹ in lakh)	Percentage to total assets
	As at March 31, 2024		As at March 31, 2023	
Agriculture	31,516	7.05%	31,516	7.65%
Education	1,55,696	34.84%	1,25,824	30.55%
Housing	17,238	3.86%	17,238	4.19%
MSME	1,41,812	31.73%	1,41,812	34.44%
Seeds / Biotech	5,730	1.28%	5,730	1.39%
Food processing	9,735	2.18%	9,735	2.36%
Power	270	0.06%	270	0.07%
Plastics	230	0.05%	230	0.06%
Casting & Forging	3,343	0.75%	3,343	0.81%
Construction	2,440	0.55%	2,440	0.59%
Waste Processing	440	0.10%	440	0.11%
Vehicle	15,767	3.53%	15,767	3.83%
Personal	13,586	3.04%	13,586	3.30%
Infrastructure	3,905	0.87%	3,905	0.95%
Information Technology	294	0.07%	294	0.07%
Advertisement	3	0.00%	3	0.00%
Textile	4,735	1.06%	4,735	1.15%
Electricals	592	0.13%	592	0.14%
Gems & Jewellery	710	0.16%	710	0.17%
Others	38,880	8.70%	33,646	8.17%
TOTAL	4,46,496	100.00%	4,11,391	100.00%

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

(iii) Dispersion of various Financial Assets Sponsor-wise

Industry	Acquisition Cost Outstanding (₹in lakh)	Percentage to total assets	Acquisition Cost Outstanding (₹in lakh)	Percentage to total assets
	As at March 31, 2024		As at March 31, 2023	
A. Sponsor				
- Reliance Capital Limited	9,599	2%	9,599	2%
- Union Bank of India	-	0%	1,314	0%
Total Sponsor (A)	9,599	2%	10,913	3%
B. Non-Sponsors	4,37,322	98%	4,00,903	97%
Total Non Sponsor (B)	4,37,322	98%	4,00,903	97%
TOTAL (A+B)	4,46,921	100%	4,11,816	100%

₹ in Lakh

		As at March 31, 2024	As at March 31, 2023
(iv)	A statement charting the migration of Financial Assets from Standard to Non-Performing. Opening balance of Standard Assets Opening balance of Non-Performing Assets Assets acquired during the year (Standard) Assets redeemed during the year (Standard and NPA) Downgradation of Assets from Standard to Non-Performing (gross of provisions) during the year Closing balance of Standard Assets Closing balance of Non-Performing Assets (gross of provisions)	- - - - - - - -	- - - - - - - -
(v)	Value of Financial Assets acquired during the financial year either on its own books or in the books of the Trust	35,105	24,946
(vi)	Value of Financial Assets realised during the financial year	23,004	27,114
(vii)	Value of Financial Assets outstanding for realisation as at the end of the financial year.	2,32,914	2,20,813
(viii)	Value of Security Receipts redeemed/Contractual Rights in Loan Assets realised partially and the Security Receipts redeemed /Contractual Rights in Loan Assets realised fully during the financial year. - Value of Security Receipts redeemed fully during the financial year - Value of Security Receipts redeemed partially during financial year	- 23,004	- 27,114
(ix)	Value of Security Receipts/Contractual Rights in Loan Assets, pending for redemption as at the end of the financial year	2,32,914	2,20,813
(x)	Value of Security Receipts which could not be redeemed as a result of non-realisation of the Financial Asset as per the policy formulated by the Securitisation Company or Reconstruction Company under Paragraph 7(6)(ii) or 7(6)(iii) of The Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 as amended from time to time.		
	In Reliance ARC CUB SDPL Trust (2014) SR issued was of Rs 7,100 lakhs where redemption of Rs 5,528 lakhs has been done during its tenure. Hence, Rs. 1572 has been written off in FY 2023-24 as per the policy formulated. There were no Security Receipts that were not reedemed during the financial year as a result of non-realisation of the Financial Asset as per the policy formulated. Which could not be redeemed as a result of non realisation of the financial asset.		

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

(xi)	Value of land and / or building acquired in ordinary course of business of reconstruction of assets. - NIL
Additional disclosure as per RBI notification no. DNBS (PD) CC. No. 41/SCRC/26.03.001/2014-15 date August 5th, 2014	
(xii)	The basis of valuation of assets if the acquisition value of the assets is more than the book value - Nil
(xiii)	The details of the assets disposed of (either by write off or by realisation during the year at a discount of more than 20% of valuation as on the previous year end and the reasons therefore. There were no asset disposed off (either by write off or by realisation) during the year at a discount of more than 20% of valuation as on the previous year end and the reasons therefore.e.
(xiv)	The details of the assets where the value of the SRs has declined more than 20% below the acquisition value

Sr. no.	Trust Name	Closing SR (₹in lakh)	NAV as at March 31, 2024
1	Reliance ARC - LVB Trust	1,568	-
2	Reliance ARC - INB Retail Portfolio Trust (2013)	35,048	-
3	Reliance ARC - AUCB 2014 (1) Trust	203	-
4	Reliance ARC - CUB 2014 (1) Trust	434	-
4	Reliance ARC - SBI Maan Sarovar Trust	460	-
5	Reliance ARC - CUB(CTRPL)(2014)Trust	2,510	-
6	Reliance ARC CUB HL & SME 2014 1 Trust	157	-
7	Reliance ARC 001 Trust	13,129	-
8	Reliance ARC 002 Trust	275	-
9	Reliance ARC 007 Trust - Class A	1,580	-
10	Reliance ARC 004 Trust	0	-
11	Reliance ARC 006 Trust	1,376	-
12	Reliance ARC 008 Trust	907	-
13	Reliance ARC 010 Trust	2,045	-
14	Reliance ARC 011 Trust	3,743	-
15	Reliance ARC 012 Trust	1,367	-
16	Reliance ARC 015 Trust	4,629	-
17	Reliance ARC 016 Trust	1,440	-
18	Reliance ARC 013 Trust	113	-
19	Reliance ARC SBI(CHN)018 Trust	4,955	-
20	Reliance ARC SBI(HYD)021 Trust	112	-
21	RARC Dena Bank 024 Trust	157	75.00%
22	RARC Dena Bank 025 Trust	346	50.00%
23	LVB RARC 029 Trust	792	75.00%
24	Andhra Bank RARC 039 Trust	211	75.00%
25	RARC (IOB EL) 050 Trust	8,164	75.00%
26	RARC 053 (IB SME) Trust	2,678	75.00%
27	RARC 058 (KJSB SME) Trust	1,228	75.00%

2.41 Related party transactions
A. List of Related Parties and their relationship:
i) Entity having significant influence on the Company

Reliance Capital Limited

ii) Subsidiaries of Entity having significant influence referred in (i) above

1. Reliance Commercial Finance Limited (ceased wef October 14, 2022)
2. Reliance General Insurance Company Limited

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

3. Reliance Nippon Life Insurance Company Limited
4. Reliance Corporate Advisory Services Limited
5. Reliance Securities Limited
6. Reliance Financial Limited
7. Reliance ARC SBI Maan Sarovar Trust

iii) Trust - Employee Benefit Plan

Reliance Asset Reconstruction Company Limited Group Gratuity Cum Life Assurance Scheme

iv) Key management personnel

- a) **Mr. Mehul Gandhi**
Executive Director & CEO
- b) **Mr. Rakesh Panjwani**
Chief Financial Officer
- c) **Mr. Rajesh Gandhi** (w.e.f. July 01, 2021 upto October 31, 2022)
Company Secretary
- d) **Ms. Dipanjali Nagpal** (w.e.f November 21, 2022)
Company Secretary

Related party transactions

B. Transactions during the year with related parties:

(₹ in lakh)

Particulars	Year	Entity having Significant Influence	Subsidiaries of Entity having significant influence	Asset Reconstruction trusts - controlled by the company	Key Management Personnel	Total
Total Income (Net of Provision)						
Reliance ARC SBI Maan Sarovar Trust (*Rs.22891)	2023-24	-	-	-	-	*
	2022-23	-	(2)	-	-	(2)
Interest on Borrowings other than debt securities						
Reliance Corporate Advisory Services Limited (assigned to Acre- 116 Trust on June 07, 2023 and interest accrued during the year interest of Rs.165 lakhs being paid to Acre-116 Trust)	2023-24	-	-	-	-	-
	2022-23	-	273	-	-	273
Reliance Capital Limited	2023-24	-	-	-	-	-
	2022-23	75	-	-	-	75
Reliance Financial Limited	2023-24	-	-	-	-	-
	2022-23	-	-	-	-	-
Other Expenses						
Reliance Capital Limited (Software Maintenance Charges & Other Expense)	2023-24	7	-	-	-	7
	2022-23	6	-	-	-	6
Reliance General Insurance Company Limited (Mediclaime Premium Expense & Other Expense)	2023-24	-	13	-	-	13
	2022-23	-	21	-	-	21
Reliance Nippon Life Insurance Company Limited (GratuityExpense)	2023-24	-	-	-	-	-

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

(₹ in lakh)

Particulars	Year	Entity having Significant Influence	Subsidiaries of Entity having significant influence	Asset Reconstruction trusts - controlled by the company	Key Management Personnel	Total
Reliance Financial Limited (*₹4000)	2022-23	-	10	-	-	10
	2023-24	-	*	-	-	*
Reliance Securities Ltd (Rent & Maintenance Expense & Other Expenses)	2022-23	-	-	-	-	-
	2023-24	-	79	-	-	79
Trade Receivables	2022-23	-	65	-	-	65
	2023-24	-	1	-	-	1
Reliance ARC SBI Maan Sarovar Trust (** ₹ 21121)	2022-23	-	**	-	-	**
	2023-24	-	-	-	-	-
Investments	2022-23	-	-	-	-	-
	2023-24	-	-	-	-	-
Other Financial Asset	2022-23	-	-	-	-	-
	2023-24	-	-	-	-	-
Advance To Trust Reliance ARC SBI Maan Sarovar Trust	2022-23	-	-	-	-	-
	2023-24	-	-	-	-	-
Trust Fund	2022-23	-	**	-	-	**
	2023-24	-	*	-	-	*
Reliance ARC SBI Maan Sarovar Trust(* ₹ 1000, **₹ 1000)	2022-23	-	**	-	-	**
	2023-24	-	1	-	-	1
Other Non Financial Asset	2022-23	-	8	-	-	8
	2023-24	-	-	-	-	-
Reliance General Insurance Company Limited	2022-23	-	-	-	-	-
	2023-24	-	-	-	-	-
Reliance Commercial Finance Limited	2022-23	-	-	-	-	-
	2023-24	-	-	-	-	-
Trade Payables	2022-23	-	**	-	-	**
	2023-24	-	*	-	-	*
Reliance Capital Limited (*8403,**8403)	2022-23	-	**	-	-	**
	2023-24	-	33	-	-	33
Reliance Securities Limited	2022-23	-	6	-	-	6
	2023-24	-	-	-	-	-
Debentures	2022-23	-	-	-	-	-
	2023-24	-	-	-	-	-
Issued during the year	2022-23	-	-	-	-	-
	2023-24	-	-	-	-	-
Redeemed during the year	2022-23	-	-	-	-	-
	2023-24	-	-	-	-	-
Closing Balances	2022-23	-	-	-	-	-
	2023-24	-	-	-	-	-
Accrued interest on debentures	2022-23	-	-	-	-	-
	2023-24	-	-	-	-	-
Reliance Financial Limited	2022-23	-	-	-	-	-
	2023-24	-	-	-	-	-

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

(₹ in lakh)

Particulars	Year	Entity having Significant Influence	Subsidiaries of Entity having significant influence	Asset Reconstruction trusts - controlled by the company	Key Management Personnel	Total
Reliance Nippon Life Insurance Company Limited	2023-24	-	-	-	-	-
	2022-23	-	-	-	-	-
Borrowings other than debt securities						
Taken during the year						
Reliance Corporate Advisory Services Limited	2023-24	-	-	-	-	-
	2022-23	-	-	-	-	-
Reliance Capital Limited	2023-24	-	-	-	-	-
	2022-23	-	-	-	-	-
Reliance Financial Limited	2023-24	-	-	-	-	-
	2022-23	-	-	-	-	-
Repaid during the year						
Reliance Corporate Advisory Services Limited (assigned to Acre-116 Trust on June 07, 2023)	2023-24	-	2,275	-	-	2,275
	2022-23	-	-	-	-	-
Reliance Capital Limited	2023-24	-	-	-	-	-
	2022-23	-	-	-	-	-
Reliance Financial Limited	2023-24	-	-	-	-	-
	2022-23	-	-	-	-	-
Closing Balances						
Reliance Corporate Advisory Services Limited (assigned to Acre-116 Trust on June 07, 2023)	2023-24	-	-	-	-	-
	2022-23	-	2,275	-	-	2,275
Reliance Capital Limited	2023-24	-	-	-	-	-
	2022-23	600	-	-	-	600
Reliance Financial Limited	2023-24	-	-	-	-	-
	2022-23	-	-	-	-	-
Other Financial Liabilities						
Interest accrued but not due on borrowings						
Reliance Corporate Advisory Services Limited	2023-24	-	-	-	-	-
	2022-23	-	206	-	-	206
Reliance Capital Limited	2023-24	-	-	-	-	-
	2022-23	57	-	-	-	57
Other Non Financial Liabilities						
Reliance ARC SBI Maan Sarovar Trust	2023-24	-	-	-	-	-
	2022-23	-	-	-	-	-
Key Managerial Personnel						
Remuneration	2023-24	-	-	-	380	380
	2022-23	-	-	-	333	333

Note: Recovery on behalf of trust - has not been considered in Related Party Transactions

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)
2.42 Earning per equity share

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Basic and diluted earning per equity share		
Net Profit after tax attributable to equity shareholders (₹ in lakh) (A)	2,271	1,411
Weighted average number of Equity Shares (Nos) (B)	10,00,00,000	10,00,00,000
Nominal value of equity shares (₹)	10	10
Basic and Diluted Earning Per Share (₹) (A/B)	2.27	1.41

2.43 Dividend remitted in foreign currency

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Dividend paid during the year (₹ in lakh)	29	29
Number of non-resident shareholder	1	1
Number of equity shares held by non-resident shareholder	95,00,000	95,00,000
Financial Year to which the dividends relates to	2022 - 2023	2021 - 2022

2.44 Comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 pursuant to the RBI circular no. DOR (NBFC).CC.PD.No.116/22.10.106/2019-20 dated March 13, 2020.
As at year ending March 31, 2024
(₹ in lakh)

Asset Classification as per RBI Norms	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
		(1)	(2)	(3) =(1)-(2)	(4)	(5) =(2)-(4)
Performing Assets						
Standard	Stage 1	42	-	42	-	-
	Stage 2	-	-	-	-	-
Subtotal Performing Assets(A)		42	-	42	-	-
Non Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal Non Performing Assets (NPA) (B)		-	-	-	-	-
Other items						
Advances to trust and other financial assets (C)	Stage 1	107	-	107	-	-

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

(₹ in lakh)

Asset Classification as per RBI Norms	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
	Stage 2	185	185	-	179	5
	Stage 3	40	40	-	40	-
Trade receivables (D)	NA	364	183	181	183	-
Purchased or Originated credit impaired (E)	Purchased or Originated credit impaired	367	-	367	-	-
Subtotal (F) = (C) + (D) + (E)		1,063	408	655	402	6
Total assets	Stage 1	149	-	149	-	-
	Stage 2	185	185	-	179	6
	Stage 3	40	40	-	40	-
	Others	731	183	548	183	-
	Total	1,105	408	697	402	6

As at year ended March 31, 2023

(₹ in lakh)

Asset Classification as per RBI Norms	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
		(1)	(2)	(3) =(1)-(2)	(4)	(5) =(2)-(4)
Performing Assets						
Standard	Stage 1	130	-	130	-	-
	Stage 2	-	-	-	-	-
Subtotal Performing Assets(A)		130	-	130	-	-
Non Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal Non Performing Assets (NPA) (B)		-	-	-	-	-
Other items						

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

(₹ in lakh)

Asset Classification as per RBI Norms	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
		(1)	(2)	(3) =(1)-(2)	(4)	(5) =(2)-(4)
Advances to trust and other financial assets (C)	Stage 1	114	-	114	-	-
	Stage 2	147	147	-	147	-
	Stage 3	38	38	-	38	-
Trade receivables (D)	NA	378	220	158	220	-
Purchased or Originated credit impaired (E)	Purchased or Originated credit impaired	603	-	603	-	-
Subtotal (F) = (C) + (D) + (E)		1,280	405	875	405	-
Total assets	Stage 1	244	-	244	-	-
	Stage 2	147	147	-	147	-
	Stage 3	38	38	-	38	-
	Others	981	220	761	220	-
	Total	1,410	405	1,005	405	-

2.45 Entities considered for Consolidation
a) Composition of the Group

Information about the composition of the Group at the end of each reporting period is as follows :

Name of the Entity	Country of Incorporation	Proportion of ownership interest and voting power held by the group	
		As at March 31, 2024	As at March 31, 2023
Reliance ARC CUB 2014 (1) Trust	India	100%	100%
Reliance ARC - CUB (HL & SME) (2014) (1) Trust	India	100%	100%
Reliance ARC 004 Trust	India	100%	100%
Reliance ARC 007 Trust	India	68%	73%
Reliance ARC ALPLUS Trust	India	100%	100%
RARC 061 (INDUSIND RETAIL) Trust	India	51%	100%
RARC 076 Trust (wef October 21, 2022)	India	71%	100%

Note : All the entities considered for consolidation above are Trust formed under SARFAESI Act in India for conducting principal activities of acquisition of accounts under distressed credit business.

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

b) Additional Information, as required under Schedule III to the Companies Act, 2013, of trust consolidated as Subsidiaries.

As at and for the year ended March 31, 2024

(₹ in lakh)

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Total comprehensive income	
	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss
Parent Reliance Asset Reconstruction Company Limited Subsidiary Trust in India	25,555	98.85%	1,705	73.40%	1,702	73.36%
Reliance ARC CUB 2014 (1) Trust	(0)	0.00%	34	1.48%	34	1.48%
Reliance ARC - CUB (HL&SME) (2014) (1) Trust	83	0.32%	(1)	-0.05%	(1)	-0.05%
Reliance ARC 004 Trust	(2)	-0.01%	433	18.62%	433	18.64%
Reliance ARC ALPLUS Trust	(4)	-0.01%	-	0.00%	-	0.00%
RARC 061 (INDUSIND RETAIL) Trust	120	0.46%	(17)	-0.74%	(17)	-0.74%
RARC 076 TRUST	34	0.13%	(20)	-0.86%	(20)	-0.86%
Reliance ARC 007 Trust	(44)	-0.17%	138	5.92%	138	5.93%
Total	25,741	99.57%	2,271	97.76%	2,268	97.76%
Non Controlling Interest in all trusts						
Reliance ARC 007/076/061 Trust	110	0.43%	51	2.20%	52	2.24%
Total	25,851	100.00%	2,323	100.00%	2,320	100.00%

Note : Trusts share in OCI is NIL for the year ended March 31, 2024

As at and for the year ended March 31, 2023

(₹ in lakh)

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Total comprehensive income	
	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss
Parent Reliance Asset Reconstruction Company Limited Subsidiary Trust in India	23,120	97.55%	1,982	109.31%	1,984	176.96%
Reliance ARC CUB 2014 (1) Trust	87	0.37%	(129)	-1.24%	(129)	-11.51%
Reliance ARC - CUB (HL&SME) (2014) (1) Trust	84	0.35%	(4)	-0.12%	(4)	-0.36%
Reliance ARC 004 Trust	(7)	-0.03%	376	-1.66%	376	33.54%
Reliance ARC ALPLUS Trust	(3)	-0.01%	-	-0.02%	-	0.00%
RARC 061 (INDUSIND RETAIL) Trust	273	1.15%	(34)	-0.32%	(34)	-3.03%

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

(₹ in lakh)

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Total comprehensive income	
	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss
RARC 076 Trust	133	0.56%	(6)	-0.32%	(6)	-0.54%
Reliance ARC 007 Trust	10	0.03%	(774)	-4.48%	(774)	-69.03%
Total	23,696	99.98%	1,411	126.10%	1,413	125.98%
Non Controlling Interest in all trusts						
Reliance ARC 007 Trust	4	0.02%	(292)	-26.10%	(292)	-26.04%
Total	23,700	100.00%	1,119	100.00%	1,121	100.00%

Note : Trusts share in OCI is NIL for the year ended March 31, 2023.

2.46 Schedule of security receipts (SRs)

Name of Trust	As at March 31, 2024		As at March 31, 2023	
	No. of SRs	₹in Lakh	No. of SRs	₹in Lakh
Reliance ARC – LVB Trust	7,841	-	7,841	-
Reliance ARC – INB Retail Portfolio Trust (2013)	2,45,364	1,008	2,47,355	949
Reliance ARC - AUCB 2014 (1) Trust	1,017	13	3,634	38
Reliance ARC - SBI Maan Sarovar Trust	4,602	-	4,602	-
Reliance ARC – CUB (CTRPL) (2014) Trust	12,551	-	12,551	-
Reliance ARC – CUB SDPL Trust (2014)	-	-	7,862	-
Reliance ARC 001 Trust	1,96,932	-	1,98,731	-
Reliance ARC 002 Trust	4,132	-	4,282	-
Reliance ARC 006 Trust	34,390	-	34,390	-
Reliance ARC 008 Trust	22,679	-	22,679	-
Reliance ARC 010 Trust	30,680	124	30,680	-
Reliance ARC 011 Trust	56,151	558	60,379	604
Reliance ARC 012 Trust	20,507	137	20,507	52
Reliance ARC 015 Trust	69,408	415	76,195	1,026
Reliance ARC 016 Trust *	21,606	130	21,606	300
Reliance ARC 013 Trust	1,697	-	2,192	34
RELIANCE ARC SBI (HYD) 021 Trust	1,685	-	1,685	25
RELIANCE ARC SBI (CHN) 018 Trust	74,325	443	79,041	1,076
RELIANCE ARC SBI (MUM) 020 Trust	3,080	-	3,563	58
RELIANCE ARC SBI (BHO) 019 Trust	10,750	-	10,805	117
RELIANCE ARC SBI (CHN) 022 Trust	1,27,642	988	1,40,724	1,923
RARC SVC 023 Trust	-	4	1,874	30

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

Name of Trust	As at March 31, 2024		As at March 31, 2023	
	No. of SRs	₹in Lakh	No. of SRs	₹in Lakh
RARC Dena Bank 024 Trust	2,354	18	2,557	19
RARC 026 Trust	61,428	932	74,391	1,123
RARC Dena Bank 025 Trust	5,194	25	11,427	86
INB RARC 030 Trust	84,165	1,098	84,165	1,073
RARC 027 Trust	19,964	318	29,179	394
Magma RARC 031 Trust *	4,868	55	8,105	87
INB RARC 036 Trust	41,108	411	48,718	611
LVB RARC 029 Trust	11,878	88	12,690	127
SVC Bank RARC 033 Trust	22,826	343	28,715	430
SBI RARC 035 Trust	57,304	787	57,304	788
LVB RARC 038 Trust	79,622	796	83,611	836
Andhra Bank RARC 039 Trust	3,164	24	3,164	24
RARC 040 IB SME Trust	22,463	337	28,067	425
RARC 045 IB SME Trust	16,570	166	16,570	249
RARC 048 RCFL Trust	78,931	1,148	79,341	1,140
RARC 049 (Kalyan Janata SME) Trust *	6,308	95	8,834	127
RARC (IOB EL) 050 Trust	1,22,462	907	1,35,470	1,355
RARC 051 (KJSB SME) Trust	40,944	514	40,944	512
RARC 052 (IB Retail) Trust	1,50,375	1,504	1,66,108	1,661
RARC 053 (IB SME) Trust	40,170	301	41,271	307
RARC 057 (SHDFCL HL) Trust	1,141	26	3,101	80
RARC 058 (KJSB SME) Trust	18,416	130	26,640	266
RARC 059 (RHDFC HL) Trust	10,753	170	19,408	306
RARC (IOB EL) 062 Trust *	98,630	1,340	1,04,988	1,378
RARC 064 (HDFC Retail) Trust *	60,847	926	76,385	1,182
RARC (IOB EL) 065 Trust *	1,46,988	2,215	1,64,869	2,429
RARC (ORFIPL TWL) 066 Trust	14,280	203	15,212	203
Shubham Housing RARC Trust	42,935	661	59,795	919
RARC 068 Trust	1,40,709	1,709	1,49,183	1,762
RARC 069 Trust	13,500	185	15,249	190
RARC 070 Trust *	81,270	1,253	1,21,467	1,806
RARC 071 Trust	21,562	325	24,895	361
RARC 072 Trust *	90,389	1,211	94,189	1,225
RARC 073 Trust	11,845	183	14,783	193
RARC 074 Trust	11,121	167	13,133	180
RARC 075 Trust	13,267	214	18,335	272

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

Name of Trust	As at March 31, 2024		As at March 31, 2023	
	No. of SRs	₹in Lakh	No. of SRs	₹in Lakh
RARC 077 TRUST	6,415	110	7,438	74
RARC 078 TRUST	10,541	164	12,756	128
RARC (IOB EL)079 TRUST	1,67,827	2,730	2,21,383	2,214
RARC 080 TRUST	7,591	128	11,527	115
RARC 081 TRUST	13,379	221	14,512	145
RARC 082 TRUST	15,844	259	24,752	248
RARC 083 TRUST	23,013	406	27,436	274
RARC 086 TRUST	1,24,803	1,914	-	-
RARC 084 Trust	51,899	519	-	-
RARC 087 Trust	8,718	87	-	-
RARC 089 Trust	4,37,410	4,374	-	-
RARC 090 Trust	12,964	130	-	-
RARC 091 Trust	4,878	49	-	-
Total		35,695		33,558

Since Reliance Asset Reconstruction Company Ltd. (The Company) is preparing and presenting financial statement under Ind AS, investment made by the company in security Receipt of the trust being financial instrument are recognized at fair value under Ind AS 109, Hence investment in the security receipt of the trust, which has expired 8 years and future cash flow is expected, are valued by at fair value, valuation being done by Independent Valuer.

During the year, the Group has written-off investment in security receipts (No. of Security Receipts - 7,862) amounting to ₹ 79 Lakh as no further recovery is expected.

* Security Receipts which are pledged with Union Bank of India against overdraft facility.

2.47 Details of non-wholly owned subsidiaries that have material non-controlling interest

- a) The table below shows details of non-wholly owned trusts of the Company that have material non-controlling interests:

Name of the subsidiaries	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	As on March 31, 2024	As on March 31, 2023
Reliance ARC 007 Trust	India	67.71%	73.00%	66	(292)	(21)	4
RARC 061 (Indusind Retail) Trust	India	51.00%	0.00%	(8)	-	117	-
RARC 076 Trust	India	71.00%	0.00%	(6)	-	14	-
Total				51	(292)	110	4

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

- b) Summarized financial information in respect of each of the Company's subsidiary trust that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intra-Company eliminations:

(₹ in lakh)

Name of the Entity	RARC 061 (Indusind Retail) Trust		RARC 076 Trust		Reliance ARC 007 Trust	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Financial Assets	238	278	50	135	0	15
Non Financial Assets	1	1	1	1	0	-
Financial liabilities	1	1	2	3	58	1
Non Financial liabilities	1	5	1	0	7	-
Equity attributable to owners of the Company	120	273	34	133	(44)	10
Non-controlling interests	117	-	14	-	(21)	4
Revenue	-	-	-	-	218	-
Expense	25	34	26	6	15	1,066
Profit (Loss) for the year	(25)	(34)	(26)	(6)	203	(1,066)
Profit attributable to owners of the Company	(17)	(34)	(20)	(6)	138	(774)
Profit attributable to non-controlling interests	(8)	-	(6)	-	65	(292)
Profit (Loss) for the year	(25)	(34)	(26)	(6)	203	(1,066)
Other comprehensive income attributable to owners of the Company	-	-	-	-	-	-
Other comprehensive income attributable to non-controlling interests	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income attributable to owners of the Company	(17)	(34)	(20)	(6)	138	(774)
Total comprehensive income attributable to non-controlling interests	(8)	-	(6)	-	65	(292)
Total comprehensive income (Loss) for the year	(25)	(34)	(26)	(6)	203	(1,066)
Dividend paid to non-controlling interests	-	-	-	-	-	-
Net cash inflow / (outflow) from operating activities	-	-	-	-	-	-
Net cash inflow / (outflow) from investing activities	-	-	-	-	-	-
Net cash inflow / (outflow) from financing activities	-	-	-	-	-	-
Net cash inflow / (outflow)	-	-	-	-	-	-

2.48 The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of accounts, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of accounts along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company uses the accounting software SAP & Servosys for maintaining books of account. During the year ended March 31, 2024, the Company had complied with the above provisions. However audit trail is not applicable to the trust.

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

2.49 Segment reporting

The Group is primarily engaged in the Business of Acquisition and Resolution of Non Performing Assets and all other activities revolve around the main business of the Group. The Financial statements of the Group have been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 as amended and as prescribed under Section 133 of the Companies Act 2013 and all activities are conducted within India and as such there is no separate reportable segment as per the Ind AS 108 "Operating Segments".

2.50 Events after reporting date

The Board of Directors of the Parent Company have recommended dividend of ₹ 0.30 per fully paid up equity share of ₹ 10/- each for the financial year 2023-24.

2.51 Other Additional Regulatory Information

2.51.1 Title deeds of Immovable Properties not held in name of the company

The Group has no borrowings from bank or financial institutions on the basis of security of current assets.

2.51.2 Loans and Advances

There are no loans or advances in the nature of loans which are granted to promoters, directors, key managerial persons and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are:

- (a) repayable on demand or
- (b) without specifying any terms or period of repayment

2.51.3 Details of Benami Property held

The Group does not have benami property, where any proceedings has been initiated or pending against the Company for holding any Benami property.

2.51.4 Security of current assets against borrowings

The Group has no borrowings from bank or financial institutions on the basis of security of current assets.

2.51.5 Wilful defaulter

The Company or none of its subsidiaries are not declared as wilful defaulter by any bank or financial institution or other lender.

2.51.6 Relationship with Struckoff Companies

The Group does not have any transactions with struck off companies.

2.51.7 Registration of charges or satisfaction of charges with Registrar of Companies (ROC)

The Parent company has duly filed charge form within the specific timeline for secured debentures allotted on 28.08.2023 and the same is pending for approval with Registrar of Companies, Mumbai as on date.

2.51.8 Ratios

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Debt-Equity Ratio (No. of times) ^a	0.21	0.34
Debt Service Coverage Ratio (No. of times) ^b	2.72	2.73
Capital to risk asset ratio (CRAR) (%) ^c	64.10%	62.15%
Liquidity Coverage Ratio ^d	-	-

a Formula for Debt Equity Ratio = Total Debt / Total Equity

Notes on accounts to consolidated financial statements for the year ended March 31, 2024 (Contd.)

b Formula for Debt Service Coverage Ratio = (Earnings after Tax and before Interest, Depreciation, Fair Value and Exceptional Items) / (Interest Expense + Principal Repayments of long term debts made during the period)

c Formula for Capital to risk asset ratio = (Tier I Capital + Tier II Capital) / Risk Weighted Assets

d Liquidity Coverage Ratio - The Company has availed bank overdraft and it makes its payment to vendors from such overdraft facility and the Group has not maintained liquid assets. Further The Group is required to deposit all its income in such overdraft account and as a part of covenant the Group is not allowed to maintain any other current account.

2.51.9 Utilisation of Borrowed funds and share premium

- (A) During the year, the Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
- (i) 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).
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries."
- (B) During the year, the Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recored in writing or otherwise) that the Group shall:
- (i) 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).
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

2.51.10 Undisclosed Income

The Group has no such transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961.

2.51.11 Details of Crypto Currency or Virtual Currency

The Group has not traded or invested in Crypto Currency of Virtual Currency during the current financial year or any previous financial years.

2.52 Previous Year Figures

Figures for the previous year has been regrouped / reclassified wherever necessary to make them comparable.

As per our report of even date

For Pathak H.D. & Associates LLP

Chartered Accountants
Firm Registration No. : 107783W/W100593

Jigar T. Shah

Partner
Membership No: 161851

Place : Mumbai
Date: August 20, 2024

For and on behalf of the Board of Directors

Mehul Gandhi
(Executive Director & CEO)
(DIN : 08584229)

Aman Gudral
(Director)
(DIN : 08822974)

Dipanjali Nagpal
(Company Secretary)
Membership No. 39288

Rakesh Panjwani
(Chief Financial Officer)





RELIANCE Reconstruction

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