

RELIANCE ASSET
RECONSTRUCTION COMPANY
LIMITED
(CIN: U45200MH2006PLC161190)

ANNUAL REPORT
2024-2025

Reliance Asset Reconstruction Company Limited
11th Floor, R-Tech Park, Nirlon Compound,
Next to HUB Mall, Opp. Western Express Highway,
Goregaon (E), Mumbai - 400063.

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NOTICE OF THE 19TH ANNUAL GENERAL MEETING

Notice is hereby given that the 19th Annual General Meeting of the Members of Reliance Asset Reconstruction Company Limited ("the Company") will be held on **Wednesday, December 31, 2025 at 03:30 p.m. (IST)** through Video Conferencing ("VC") to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - (a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2025 together with the report of the Board of Directors and Auditors' thereon; and
 - (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2025 together with the report of the Auditors' thereon.
2. To appoint a Director in place of Mr. Mehul Mansukhlal Gandhi (DIN: 08584229), who retires by rotation under the provisions of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.
3. To appoint M/s. M.P. Chitale & Co., Chartered Accountants (ICAI Firm Registration No. 101851W) as Statutory Auditors of the Company and in this regard, to consider and, if though fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, or any other law for the time being in force (including any statutory modification or amendment thereto or reenactment thereof) and other applicable regulatory provisions, if any, the Company hereby appoints M/s. M.P. Chitale & Co., Chartered Accountants (ICAI Firm Registration No. 101851W) as the Statutory Auditors of the Company for a term of 5 (five) consecutive years to hold office from the conclusion of the Nineteenth Annual General Meeting till the conclusion of the Twenty Fourth Annual General Meeting of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution), be and is hereby authorized to decide and finalize the terms and conditions of appointment, including remuneration of the Statutory Auditors."

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

**Mehul Gandhi
Whole-time director
DIN: 08584229**

Date: December 09, 2025

Place: Mumbai

NOTES:**1. CONDUCT OF THE AGM, VOTING AND ATTENDANCE**

- a. The Ministry of Corporate Affairs, Government of India ("MCA") had allowed companies to conduct Annual General Meetings ("AGM") through Video Conference ("VC") / Other Audio-Visual Means ("OAVM") without physical presence of Members, vide General Circular No. 14/2020 dated April 8, 2020, read with General Circular No. 20/2020 dated May 5, 2020 latest being General Circular No. 03/2025 dated September 22, 2025 ("MCA Circulars").
- b. This AGM is being convened in compliance with applicable provisions of the Companies Act, 2013 ("the Act") and the rules made thereunder; the provisions of MCA Circulars.
- c. In accordance with the Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification / Guidance on applicability of Secretarial Standards - 1 and 2 dated April 15, 2020 issued by the ICSI, and revised on April 01, 2024 the proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company. Since the AGM will be held through VC / OAVM, the route map of the venue of the Meeting is not annexed hereto.
- d. Since the AGM is being held through VC / OAVM, **the physical presence of the Members has been dispensed with**. Accordingly, the facility for appointment of proxy(ies) by the Members will not be available for the AGM and hence the proxy form and attendance slip are not annexed to this notice. However, in pursuance of Section 113 of the Act, representatives of the Corporate Members may be appointed for the purpose of voting or for participation and voting in the meeting. The Corporate Members proposing to participate at the meeting through their representative, shall forward a scanned copy of the necessary authorization under Section 113 of the Act for such representation to the Company through e-mail to cs.department@relianceada.com before the commencement of the meeting.
- e. The meeting invite to the registered email addresses of the Members entitled to attend the AGM will be sent separately. Members are requested to follow instructions as stated in this notice for participating in the AGM through Webex platform.
- f. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- g. In Compliance with the MCA Circulars and applicable provisions of the Act and rules made thereunder, the Members will have facility to vote on the proposed agenda matters of the Notice convening the AGM, through "Show of Hands", unless a demand for poll is made by any Member in accordance with Section 109 of the Act.
- h. In case a poll is ordered to be taken by the Chairman or demanded in accordance with Section 109 of the Act, Members can cast their vote during the AGM by sending an email to cs.department@relianceada.com from their registered email addresses.
- i. Facility of joining the AGM through Webex shall open 15 minutes before the time scheduled for the AGM and Members who may like to express their views or ask questions during the AGM

may register themselves by writing to us at cs.department@relianceada.com. The Members who do not wish to speak at the AGM may also send their queries / questions in advance by writing to us at cs.department@relianceada.com. Members may raise questions during the meeting as well. However, the Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.

- j. Facility of joining AGM will be closed on expiry of 15 minutes from the schedule time of the AGM.
- k. Members who need technical assistance before or during the AGM, can contact the undersigned Ms. Priya Khetan on +91-8871317438 or at cs.department@relianceada.com.

2. ANNEXURE TO NOTICE, INSPECTION OF DOCUMENTS ETC.

- a. At the ensuing AGM, Mr. Mehul Mansukhlal Gandhi retires by rotation and being eligible, offer himself for re-appointment. The Board of Directors of the Company recommended the aforesaid re-appointment.
- b. Relevant documents referred to in the accompanying Notice are available for inspection electronically upto the date of AGM. Members are requested to send their requests via e-mail to cs.department@relianceada.com.

3. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE MEETING THROUGH WEBEX

- a. Meeting invite will be sent to the registered email addresses of the persons entitled to attend the Meeting, for joining the Meeting through Webex application.
- b. Click on 'Join meeting' in the meeting invite sent to you on your email address / calendar.
- c. You will be directed to the website of Webex. Enter your first name, last name and email address (of your choice) and click on 'Join Meeting'.
- d. For better experiencing the proceedings of the AGM, Members are requested to download the Webex application.
- e. For downloading the Webex application on desktops/laptops click on <https://www.webex.com/downloads.html>.
- f. The application can also be downloaded on smartphones by visiting the 'Google play store' for android users and 'App Store' for iOS users.

In case any member requires assistance for using the link before or during the meeting, you may contact Ms. Priya Khetan on +91-8871317438 or Shri Prashant Bhosle, Company's IT Helpdesk on +91 9930390537 at cs.department@relianceada.com.

4. OTHER INSTRUCTIONS / INFORMATION

- a. In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report for

FY 2024-25 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company or the Depository.

Members may note that the Notice and Annual Report will also be available on the Company's website www.rarcl.com.

b. Change of Address:

- (i) Members holding shares in physical form are requested to advise immediately about change in their address, and also inform their valid Email ID, if any, quoting their Folio number(s), to the Company at its Registered Office address.
- (ii) Members holding shares in demat form are requested to advise immediately change in address and register their valid Email ID, if any, quoting their respective Client ID / DP ID Nos., to their respective Depository Participants only and not to the Registrar and Transfer Agent or the Company.

In case of any Member requires any clarification or further information, the Member may contact Ms. Priya Khetan on +91-8871317438 or at cs.department@relianceada.com.

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

Mehul Gandhi
Whole-time director
DIN: 08584229

Date: December 09, 2025

Place: Mumbai

BOARD'S REPORT

Dear Shareholders,

The Board of Directors ("the Board") of Reliance Asset Reconstruction Company Limited ("your Company" or "the Company") is pleased to present the **19th Annual Report** and the Audited Financial Statements (Consolidated and Standalone) of your Company for the financial year ended March 31, 2025 ("year under review").

FINANCIAL PERFORMANCE AND STATE OF COMPANY'S AFFAIRS

The financial performance of the Company for the financial year ended March 31, 2025 is summarised below:

Particulars	Consolidated		Standalone	
	2024-25	2023-24*	2024-25	2023-24*
Total revenue	79.40	72.63	74.51	67.66
Total expenditure	49.96	47.33	50.68	47.13
Profit before Tax	29.44	25.30	23.83	20.53
Less: Tax expenses	2.98	2.07	2.61	1.91
Profit after Tax	26.46	23.23	21.22	18.62
Other Comprehensive Income / (Loss)	-0.18	-0.03	-0.18	-0.03
Total Comprehensive Income / (Loss)	26.28	23.20	21.04	18.59
Earning per Share (in Rs.) (Face value of Rs. 10/- each)				
Basic	2.57	2.27	2.12	1.86
Diluted	2.57	2.27	2.12	1.86

(*) 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 ("RBI").

FINANCIAL PERFORMANCE

The Company's Asset Under Management as on March 31, 2025 decreased to Rs. 2,160.78 Cr. from Rs. 2,329 Cr in the previous year. The gross income of the Company for the year under review increased by 10.12% to Rs 74.51 Cr. from Rs. 67.66 Cr in the previous year.

The net profit for the year has increased by 14 % to Rs 21.22 Cr. from Rs 18.62 Cr. in the previous year.

TRANSFER TO RESERVES

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

DIVIDEND

During the year under, your Directors have not recommended any dividend for the Financial Year 2024-2025

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.

RATING OF SECURITY RECEIPTS AND NET ASSET VALUE

The rating of Security Receipts from the rating agency and the Net Asset Value of such Security Receipts has been communicated to the Security Receipt holders as per applicable RBI guidelines.

SHARE CAPITAL

The Company's issued, subscribed and paid-up Equity share capital stood at Rs. 100 Cr. as on March 31, 2025 comprising of 100,000,000 Equity shares of Rs. 10/- each. Your Company has not issued any share during the year under review.

CAPITAL ADEQUACY RATIO

Your Company's Capital to Risk Assets Ratio stood at 74.15 % (previous year 66.41%, post considering fair value gain net of tax) as calculated as per the RBI 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.

PARTICULARS OF LOANS, GUARANTEES, SECURITIES OR INVESTMENTS

Disclosures relating to loans, advances and investments as on March 31, 2025 are given in the Notes to the Financial Statements. There are no guarantees issued or 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, 2025, 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

Appointment of Mr. Asokan Arumugam, Independent Director

During the year under review, Mr. Asokan Arumugam [DIN: 01460456], was appointed as an Independent Director on the Board of the Company w.e.f. July 31, 2024.

Appointment of Mr. Sathupadi Venkatadri Parthasarathy, Independent Director

During the year under review, Mr. Sathupadi Venkatadri Parthasarathy [DIN: 01111395], was appointed as an Independent Director on the Board of the Company w.e.f. October 02, 2024.

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are the persons of high integrity and repute. They fulfil the conditions specified in the Act and the Rules made thereunder and are independent of the management.

CHANGES POST THE CLOSURE OF FINANCIAL YEAR

Mr. Sathupadi Venkatadri Parthasarathy has resigned from the office of Independent Directorship with effect from September 11, 2025.

Mr. Aman Gudral has resigned from the office of Directorship with effect from December 08, 2025.

RETIREMENT BY ROTATION

In terms of the provisions of the Act and the Articles of Association of the Company, Mr. Mehul Gandhi [DIN: 08584229], Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing AGM. The information pertaining to Mr. Mehul Gandhi, as required to be disclosed under the Act, has been provided in the notice convening the AGM of the Company.

STATEMENT OF DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER 149(6)

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, 2025, Shri Mehul Gandhi, Executive Director & CEO, and Shri Rakesh Panjwani, Chief Financial Officer and Ms. Sujata Mukherjee, Company Secretary & Compliance Officer, were Key Managerial Personnel of the Company pursuant to the provisions of the Act.

Ms. Sujata Mukherjee was appointed as the Company Secretary of the Company with effect from February 13, 2025 in place of Ms. Deepanjali Nagpal who ceased to be the Company Secretary with effect from the close of business hours on December 31, 2024.

Ms. Sujata Mukherjee, resigned with effect from October 17, 2025.

EVALUATION OF DIRECTORS, BOARD AND COMMITTEES

Directors are chosen by applying fit and proper criteria based on the RBI guidelines and after receiving approval from the RBI. 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 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).

The performance of non-independent directors, the Board as a whole, and the Committees of the Board was evaluated by independent directors in a separate meeting held on February 19, 2025. Evaluation as done by the independent directors was submitted to the Nomination and Remuneration Committee and subsequently to the Board. The performance evaluation of the

Board, its Committees, and all directors was carried out by the Nomination and Remuneration Committee and the Board after seeking inputs from all the Directors.

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, 2025, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- 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, 2025 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, 2025 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. 2.4 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 11 times, the dates being on May 21, 2024, July 01, 2024, August 20, 2024, October 23, 2024, December 03, 2024, December 13, 2024, January 16, 2025, January 23, 2025, February 19, 2025, March 18, 2025, and March 28, 2025.

COMMITTEES

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 March 31, 2025 is as follows:

Name	Designation
Mr. Sathupadi Venkatadri Parthasarathy*	Independent Director (Chairman)
Ms. Amrita D C Nautiyal**	Independent Director

Mr. Asokan Arumugam	Independent Director
Mr. Aman Gudral***	Non-executive Nominee Director of Reliance Capital Limited

* *Mr. Sathupadi Venkatadri Parthasarathy, resigned w.e.f. September 11, 2025*

***Ms. Amrita D C Nautiyal, appointed as the Chairman of the Committee w.e.f. September 15, 2025.*

*** *Mr. Aman Gudral, resigned w.e.f. December 08, 2025*

During the year under review, Audit Committee Meetings were held 4 times on August 20, 2024, October 23, 2024, December 13, 2024 and January 23, 2025. 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 March 31, 2025 is as under:

Name	Designation
Ms. Amrita D C Nautiyal	Independent Director (Chairman)
Mr. Asokan Arumugam*	Independent Director
Mr. Aman Gudral**	Non-executive Nominee Director of Reliance Capital Limited
Mr. Sathupadi Venkatadri Parthasarathy***	Independent Director

* *Mr. Asokan Arumugam is the Chairman of the Committee w.e.f. September 15, 2025.*

** *Mr. Aman Gudral, resigned w.e.f. December 08, 2025*

*** *Mr. Sathupadi Venkatadri Parthasarathy, resigned w.e.f. September 11, 2025*

During the year under review, Nomination and Remuneration Committee Meetings were held 2 times on August 20, 2024 and January 23, 2025.

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 March 31, 2025 is as under:

Name	Designation
Ms. Amrita D C Nautiyal	Independent Director (Chairman)
Mr. Asokan Arumugam*	Independent Director
Mr. Mehul Gandhi	Executive Director & Chief Executive Officer
Mr. Sathupadi Venkatadri Parthasarathy**	Independent Director

* *Mr. Asokan Arumugam is the Chairman of the Committee w.e.f. September 15, 2025.*

*** Mr. Sathupadi Venkatadri Parthasarathy, resigned w.e.f. September 11, 2025.*

During the year under review, the CSR Committee met on February 19, 2025.

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 March 31, 2025:

Name	Designation
Mr. Mehul Gandhi	Executive Director & Chief Executive Officer (Chairman)
Mr. Asokan Arumugam	Independent Director
Ms. Amrita D C Nautiyal	Independent Director
Mr. Sathupadi Venkatadri Parthasarathy*	Independent Director

** Mr. Sathupadi Venkatadri Parthasarathy, resigned w.e.f. September 11, 2025.*

During the year under review, there were no meeting of the Investment Committee.

Review Committee for Declaration of Wilful Defaulters

During the year under review, there were no meeting of the Review Committee for Declaration of Wilful Defaulters. Further, the Company being as Asset Reconstruction Company is not required to declare Wilful Defaulters as per the Master Direction on Treatment of Wilful Defaulters and Large Defaulters issued by the RBI on July 30, 2024. Hence the Committee for Declaration of Wilful Defaulters was dissolved.

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, assess, evaluate and monitor these risks continuously and undertake effective steps to manage these risks. The constitution of the committee as on March 31, 2025 is as under:

Name	Designation
Mr. Asokan Arumugam	Independent Director (Chairman)
Ms. Amrita D C Nautiyal	Independent Director
Mr. Mehul Gandhi	Executive Director & Chief Executive Officer
Mr. Sathupadi Venkatadri Parthasarathy*	Independent Director

* Mr. Sathupadi Venkatadri Parthasarathy, resigned w.e.f. September 11, 2025.

During the year under review, the Risk Management Committee met 3 times on August 20, 2024, October 23, 2024 and January 23, 2025.

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.

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.

AUDITORS

Statutory Auditors, their report and notes to Financial Statements

M/s. Pathak H. D. & Associates LLP, Chartered Accountants, were 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). However, they resigned with effect from December 10, 2024. Thereafter, M/s. M. P. Chitale & Co., Chartered Accountants, were appointed as Statutory Auditors in casual vacancy as per the provisions of Section 139(8) of Companies Act, 2013, to hold office till the ensuing AGM. Their appointment was approved by the Shareholders at the Extraordinary General Meeting held on February 28, 2025.

Considering the qualifications and experience of the firm, M/s. M. P. Chitale & Co., is being appointed as the Statutory Auditors of the Company and its trusts for a period of 5 years from the conclusion of the ensuing AGM of the Company.

The Notes on financial statements referred to in the Statutory Auditors' Report are self-explanatory and do not call for any further comments under Section 134 of the Act.

No fraud has been reported by the Auditors to the Audit.

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, Practicing 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.

MAINTENANCE OF COST RECORDS

Maintenance of cost records is not applicable to the Company under Section 148(1) of the Act.

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 (VIGIL MECHANISM)

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 workplace 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 FY 2024-25, status of cases reported with respect to sexual harassment at the workplace is as follows:

Pending at the beginning of financial year	Nil
Received during financial year	Nil
Disposed of during the financial year	Nil
Number of complaints pending for more than ninety days	Nil
Pending at the end of financial year	Nil

COMPLIANCE ON MATERNITY BENEFIT ACT, 1961

The Company has complied with the applicable provisions of the Maternity Benefit Act, 1961 for female employees of the Company with respect to leaves and maternity benefits thereunder, as and where applicable.

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.
- iv. There were no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

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.

Date: 09.12.2025

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

Place: Mumbai

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

Asokan Arumugam
(Independent Director)
[DIN: 01460456]

ANNEXURE - A

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2024-25

[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 on March 31, 2025 (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	Mr. Asokan Arumugam	Chairperson (w.e.f. 15.09.2025), Independent Director	1	1
2	Ms. Amrita D C Nautiyal	Chairperson (as on 31.03.2025), Independent Director	1	1
3	Mr. Mehul Gandhi	Member, Executive Director & Chief Executive Officer	1	1

4	Mr. Sathupadi Venkatadri Parthasarathy*	Member, Independent Director	1	1
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*Mr. Sathupadi Venkatadri Parthasarathy, resigned w.e.f. September 11, 2025.

3. Provide the 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. Provide the executive summary along with weblinks of 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: Not Applicable.

5. Average net profit of the company as per section 135(5): Rs. 30,95,06,629/-

a)	Two percent of average net profit of the company as per section 135(5)	:	Rs. 61,90,133
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. 61,90,133

6. (a)Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):

Sl. No.	Name of the Project	Type of Project	Budget of the project for FY 2024-25	Amount spent for the project
1	Annam Brahma- The Yoga Institute	Eradicating hunger, poverty and malnutrition	3,00,000	3,00,000
2	Establishing multi-speciality hospital cum medical college - Raginiben Bipinchandra Seva Karya Trust	Promoting health care including preventive health care	25,00,000	25,00,000
3	Healthcare Project- Ashirvad Foundation	Promoting health care including	25,00,000	25,00,000

		preventive health care		
4	Safe Drinking Water & Farmer Training- Effort – A Society for the development of Agriculture and Youth	Ensuring environmental sustainability, protection of flora and fauna, agroforestry, and maintaining quality of soil, air and water	8,90,133	8,90,133

(b) Amount spent in Administrative Overheads - Nil

(c) Amount spent on Impact Assessment, if applicable – Not Applicable

(d) Total amount spent for the Financial Year (6a+6b+8c) – Rs. 61,90,133

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year 2024-25 (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.
0.62	--	--	--	--	--

(f) 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)	Rs. 61,90,133
(ii)	Total amount spent for the Financial Year	Rs. 61,90,133
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0

7. Details of Unspent CSR amount for the preceding three financial years: Nil
8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:– Nil
9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). – Not Applicable

Date: 09.12.2025

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

Place: Mumbai

**Mehul Gandhi
(Executive Director & CEO)
[DIN: 08584229]**

**Asokan Arumugam
(Chairperson- CSR
Committee
Independent Director)
[DIN: 01460456]**



AASHISH K. BHATT & ASSOCIATES

Practicing Company Secretaries

Aashish K. Bhatt

B.Com., A.C.S., PGDSL

Form No. MR-3

Secretarial Audit Report

For the financial year ended March 31, 2025

[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, 2025, 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, 2025, 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.

Aashish
Kamlesh Bhatt

Digital signature by Aashish Kamlesh Bhatt
Aashish K. Bhatt & Associates
11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 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- 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 except:

Aashish
Kamlesh
Bhatt

Digitally signed by Aashish Kamlesh Bhatt
DN: c=IN, o=Personal, iSN=2391,
pkuadony=70a2a0ff5a54f1f0549bd6b2ab0972ae
w=1000, a=1000, s=1000, l=1000
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subject=CN=Aashish Kamlesh Bhatt, O=Aashish K. Bhatt & Associates
, c=Mumbai, stateOrProvince=Mumbai
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- i. The Company had inadvertently filed form DIR-12 for appointment of Ms. Amrita D C Nautiyal as an "Independent Director" instead of "Additional Independent Director" before obtaining the shareholder's approval;
- ii. Constitution of Audit Committee from 1.4.2024 till 31.7.2024;
- iii. Constitution of Nomination and Remuneration Committee from 1.4.2024 till 31.7.2024;
- iv. Revision in Corporate Social Responsibility policy of the Company as per the Companies (Corporate Social Responsibility policy) amendment rules dated January 22, 2021.

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, Master Directions, Master Circulars, Notifications and Guidelines issued thereunder and to the extent applicable pertaining to Asset Reconstruction Companies except for:
 - i. Scrutiny of declarations before the appointment of Mr. Asokan Arumugam and Mr. Sathupadi Venkatadri Parthasarathy as the Nomination and Remuneration Committee was not duly constituted as per Section 178 of the Companies Act, 2013 for the period from 1.4.2024 till 31.7.2024;
 - ii. Convening Audit Committee meeting for first quarter of F.Y. 2024-25 as the Audit Committee was not duly constituted as per Section 177 of the Companies Act, 2013 for the period from 1.4.2024 till 31.7.2024;
 - iii. Making application to the Reserve Bank of India ninety days before arising of casual vacancy due to retirement of Directors.
- 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.

Aashish
Kamlesh
Bhatt

Digitally signed by Aashish Kamlesh Bhatt
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pseudonym=2436cc6cb59054c0387145
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serialNumber=39930201fb84d1a64e95
a99de58a5a381dedcb1f1b3b88be1367
aaadb96a5c5c, cn=Aashish Kamlesh
Bhatt
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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. Appointment of Mr. S.V. Parthasarathy (DIN: 01111395) as an Additional Independent Director of the Company w.e.f. October 02, 2024;
- ii. Appointment of Mr. Asokan Arumugam (DIN: 01460456) as an Additional Independent Director of the Company w.e.f. July 31, 2024;
- iii. Re-constitution of various committees;
- iv. Ratification of remuneration paid to Executive Director (ED) & Chief Executive Officer (CEO), Key Managerial Personnel and Senior Management (One level below ED & CEO);
- v. Issue and allotment of Secured, Unlisted, Redeemable, Non - Convertible Debentures of up to Rs. 1 crore (Rupees One Crore) on private placement basis;
- vi. Resignation of Ms. Dipanjali Nagpal as Company Secretary w.e.f. October 9, 2024;
- vii. Resignation of M/s. Pathak H.D. & Associates LLP, Statutory Auditors of the Company w.e.f. December 10, 2024;
- viii. Revision in terms of Non-Convertible Debentures issued to Torus Distress Opportunities Fund 1 & Torus Distress Opportunities Fund 2;
- ix. Appointment of Ms. Sujata Mukherjee as Company Secretary w.e.f. February 13, 2025;
- x. Member's approval was taken for the following items:
 - (a) Declaration and payment of dividend at the rate of Rs. 0.30 per share on 10,00,00,000 equity shares of Rs. 10/- each, aggregating to Rs. 3,00,00,000 (Rupees Three crores only) for the financial year ended March 31, 2024;
 - (b) Appointment of Ms. Amrita D C Nautiyal (DIN: 00123512), as an Independent Director for a period of 5 years w.e.f. March 21, 2024;
 - (c) Appointment of Mr. Asokan Arumugam (DIN: 01460456), as an Independent Director for a period of 5 years w.e.f. July 31, 2024;

**Aashish
Kamlesh
Bhatt**

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(d) Appointment of M/s. M. P. Chitale & Co., Chartered Accountants as Statutory Auditors of the Company to fill the casual vacancy for F.Y. 2024-25;

(e) Appointment of Mr. S.V. Parthasarathy (DIN: 01111395) as an Independent Director for a period of 5 years w.e.f. February 28, 2024.

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



**Aashish
Kamlesh
Bhatt**

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Aashish K. Bhatt

Membership No.: 19639; COP No.: 7023

UDIN: A019639G002284748

Peer review no.: 2959/2023

Date: 09.12.2025

Place: Mumbai

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

APPENDIX A

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
Kamlesh
Bhatt

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Aashish K. Bhatt

Membership No.: 19639; COP No.: 7023

UDIN: A019639G002284748

Peer review no.: 2959/2023

Date: 09.12.2025

Place: Mumbai

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

Date: 09.12.2025

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

Place: Mumbai

**Mehul Gandhi
(Executive Director & CEO)
[DIN: 08584229]**

**Asokan Arumugam
(Independent Director)
[DIN: 01460456]**

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

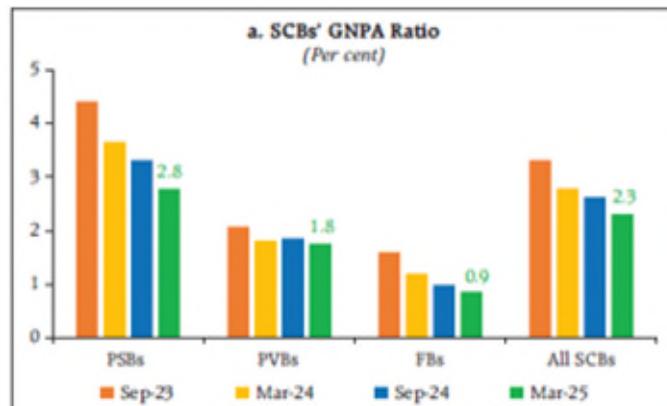
India's GDP expanded at 6.5 percent in 2024-25. That was quite lower than the 8.2 per cent in 2023-24, according to the provisional estimates of GDP growth released by the National Statistical Office (NSO).

Year	GDP Growth (%)	Annual Change
2024-25	6.50%	(20.70%)
2023-24	8.20%	13.88%

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

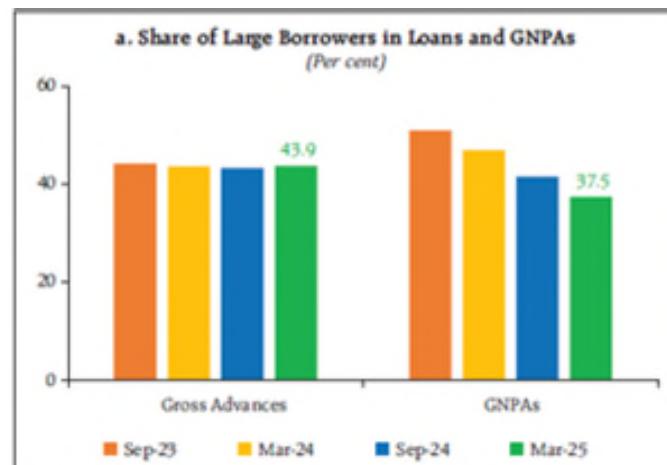
economic growth. It ensures a resilient financial sector, contributing to overall economic stability. The repo rate was reduced at 6.25%.

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 2.3 per cent and 0.5 per cent, respectively.

Share of Large Borrowers in Loans and GNPA



The share of large borrowers in gross advances of SCBs declined during 2024-25. The asset quality of the large borrower portfolio of banks improved, leading to a downturn in the share of large borrowers in total GNPA of SCBs.

FY 26 Outlook

India's economy is expected to grow by 7.3 per cent in the Financial Year 2026.

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

Activities of the Company

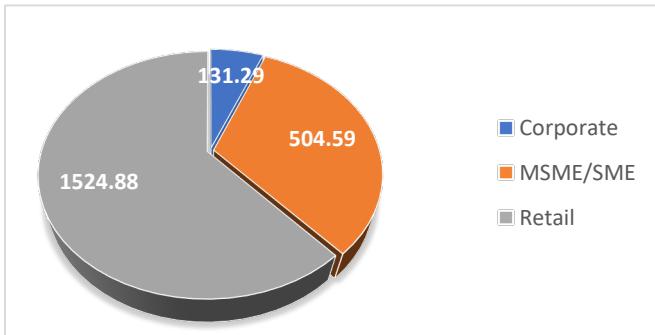
The main activities of your Company are buying of Stressed Assets from Banks and Non-Banking Financial Companies, managing them and resolving them in a manner that would maximize returns to the investors and shareholders. The company does not undertake any restructuring activities and does not give any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

The Assets Under Management (AUM) as on March 31, 2025 decreased to `2,160 crore as compared ` 2,329 crore as on March 31, 2024. The total receivables from these portfolios are around ` 6,077 crore. Your Company deployed `16.85 crore for the investments done in the financial year ended March 31, 2025.

Company has done acquisition of Rs 84.24 core in the current financial year and all the deals are under SR structure.

The average trusteeship fee was 1.45% (as compared to the previous year of 1.71%). 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, 2025 and financial year ended on March 31, 2024:

Particulars	Financial Year ended on March 31, 2025	Financial Year ended on March 31, 2024	% change
Total Income (₹ In crore)	74.51	67.66	10.12%
Total Expenses (₹ In crore)	50.68	47.12	7.56%
EBITDA (₹ In crore)	32.14	29.24	9.92%
PBT (₹ In crore)	23.83	20.54	16.02%
PAT (₹ In crore)	21.22	18.62	13.96%
Shareholder's Funds (₹ In crore)	302	284	6.34%
Return on Assets (in %)	5.59%	4.66%	19.96%
Return on Equity (in %)	7.02%	6.55%	7.18%
Customer count (in Number)	3,29,109	3,81,117	(13.46%)
Acquisitions (₹ In crore)	84.24	351	(76%)
Resolutions (₹ In crore)	397	325	22.15%
Assets Under Management (₹ In crore)	2160	2329	(7.26%)
Own Investments (₹ In crore)	342	367	(6.81%)
Borrowing (₹ In crore)	50.51	66	(23.47%)

Management Discussion and Analysis (Contd.)

Revenue per employee decreased to ₹1.82 crore as compared to ₹2.05 for previous year, expense per employee has also decreased to ₹ 1.23 crore from ₹ 1.43 crore. The PAT per employee decreased from ₹ 0.56 crore to ₹ 0.52 crore.

The Company's funding profile is largely an overdraft line from Union Bank of India and Non-Convertible Debenture.

Acquisition

The Company continues 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 6 lakhs average ticket size across unsecured space. Company has done acquisition of Rs 84.24 crore in the current financial year and the deal is under SR structure. The Company deployed Rs 16.85 crore for the above acquisition as its share of investment.

The Company has AUM of ₹ 2,160 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 contributed 100% of acquisition price.

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 ₹397 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 Infomerics 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.2,585 for the year ended March 31, 2025, which is 73% 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.

Management Discussion and Analysis (Contd.)

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 41 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of Reliance Asset Reconstruction Company Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2025, the Standalone Statement of Changes in Equity, the Standalone Statement of Profit and Loss (including Other Comprehensive Income) and the Standalone Statement of Cash Flows for the year ended on that date, notes to the Standalone Ind AS Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards (the "Ind AS") prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, of the state of affairs (financial position) of the Company as at March 31, 2025, the changes in equity, its profit (financial performance including other comprehensive income) and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing (SA) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further prescribed in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.



Emphasis of Matter

We draw attention to Note 2.29 (A) read along with Note 1.01 of the financial statements, which states that the Company's regulatory capital (net owned funds) without taking into consideration the positive impact of fair valuation of SR is Rs. 145.58 crore which is below the regulatory requirement. There is a change in the shareholding pattern post March 31, 2025 and as a result one of the existing Sponsor (Cosmea Investments Private Limited) as on September 06, 2025 has given the assurance to comply with the regulatory capital requirement on or before March 31, 2026.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Ind AS 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 key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the Key Audit Matter
<p>i. <u>Valuation of Investment in Security Receipts (SR) (as described in Note No. 2.03 & 2.25 of the standalone financial statements)</u></p>	
<p>The Company has investment in SR having fair value amounting to Rs. 365.33 Lakh which are classified as Fair Value through Profit & Loss Accounts and fair valued as Level 3 financial instruments. 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 projections of future cash flows and its timings and expenses.</p> <p>Based on RBI's Master Direction, the management has engaged external credit rating</p>	<p>Our audit approach was a combination of test of internal controls and substantive procedure which include the following:</p> <ol style="list-style-type: none"> 1. We tested the relevant internal controls over measurement of fair value and evaluating the methodologies, assessment underlying pool of assets , inputs, judgements made and assumptions used by the management in determining fair value. 2. Performed testing on a sample basis of key inputs like estimated cash flows and its timing. The trend of recoveries were tested



Key Audit Matters	How our audit addressed the Key Audit Matter
<p>agencies for assigning the rating to SRs basis which the management estimate Net Asset Value (NAV) of Security Receipts (SRs) that are less than eight years old. While an external valuer (registered /unregistered) has been appointed for valuation of SRs basis the management estimate for SRs exceeding eight years old. Considering the fair valuation of investments is significant to overall standalone financial Statement as well as the company's performance and the fair valuations involves significant degree of complexities and including management's judgment. This could lead to material misstatement in the standalone financial statement.</p> <p>Therefore, it is considered as a key audit matter.</p>	<p>on sample basis with previous year's trend. Verified actual cashflows with estimated cashflows and obtained explanations for variances, if any.</p> <p>3. We reviewed the adequacy of the inputs used in the fair valuation vis-à-vis the observable market data.</p> <p>4. Verification of the disclosure related to investments in SRs being financial instrument as guided by relevant Indian Accounting Standards and RBI guidelines.</p>
<p>ii. Revenue Recognition – Trusteeship fees / Management fees (as described in Note 1.02 (i) & 2.21 of the standalone financial statements)</p> <p>Trusteeship fees constitute the primary source of income in the statement of profit and loss. The calculation of Trusteeship fees as percentage of NAV is based on the Asset Under Management ('AUM') of the fund managed by the Company in accordance with the guidelines prescribed under RBI guidelines, as amended from time to time. Trusteeship fees are recognised as per the provisions of the relevant trust deeds/ offer documents on accrual basis.</p>	<p>Our audit approach was a combination of test of internal controls and substantive procedure which include the following:</p> <p>1. Understanding and evaluation of design and implementation of key controls place around recognition of fees charged by the company.</p> <p>2. Evaluated the appropriateness of recognition of revenue in respect of Trusteeship Fee income based on the requirements of Ind AS 115.</p>



Key Audit Matters	How our audit addressed the Key Audit Matter
<p>Trusteeship Fee is accrued based on a five step model as set out in Ind AS 115 “Revenue from Contract with Customers”. Further, to comply with the RBI guidelines the income is reversed if it is outstanding for more than 180 days.</p> <p>Therefore, it is considered as a key audit matter.</p>	<ol style="list-style-type: none"> <li data-bbox="906 339 1551 473">3. Reviewed fee rates from Trust deeds and offer documents as agreed upon by the parties on sample basis. <li data-bbox="906 530 1551 664">4. Verified invoices raised towards revenue and reconciled them with accounting records. <li data-bbox="906 720 1551 893">5. Further, verified trusteeship fees computation with reference to SR outstanding as well as the NAV (recovery estimate at lower end) of the SR.

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

The Company’s Board of Directors is responsible for preparation of other information. The other information comprises information included in the Management discussion and analysis, the Directors’ Report including Annexures to Directors’ Report (collectively called as “Other Information”) but does not include the Ind AS Financial Statements and our auditor’s report thereon. The Other Information is expected to be made available to us after the date of this auditor’s report.

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

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Other Information, if, we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance. We have nothing to report in this regard.

Responsibility of Management for the Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act,2013 (“the Act”) with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of financial position, financial performance including



other comprehensive income, changes in equity and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (“Ind AS”) prescribed under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015; as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the company’s financial reporting process.

Auditor’s Responsibilities for the Audit of Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS 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 Ind AS 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls over financial reporting system with reference to Ind AS 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 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 Ind AS 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 Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Other Matter

These Standalone Ind AS Financial Statements include the figures for the year ended March 31, 2024 which were audited by predecessor auditor who expressed an unmodified opinion as relevant on those Standalone Ind AS Financial Statements vide their audit report dated August 20, 2024. Our opinion on the Standalone Ind AS Financial Statements is not modified in respect of this matter.



Report on Other Legal and Regulatory Requirements

(i) As required by the Companies (Auditors' Report) Order, 2020 ("the order") issued by the Central Government of India in terms of sub-section (11) of the Section 143 of the Act, we give in "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.

(ii) As required by sub-section (3) of the section 143 of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss and, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Ind AS Financial Statement comply with the Indian Accounting Standards referred under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Amendment Rules, 2024.
- (e) On the basis of written representations from the Directors as on March 31, 2025 and taken on record by the Board of Directors, in its meeting held on May 08, 2025 none of the Directors is disqualified as on March 31, 2025, from being appointed as a Director u/s 164(2) of the Companies Act, 2013;
- (f) With respect to the adequacy of the internal financial controls with reference to Ind AS Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Further, our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over with reference to Ind AS Financial Statements;
- (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, as amended:
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, 2025 has been



provided by the company to its director in accordance with the provisions of Section 197 read with Schedule V of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Amendment Rules, 2021; in our opinion and to the best of our information and according to the explanations given to us:

- a) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements – [Refer Note no. 2.32 & 1.02 (m)]
- b) The Company has made provision as required under applicable law or accounting standards for material foreseeable losses [Refer Note no. 2.16 & 1.02 (m)]
- c) The Company did not have any long-term contracts including derivative contracts.
- d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- e) (i) On the basis of written representations received from the management and reference to note no. 2.48.2 , there were no funds, that have been advanced or loaned or invested by the company to or in any other person(s) or entity (ies), including foreign entities (“Intermediaries”), with the understanding, that the Intermediary shall, 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;
- (ii) On the basis of written representations received from the management and reference to note no. 2.48.2, there were no funds, that have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, 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”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and



- (iii) Basis the audit procedures performed, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- f) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- g) Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account for the year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, basis the data received and verified on test check, we did not come across any instance of audit trail feature being tampered with and also found that the audit trail feature has been configured in the core accounting software including the record preservation as per the statutory requirements.

**For M. P. Chitale & Co.
Chartered Accountants
ICAI Firm Registration No.: 101851W**



**Anagha Thatte
Partner
ICAI Membership No.: 105525
UDIN : 25105525BMOKSZ9916
Place : Mumbai
Date : December 09, 2025**

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE
ON THE INDAS FINANCIAL STATEMENTS OF
RELIANCE ASSET CONSTRUCTION COMPANY LIMITED**

(Referred to in paragraph (i) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of the Company.

We report that:

- i) (a) The Company is maintaining proper records to show full particulars, including quantitative details and situation of Property, Plant and Equipment and intangible assets;
- (b) According to the information and explanations given to us Property, Plant and Equipment were physically verified by management, which is in our opinion is reasonable, considering the size of the Company and nature of its asset. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification as compared to the book records.
- (c) According to the information and explanations given to us and the records of the Company examined by us, Company holds immovable property which is held in the name of the Company. Further the leasehold land is duly supported by the lease agreement in favor of the company. Accordingly, paragraphs 3 (i) (c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets. Accordingly, paragraphs 3 (i) (d) of the Order is not applicable to the Company.
- (e) According to the information and explanation given to us, no proceedings have been initiated or pending against company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

- ii) a) The Company does not hold any inventories as defined in Ind AS -2. Thus, paragraph 3 (ii) (a) of the Order is not applicable to the Company.
- b) According to information and explanation given to us and verification of record company has fund based limit from Bank basis the pledge of investment in the form of Security Receipts. Further, the Company is regular in filing the monthly statements of Security Receipts (SR) with the Bank which are generally in



agreements with books of accounts. These balances in terms of units of SR could not be tallied with the records maintained by the depository participant during the year in terms of no. of units as well as the cost.

- iii) The Company's principal business is to carry on business of an asset reconstructions and securitization as permitted by Reserve Bank of India. 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 except advances to the trust formed by the Company as part of its core business structured. Accordingly, clause (iii) (a), (b) (c), (d), (e) and (f) of the order is not applicable to the Company
- iv) In our opinion and according to information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act with respect to investments made and loans and financial commitments given during the year. There is no guarantee or security provided to the Companies covered under Section 186 of the Act.
- v) According to the information and explanation given to us, the Company has not accepted deposits or amounts which is deemed to be deposit from public in terms of directives issued by Reserve Bank of India and of provisions of Sections 73 to 76 of the Companies Act, 2013. Accordingly, paragraphs 3(v) of the Order is not applicable to the Company.
- vi) According to the information and explanations given to us, pursuant to the rules prescribed by the Central Government for maintenance of cost records under section subsection (1) of Section 148 of the Companies Act 2013, the company is not required to maintain cost record in respect of services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Goods & Service tax, provident fund, employee state insurance, income-tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.



According to the information and explanations given to us, there were no undisputed amounts payable in respect Goods and Service tax, provident fund, employees state insurance, income tax, sales-tax, service tax, duty of customs, value added tax, cess and other material statutory dues outstanding as at March 31, 2025 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the company, there are no dues of income tax, value added tax, sales tax, service tax, duty of excise and duty of custom which have not been deposited with the appropriate authorities on account of any dispute as at March 31, 2025.

viii) According to the information and explanations given to us, no transaction which was not recorded in the books of account have been surrendered or disclosed as income by the Company during the year in the tax assessments under the Income Tax Act, 1961.

ix) (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of any dues to the Bank during the year.

(b) According to the information and explanations given to us, the company is not declared as wilful defaulter by any bank or financial institution or other lender;

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and Accordingly, paragraphs 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet and statement of cash flows of the Company, we report that no funds raised on short term basis have been, *prima facie*, used for long term purposes.

(e) According to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us, the company has raised loans during the year on the pledge of securities held in its subsidiaries/ Associates (in the form of Trusts) .



Nature of loan taken	Name of Lender	Amount of loan Rs. in lakhs	Name of Subsidiaries	Details of security pledged	Remark if any
Bank Overdraft	Union Bank	4497.00	Various ARC Trust	Security Receipts	--

- x) In our opinion and according to the information and explanations given to us, on an overall basis the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Further, the Company has not made any preferential allotment.
- xi)
 - a) According to the information and explanations given to us and on the basis of representation of the management which we have relied upon, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
 - b) In the course of the performance of our duties as auditor, there is no reason to believe that an offence of fraud has been committed in the company by its officers or employees hence no report has been filed under sub-section (12) of section 143 of the Companies Act in Form ADT 4 as prescribed under rule 13 of Companies (Audit and Auditors) Amendment Rules, 2021, with the Central Government.
 - c) According to the information and explanations given to us and on the basis of representation of the management which we have relied upon, there are no whistle-blower complaints received during the year by the company.
- xii) Since the Company is not a nidhi company, Accordingly, paragraphs 3(xii) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 as applicable and the details of such transactions have been disclosed in the Ind AS Financial Statements as required by the applicable Indian Accounting Standards.
- xiv) In our opinion the Company has an internal audit system commensurate with its size and nature of its business. Report of Internal Auditors for the period under audit has been considered while conducting the Audit.



- xv) According to the information and explanations given to us, company has not entered into any non- cash transactions with directors or persons connected with him.
- xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the company.
- xvii) The company has not incurred any cash losses in the financial year and in immediately preceding financial year. Accordingly, paragraph 3(xvii) of the Order is not applicable to the Company.
- xviii) There has been resignation of the statutory auditors during the year and there are no issues, objections or concerns raised by the outgoing auditors which we need to considered.
- xix) According to the information and explanations given to us, to be read with the paragraph on “Emphasis of Matter” in our Audit Report and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans pertaining to change of ownership including the commitment to subscribe for additional share capital as per the regulatory requirement, and based on our examination of the evidences supporting the assumptions and the management plans and its communication with Reserve Bank of India, we are of the opinion that material uncertainty does not exists as on the date of the audit report which may cast significant doubt on the Company’s capability of meeting its liabilities existing at the date of the 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) According to the records of the Company examined by us and the information and explanations given to us, there is no unspent amount which needs to be transferred to a Fund as specified in Schedule VII to the Companies Act for any ongoing projects or other than ongoing projects in compliance with second proviso to sub-section (5) and sub-section (6) of section 135 of the said Act. Accordingly, paragraph 3(xx) of the Order is not applicable to the Company.



xxi) The reporting under paragraph 3(xxi) of the order is not applicable in respect of audit of standalone financial statement

**For M. P. Chitale & Co.
Chartered Accountants
ICAI Firm Registration No.: 101851W**

Anagha Thatte



Anagha Thatte

Partner

ICAI Membership No.: 105525

UDIN : 25105525BMOKSZ9916

Place : Mumbai

Date : December 09, 2025

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE
ON THE IND AS STANDALONE FINANCIAL STATEMENTS OF RELIANCE
ASSET CONSTRUCTION COMPANY LIMITED**

(Referred to in paragraph (ii) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members the Company)

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

We have audited the internal financial controls over financial reporting with reference to Ind AS Financial Statements of Reliance Asset Construction Company Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to Ind AS 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") and the Standards on Auditing, issued by ICAI and specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to Ind AS Financial Statements were 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to Ind AS Financial Statements included obtaining an understanding of internal financial controls with reference to Ind AS Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS 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 over financial reporting.

Meaning of Internal Financial Controls with reference to Ind AS Financial Statements

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Ind AS 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 company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to Ind AS 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 over financial reporting with reference to Ind AS Financial Statements to future periods are subject



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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting with reference to Ind AS Financial Statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting with reference to Ind AS 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.

**For M. P. Chitale & Co.
Chartered Accountants
ICAI Firm Registration No.: 101851W**


Anagha Thatte



Partner

**ICAI Membership No.: 105525
UDIN : 25105525BMOKSZ9916
Place : Mumbai
Date : December 09, 2025**

RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Standalone Balance Sheet for the year ended March 31, 2025
CIN: U45200MH2006PLC161190

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
₹ in Lakh			
I) ASSETS			
A) Financial Assets			
(a) Cash and cash equivalents	2.01	5	29
(b) Trade receivables	2.02	700	185
(c) Investments	2.03	36,533	38,889
(d) Other financial assets	2.04	98	124
Total Financial Assets (A)		37,336	39,227
B) Non-Financial Assets			
(a) Current Tax Asset (Net)	2.05	26	1
(b) Property, plant and equipment	2.06	36	47
(c) Right of use assets	2.07	279	378
(d) Other intangible assets	2.08	33	2
(e) Intangible assets under development	2.09	-	30
(f) Other non-financial asset	2.10	236	295
Total Non Financial Assets (B)		610	753
TOTAL ASSETS (A + B)		37,946	39,980
II) LIABILITIES AND EQUITY:			
LIABILITIES			
C) Financial Liabilities			
(a) Trade Payables	2.11		
(i) total outstanding dues of micro enterprises and small enterprises		166	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		221	225
(b) Debt Securities	2.12	555	1,205
(c) Borrowings (other than debt securities)	2.13	4,497	5,385
(d) Other financial liabilities	2.14	585	2,089
Total Financial Liability (C)		6,024	8,904
D) Non-Financial Liabilities			
(a) Current Tax Liability (Net)	2.15	-	-
(b) Provisions	2.16	48	45
(c) Deferred tax liability (Net)	2.17	337	478
(d) Other non-financial liabilities	2.18	1,316	2,136
Total Non Financial Liability (D)		1,701	2,659
E) EQUITY			
a) Equity Share capital	2.19	10,000	10,000
b) Other Equity	2.20	20,221	18,417
Total Equity (E)		30,221	28,417
TOTAL LIABILITIES AND EQUITY (C + D + E)		37,946	39,980
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

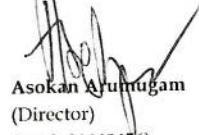
For M.P. Chitale & Co.
Chartered Accountants
Firm Registration No. : 101851W

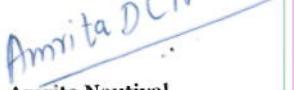

Anagha Thatte
Partner
Membership No: 105525



For and on behalf of the Board of Directors


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


Asokan Arumugam
(Director)
(DIN- 01460456)


Amrita Nautiyal
(Director)
(DIN- 00123512)




Rakesh Panjwani
(Chief Financial Officer)

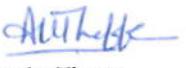
Place : Mumbai
Date: 09th December, 2025

RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
 Standalone Statement of Profit and Loss for the year ended March 31, 2025
 CIN: U45200MH2006PLC161190

₹ in Lakh

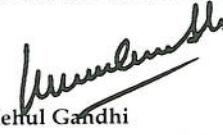
Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
I Revenue from operation			
(a) Fees and commission income	2.21	7,337	6,129
(b) Gain on sale of Investment	2.22	-	551
Total Revenue from operation (I)		7,337	6,680
II Other income (II)	2.23	114	86
III Total Income (I+II)		7,451	6,766
IV Expenses			
(a) Finance costs	2.24	710	742
(b) Net loss on fair value changes	2.25	511	788
(c) Employee benefits expense	2.26	1,111	1,105
(d) Depreciation and amortisation	2.06, 2.07 & 2.08	121	128
(e) Other expenses	2.27	2,615	1,950
Total Expenses (IV)		5,068	4,713
V Profit / (Loss) before tax (III - IV)		2,383	2,053
VI Tax expense	2.28		
Current Tax		(396)	(478)
Taxes of Earlier Years		-	80
Deferred Tax		135	207
VII Profit / (Loss) after tax (V - VI)		2,122	1,862
VIII Other Comprehensive Income			
Items that will not be reclassified to statement of profit and loss			
Remeasurement Gain / (Loss) of defined benefit plans		(24)	(4)
Deferred Tax Expense on above		6	1
Other Comprehensive Income / (Loss) for the year (VIII)		(18)	(3)
Total Comprehensive Income / (Loss) for the year (VII + VIII)		2,104	1,859
Earning per equity share: (Nominal value per share: ₹ 10)			
Basic & Diluted (Amount in ₹)	2.41	2.12	1.86
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			

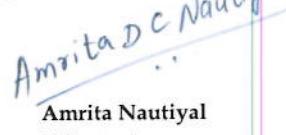
For M.P. Chitale & Co.
 Chartered Accountants
 Firm Registration No. : 101851W

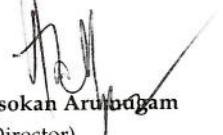

 Anagha Thatte
 Partner
 Membership No: 105525

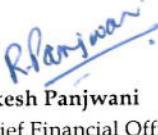


For and on behalf of the Board of Directors


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


 Amrita Nautiyal
 (Director)
 (DIN- 00123512)


 Asokan Arubogam
 (Director)
 (DIN- 01460456)


 Rakesh Panjwani
 (Chief Financial Officer)

Place : Mumbai
 Date: 09th December, 2025



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
 Standalone Statement of Changes in Equity for the period year ended March 31, 2025
 CIN: U45200MH2006PLC161190

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

Particulars	Number of shares	₹ in Lakh
As at April 01, 2023	10,00,00,000	10,000
Shares issued during the year	-	-
As at March 31, 2024	10,00,00,000	10,000
Shares issued during the year	-	-
As at March 31, 2025	10,00,00,000	10,000

B. Other equity (Refer Note No. 2.20)

Particulars	Note	Reserves and surplus		Other comprehensive income	₹ in Lakh Total other equity
		Debenture redemption reserve	Retained Earnings		
Balance as at April 01, 2023	2.20	-	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
Profit for the year		-	2,122	-	2,122
Debenture redemption reserve		(66)	66	-	-
Dividend (including tax on dividend)		-	(300)	-	(300)
Other comprehensive income/(loss) for the year		-	-	(18)	(18)
Balance as at March 31, 2025		55	20,202	(36)	20,221

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 M.P. Chitale & Co.
 Chartered Accountants
 Firm Registration No. : 101851W

Anitha H.

Anagha Thatte
 Partner
 Membership No: 105525



For and on behalf of the Board of Directors

Mehul Gandhi

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

Asokan Arumugam

Asokan Arumugam
 (Director)
 (DIN- 01460456)

Amrita Nautiyal

Amrita Nautiyal
 (Director)
 (DIN- 00123512)

Rakesh Panjwani

Rakesh Panjwani
 (Chief Financial Officer)

Place : Mumbai
 Date: 09th December,2025



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
 Standalone Statement of Cash Flows for the year ended March 31,2025
 CIN: U45200MH2006PLC161190

₹ in Lakh

Particulars	For the year ended	For the year ended
	March 31,2025	March 31, 2024
A. Cash flow from operating activities		
Profit before tax	2,383	2,053
Adjustments for:		
Net loss on fair value changes (net)	511	788
Other Income	-	-
Provision/Reversal of doubtful debts (net)	52	(37)
Provision for advances (net)	9	33
Write off of Investment in Security Receipts	16	79
Advance to Trust Written off	2	4
Depreciation and amortisation	121	128
Gain on sale of Investment	-	(551)
Interest on Income Tax Refund	(4)	(26)
Interest expenses	672	702
Interest on lease liability	38	40
Operating Profit before working capital changes	3,800	3,213
Adjustments for working capital changes:		
(Decrease)/Increase in trade receivables and other financial assets	(596)	(110)
(Decrease)/Increase in trade payables and other financial liabilities and provisions	(2,138)	1,550
Cash generated from operations	1,066	4,653
Income tax paid (net of refund)	(315)	(508)
Net cash generated from operating activities (A)	751	4,145
B. Cash flow from investing activities		
Purchase of Security Receipts	(1,685)	(6,519)
Realisation from redemption of Security Receipts	4,300	3,826
Buyback of Security Receipts	(786)	1,130
Purchase of property, plant and equipment (Including CWIP and Intangible asset under development)	(11)	(45)
Net cash (used in) / generated from investing activities (B)	1,818	(1,608)
C. Cash flow from financing activities		
Proceeds from borrowings	400	2,340
Repayment of borrowings	(2,185)	(2,275)
Dividend paid	(300)	(300)
Lease liability paid	(119)	(116)
Interest expenses	(636)	(681)
Net cash used in from financing activities (C)	(2,840)	(1,032)
Net (Decrease)/Increase in cash and cash equivalents (A+B+C)	(271)	1,506
Cash and cash equivalents at the beginning of the year	(4,221)	(5,726)
Cash and cash equivalents at the end of the year	(4,492)	(4,221)



₹ in Lakh

Cash and cash equivalents considered for cash flows

Particular	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents (Refer Note No. 2.01)	5	29
Less : Secured Bank Over Draft (Refer Note No. 2.13)	(4,497)	(4,250)
Cash and cash equivalents for cash flows purpose	(4,492)	(4,221)

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.

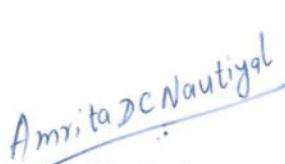
For M.P. Chitale & Co.
 Chartered Accountants
 Firm Registration No. : 101851W


 Anagha Thatte
 Partner
 Membership No: 105525



For and on behalf of the Board of Directors


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


 Amrita Nautiyal
 (Director)
 (DIN- 00123512)


 Asokan Arumugam
 (Director)
 (DIN- 01460456)


 Rakesh Panjwani
 (Chief Financial Officer)

Place : Mumbai
 Date: 09th December, 2025



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
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. The Company is a group company of Reliance Capital Limited being the largest shareholder holding 49% of the Companies paid up share capital. RCL's corporate insolvency resolution process was concluded on March 19, 2025 and IndusInd International Holding Limited (IIHL) has taken control on RCL. Thereafter the Company appraised IIHL about the business plan and RBI requirement about minimum Net Owned Fund (NOF). The Company has also requested RBI for providing time upto March 31, 2026 to meet the minimum regulatory threshold for NOF. The Company vide letter dated October 31, 2025 requested Reserve Bank of India (RBI) Department of Regulation sought a clarification on computing its Net Owned Fund considering the fair value of Security Receipts that are more than eight years old vis-à-vis its accounting done in compliance with Ind AS 109, Financial Instruments. Accordingly, RBI vide e-mail dated December 05, 2025, advised that the ARC may be guided by paragraph 137 of Reserve Bank of India (Asset Reconstruction Companies) Directions, 2025 dated November 28, 2025 for computation of owned fund, i.e., if the ARC recognizes in its balance sheet, the fair value of Security Receipts (SRs) which have crossed eight years from the date of acquisition of the financial assets, any net unrealised gains arising on fair valuation of SRs should not be included in its owned fund. Accordingly, the Company's regulatory capital is below the minimum threshold requirement as on the Balance sheet date . Further, considering the event occurring after balancesheet date there is change in the shareholding pattern from RCL to Cosmea Investments Pvt. Ltd. (CIPL) on September 06, 2025. CIPL as part of Share Purchase agreement has assured the financial commitment to meet the regulatory capital as needed by infusing additional equity.

These standalone financial statement of the Company for the year ended March 31, 2025 were authorised for issue by the board of directors on December 09, 2025. 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. As on September 10, 2025, the Company filed an application for an extension of time by a period of three months for holding the 19th Annual General Meeting under Section 96 of the Companies Act, 2013. The Ministry of Company Affairs (MCA) has granted the extension for a period of two months and one day on September 13, 2025. Further as on November 04, 2025 Company again file Form GNL 1 for further extension of 1 month i.e. up to December 31, 2025. MCA approved the extension the same.

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, 2025, 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 period s in which the results are known / materialised. Estimates and underlying assets are reviewed on period ical basis. Revisions to accounting estimates are recognised prospectively.



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Corporate Information and Material Accounting Policies

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 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 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 for Trust less than 8 years and external valuer for valuation of SRs for trust more than 8 years.



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED**Corporate Information and Material Accounting Policies****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.

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

Assets	Useful Life
Computers	3 Years
Computer Software	3 Years
Server and Network	6 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.

(v) Any gain or loss on disposal of an item of Intangible Assets is recognised in standalone statement of profit and loss.

f) Right-of-use asset

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.



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED

Corporate Information and Material Accounting Policies

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 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.



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED

Corporate Information and Material Accounting Policies

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.

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.



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED

Corporate Information and Material Accounting Policies

n) Expenses incurred on beperiod 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 along with 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. 2.34 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) Day 1 Profit and Loss

When the transaction price of the Financial instrument differs from the Fair value at origination and the fair value is based on a valuation technique using inputs observable in market transactions the company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable or when the instruments is derecognised.

(iii) 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:

- Asset is held within a business model whose objective is to hold assets for collecting contractual cash flows.
- 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.



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Corporate Information and Material Accounting Policies

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.



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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.



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes to standalone financial statements for the year ended March 31, 2025

2.01 Cash and cash equivalents

₹ in Lakh

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with bank:		
In current accounts	5	29

2.02 Trade receivables

₹ in Lakh

Particulars	As at March 31, 2025	As at March 31, 2024
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured (Refer Note No. 2.41)	704	185
Receivables which have significant increase in credit risk	231	183
	935	368
Less: Expected credit losses (ECL)	(235)	(183)
	700	185

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	0-180 days	181-365 days	More than 365 days	Total
March 31, 2025	Estimated total gross carrying amount	704	53	178	935
	ECL - Simplified approach	(4)	(53)	(178)	(235)
	Net carrying amount	700	-	-	700
March 31, 2024	Estimated total gross carrying amount	190	174	4	368
	ECL - Simplified approach	(5)	(174)	(4)	(183)
	Net carrying amount	185	-	-	185

Reconciliation of provision of doubtful debts:

Particulars	₹ in Lakh
ECL measured as per simplified approach	
ECL as on April 01, 2023	220
Add/ (less): asset originated or acquired net of recoveries	(37)
ECL as on March 31, 2024	183
Add/ (less): asset originated or acquired net of recoveries	52
ECL as on March 31, 2025	235

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.

₹ in Lakh

Particulars	As at the end of Current Year	As at the end of Previous Year
Outstanding amount of unrealised management fee	935	368
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	224	147
(b) Other amounts unrealised for:	-	-
(i) More than 180 days but up to 1 year	7	27
(ii) More than 1 year but up to 3 years	-	-
(iii) More than 3 years	-	4
Allowances held for unrealised management fee outstanding for less than 6 months	4	5
Total Allowances held for unrealised management fee	235	183
Net unrealised management fee receivable	700	185

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



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes to standalone financial statements for the year ended March 31, 2025

2.03 Investments	₹ in Lakh	
Particulars	As at March 31, 2025	As at March 31, 2024
At fair value through profit and loss		
Investments in Security Receipts (Unquoted) (Refer Note 2.45)	36,533	38,889
Total	36,533	38,889
Investments outside India	-	-
Investments in India	36,533	38,889

During the year, the company has written off investments in security receipts amounting to Rs.16.28 lakhs (Previous year- Rs.78.63 Lakhs) as no recovery is expected in future.

2.04 Other financial assets	₹ in Lakh	
Particulars	As at March 31, 2025	As at March 31, 2024
Considered good unless otherwise stated - Unsecured		
Advances to trust considered good (Refer Note No. 2.41)	36	62
Advances to trust which have significant increase in credit risk	234	223
Less: Provision for advances	(234)	(223)
	36	62
Security deposit	61	61
Trust fund (Refer Note No. 2.41)	1	1
	98	124

Particulars		0-180 days	181-365 days	More than 365 days	Total
March 31, 2025	Advance to trust	36	79	155	270
	Provision	-	(79)	(155)	(234)
	Net carrying amount	36	-	-	36
March 31, 2024	Advance to trust	121	150	40	311
	Provision	-	(150)	(40)	(190)
	Net carrying amount	121	-	-	121

2.05 Current tax asset (Net)	₹ in Lakh	
Particulars	March 31, 2025	March 31, 2024
Tax Receivable (net of provision March 31, 2025 ₹2,720 lakh)	26	1
	26	1



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED

Notes to standalone financial statements for the year ended March 31,2025

2.06 Property, plant and equipment

Particulars	Own assets					Total
	Buildings	Furniture and fixtures	Office equipments	Leasehold Improvement	Computers	
Year ended March 31, 2024						
Gross carrying amount						
Opening gross carrying amount	25	14	7	7		158
Additions	-	-	-	-		15
Closing gross carrying amount	25	14	7	7		173
 Accumulated depreciation						
Opening accumulated depreciation	2	14	4	3		100
Depreciation charge during the year	1	-	2	2		25
Closing accumulated depreciation	3	14	6	5		126
Net carrying amount as at March 31, 2024	22	-	1	2		47
 Year ended March 31,2025						
Gross carrying amount						
Opening gross carrying amount	25	14	7	7		173
Additions	-	-	-	-		4
Closing gross carrying amount	25	14	7	7		176
 Accumulated depreciation						
Opening accumulated depreciation	3	14	6	5		98
Depreciation charge during the year	0	0	1	1		12
Closing accumulated depreciation	3	14	7	6		110
Net carrying amount as at March 31,2025	22	-	0	-		14
						36

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



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes to standalone financial statements for the year ended March 31, 2025

2.07 Right-of-use assets

(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 leasee is presented below.

Right-of-use assets

Right-of-use assets related to leasehold properties.

Sr. No.	Particular	₹ in Lakh	
		As at March 31, 2025	As at March 31, 2024
	Building		
a.	Opening Balance	323	175
b.	Additions to right of use asset	-	255
c.	Depreciation charge for the year	(75)	(78)
d.	De-recognition of right of use assets	-	(117)
e.	Accumulated depreciation on "d" above	-	88
f.	Closing Balance	248	323
	Motor Vehicle		
a.	Opening Balance	55	79
b.	Additions to right of use asset	-	-
c.	Depreciation charge for the year	(24)	(24)
d.	De-recognition of right of use assets	-	-
e.	Accumulated depreciation on "d" above	-	-
f.	Closing Balance	31	55
	Total	279	378

Other disclosure w.r.t. leases:

- Finance cost amounts to ₹ 38 lakh (March 31, 2024 ₹ 40 lakh).
- The total cash outflow for the year ended March 31, 2025 amounts to ₹ 119 lakh (March 31, 2024 ₹ 116 lakh).
- The Company incurred ₹ 52.26 lakh (March 31, 2024 ₹ 52 lakh) for the year ended March 31, 2025 towards expenses relating to lease of low-value assets.

Lease liabilities

Maturity analysis - contractual discounted cash flows

Lease liabilities	Contractual cash flows					₹ in Lakh
	Carrying amount	Total	0-1 years	1-5 years	5 years and above	
2024-25	324	382	125	257	-	
2023-24	406	501	119	382	-	



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes to standalone financial statements for the year ended March 31, 2025

2.08 Other intangible assets

₹ in Lakh

Particulars	Total
Computer Software	
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
Year ended March 31, 2025	
Gross carrying amount	
Opening gross carrying amount	66
Additions	38
Closing gross carrying amount	104
Accumulated amortisation	
Opening accumulated amortisation	63
Amortisation during the year	8
Closing accumulated amortisation	71
Net carrying amount as at March 31, 2025	33

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



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED

Notes to standalone financial statements for the year ended March 31, 2025

2.09 Intangible assets under development (IAUD)

Particulars	₹ in Lakh
Year ended March 31, 2024	
Gross carrying amount	
Opening gross carrying amount	30
Additions	-
Written off	-
Capitalisation	-
Closing gross carrying amount as at March 31, 2024	30
Year ended March 31, 2025	
Gross carrying amount	
Opening gross carrying amount	30
Additions	-
Written off	-
Capitalisation	30
Net carrying amount as at March 31, 2025	-

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	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

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	-	-	-	-	-



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes to standalone financial statements for the year ended March 31,2025

2.10 Other non financial assets

Particulars	₹ in Lakh	
	As at March 31, 2025	As at March 31, 2024
Considered good unless otherwise stated - Unsecured		
Prepaid expenses	19	28
Income Tax Refund Receivable	20	124
Balance Receivable from trust	155	-
Advances recoverable in cash and kind or for value to be received which are considered good (Refer Note No. 2.41)	28	12
Others		
Balances with Government authorities	14	131
	236	295

2.11 Trade Payables

Particulars	₹ in Lakh	
	As at March 31, 2025	As at March 31, 2024
(a) Total outstanding dues of micro enterprises and small enterprises	166	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	221	225
	387	225

Trade Payables ageing

As at March 31, 2025	Outstanding for following period s 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	-	166	-	-	-	166
(ii) Undisputed Trade Payables - Others	-	221	-	-	-	221
Total	-	386	-	-	-	387

As at March 31, 2024	Outstanding for following period s 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	-	225	-	-	-	225
Total	-	225	-	-	-	225

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

2.12 Debt securities

Particulars	₹ in Lakh	
	As at March 31, 2025	As at March 31, 2024
At amortised cost		
Secured		
Non Convertible Debentures	555	1,205
Total (A)	555	1,205
Debt securities in India	555	1,205
Debt securities outside India	-	-
Total (B)	555	1,205

Note During the year the Company has issued, Non Convertible Debentures ₹ 400 Lakh to Torus Distress Fund-2 with a coupon rate of 14% p.a. for 24 months with call option or bullet on completion of 30 months and the same was redeemed in March'25. The Non Convertible Debentures outstanding of ₹ 328 Lakh (₹ 750 lakhs issued to Cleardu Fintech Pvt Ltd) and ₹ 227 Lakh (₹ 455 lakhs issued to Torus Distress Fund- 1) are secured against Security Receipts of RARC 089 Trust and RARC (IOB EL) 079 Trust respectively.



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes to standalone financial statements for the year ended March 31, 2025

2.13 Borrowings (Other than debt Securities)		₹ in Lakh	
Particulars		As at March 31, March 31, 2025	As at March 31, 2024
At amortised cost			
Loans from banks			
Secured bank over draft (Refer Note No. 2.39)		4,497	4,250
Inter Corporate Deposit			
Unsecured from others		-	1,135
Total (A)		4,497	5,385
Borrowings in India		4,497	5,385
Borrowings outside India		-	-
Total (B)		4,497	5,385

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. 2.45), 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 range between 9.80% - 11.80% (March 31, 2024 10.95%) and is required to be renewed on yearly basis.

(ii) During the year the Company had not issued any Inter corporate deposit.

2.14 Other financial liabilities		₹ in Lakh	
Particulars		As at March 31, March 31, 2025	As at March 31, 2024
Interest accrued but not due on borrowings		57	21
Employee benefits payable		202	283
Recovery received on behalf of trust		-	1,378
Other payables		2	1
Lease liability			
- Building		293	353
- Motor Vehicle		31	53
		585	2,089

2.15 Current tax liability (Net)		₹ in Lakh	
Particulars		As at March 31, March 31, 2025	As at March 31, 2024
Tax Payable		-	-
		-	-

2.16 Provisions		₹ in Lakh	
Particulars		As at March 31, March 31, 2025	As at March 31, 2024
Provision for employee benefits			
Gratuity (Refer Note No. 2.30)		49	45
		49	45
Movement of Provisions			
Provision Others			
Balance at the beginning of the year		45	32
Provision / (reversal) of expenses		4	13
Balance at the close of the year		49	45



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes to standalone financial statements for the year ended March 31, 2025

2.17 Deferred tax liability (Net)		₹ in Lakh		
Particulars		As at March 31, 2025	As at March 31, 2024	
Deferred tax liabilities				
Related to Property, plant and equipment and intangible		418	551	
Fair valuation of investments		418	551	
Deferred tax assets				
Related to Property, plant and equipment and intangible		1	(3)	
Gratuity		(12)	(12)	
Leased liability		(11)	(2)	
Provisions		(59)	(56)	
		(81)	(73)	
		337	478	
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, 2023	(3)	749	(8)	(4)
Charged/(Credited) to				
Statement of profit and loss	-	(198)	(3)	2
Other comprehensive income/(loss)	-	-	(1)	-
As at March 31, 2024	(3)	551	(12)	(2)
Charged/(Credited) to				
Statement of profit and loss	4	(133)	5	(9)
Other comprehensive income/(loss)	-	-	(6)	-
As at March 31, 2025	1	418	(13)	(11)
				337
2.18 Other Non financial liabilities		₹ in Lakh		
Particulars		As at March 31, 2025	As at March 31, 2024	
Advances payable to trust (Refer Note No. 2.41)		-	142	
Income received in advance		996	1,581	
Statutory dues*		320	413	
		1,316	2,136	

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



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes to standalone financial statements for the year ended March 31,2025

2.19 Share capital

Particulars	₹ in Lakh	
	As at March 31,2025	As at March 31, 2024
Authorised		
15,00,00,000 (March 31, 2024 - 15,00,00,000) equity shares of ₹10 each	15,000	15,000
1,00,00,000 (March 31, 2024 - 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, 2024 - 10,00,00,000) equity shares of ₹10 each	10,000	10,000
Total	10,000	10,000

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

Particulars	As at March 31,2025		As at March 31, 2024	
	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 31,2025		
	Number	₹ in lakh	% Change during the year
Equity Shares of Rs. 10 each fully paid held by			
Reliance Capital Limited	4,90,00,000	4,900	-
Cosmea Investments Private Limited (erstwhile Cosmea Financial Holdings Private Limited)	1,35,00,000	1,350	-

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

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

Particulars	As at March 31,2025		As at March 31, 2024	
	Number	% Holding	Number	% Holding
Reliance Capital Limited	4,90,00,000	49.00%	4,90,00,000	49.00%
Cosmea Investments Private Limited (erstwhile Cosmea Financial Holdings Private Limited)	1,35,00,000	13.50%	1,35,00,000	13.50%
Union Bank of India	95,00,000	9.50%	95,00,000	9.50%
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%

Subsequent to the reporting date, the Company's shareholding structure has undergone a change, whereby Cosmea Investments Private Limited (CIPL) has become the holding company of Reliance Asset Reconstruction Company, replacing Reliance Capital Limited (RCAP) vide share purchase agreement dated September 06, 2025. The transaction resulted in consideration payable by the incoming shareholder to RCAP. This does not affect the assets and liabilities as at the reporting date.

RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes to standalone financial statements for the year ended March 31, 2025

2.20 Other equity	₹ in Lakh	
Particulars	As at March 31, 2025	As at March 31, 2024
Retained earnings	20,202	18,314
Other comprehensive income	(36)	(18)
Debenture redemption reserve	55	121
Total other equity	20,220	18,417
Retained earnings		
Opening balance	18,314	16,873
Add: Profit for the year	2,122	1,862
Less: Dividend paid	(300)	(300)
Add/Less: Transfer to/from debenture redemption reserve	66	(121)
Closing balance	20,202	18,314
Other comprehensive income		
Opening balance	(18)	(15)
Additions during the year (net)	(18)	(3)
Closing balance	(36)	(18)
Debenture redemption reserve		
Opening balance	121	-
Add: Transfer from retained earnings	-	121
Less: Transfer to retained earnings	(66)	-
Closing balance	55	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.



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes to standalone financial statements for the year ended March 31,2025

2.21 Fees and commission income

Particulars	₹ in Lakh	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Trusteeship fees	3,139	3,116
Incentive fees	90	139
Recovery agent fees (Refer Note No. 2.41)	3,830	2,600
Profit on redemption of security receipts	278	274
	7,337	6,129

2.22 Gain on sale of Investment

Particulars	₹ in Lakh	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Gain on sale of Investment	-	551
	-	551

2.23 Other income

Particulars	₹ in Lakh	
	For the year ended March 31, 2025	For the year ended March 31, 2024
At amortised cost		
Interest on advance given to trusts	79	46
Interest on Income Tax Refund	4	26
Other income	31	14
	114	86

2.24 Finance costs

Particulars	₹ in Lakh	
	For the year ended March 31, 2025	For the year ended March 31, 2024
At amortised cost		
Interest on debt securities	205	57
Interest on other borrowings	446	624
Processing charges	19	16
Bank charges	1	1
Interest - Others	1	4
Interest on leased liability	38	40
	710	742

2.25 Net loss on fair value changes

Particulars	₹ in Lakh	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Net loss on financial instruments at fair value through profit or loss		
Fair value loss on investment	511	788
	511	788
Fair value changes:		
- Realised	-	-
- Unrealised	511	788
	511	788

During the year, the company has written off investments in security receipts amounting to Rs.16.28 lakhs (Previous year- Rs.78.63 Lakhs) as no recovery is expected in future.



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes to standalone financial statements for the year ended March 31, 2025

Particulars	₹ in Lakh	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Salary, bonus and allowances	999	1,017
Contribution to provident fund and other funds	43	39
Gratuity expense (Refer Note No. 2.30)	8	9
Staff welfare expenses	61	40
	1,111	1,105
Particulars	₹ in Lakh	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Professional and legal charges	597	667
Premises rent and electricity expenses	46	41
Payment to auditors		
- Statutory audit fees	12	11
- Limited review fees	2	3
Provision for advances	11	33
Investment Written off	16	79
Advance to Trust Written off	2	4
Recovery commission	1,445	670
Business development expenses	-	1
Director's sitting fees	30	29
Travelling expenses	51	44
Telephone expenses	38	29
Stamp duty and processing fees	4	1
Repair and maintenance	24	23
Courier and postage	9	6
Software maintenance Charges	144	119
Office printing and stationery	5	5
Due diligence expense	2	7
Expenditure towards corporate social responsibility (Refer Note No. 2.31)	62	61
Miscellaneous expenses	115	117
	2,615	1,950



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes to standalone financial statements for the year ended March 31,2025

2.28 Income tax expense

₹ in Lakh

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Tax Expense recognized in the statement of profit and loss		
(a) Income tax expense		
Current tax on profits for the year	396	478
Adjustments for current tax of prior periods	-	(80)
Total current tax expense (I)	396	398
Deferred tax		
(Decrease) / increase in deferred tax	(135)	(207)
Total deferred tax expense provided/ (reversal) (II)	(135)	(207)
Income tax expense (I + II)	260	191
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Tax rates	25.17%	25.17%
Profit before tax	2,383	2,053
Tax calculated at tax rates applicable	600	517
Difference due to:		
Corporate social responsibility	16	15
Depreciation and amortization of ROU Asset	(10)	26
Provision disallowed and others	(0)	2
Fair value loss on investment	129	198
Losses of trusts claimed as deduction under Income Tax Act,1961	(340)	(289)
Ind AS adjustment	(132)	(198)
Adjustments for current tax of prior periods	-	(80)
Total income tax expense / (credit)	262	191

Effective Tax Rate **10.99%** **9.31%**

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%.



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes to standalone financial statements for the year ended March 31, 2025

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, 2025	As at March 31, 2024
(a)	Common Equity Tier I capital *	26,917	25,087
(b)	Other Tier II capital instruments	-	-
(c)	Total capital	26,917	25,087
(d)	Risk weighted assets	36,299	37,775
(e)	CRAR (%)	74.15%	66.41%

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.

		₹ in Lakh	
Particulars		As at March 31, 2025	As at March 31, 2024
Paid Up Equity Capital		10,000	10,000
Free Reserves (excluding OCI)		20,257	18,435
Sub-Total		30,257	28,435
Less: Adjustments			
Debit balance on the profit and loss account			
Miscellaneous expenditure (to the extent not written off or adjusted)			
Deferred Fair Value Gain		231	-
Book value of intangible assets and prepaid expenses		52	60
Under / short provision against NPA / diminution in value of investments			
(a) SRs less than 8 years in age		9,336	7,666
(b) SRs more than 8 years in age		6,081	5,653
Net Owned Fund (Tier I)		14,557	15,056
Other Tier II capital instruments		-	-
Total capital		14,557	15,056
Risk weighted assets		36,299	37,775
CRAR (%)		40.10%	39.86%

(B) Dividends

		₹ in Lakh	
Particular		As at March 31, 2025	As at March 31, 2024
(i) Equity Shares	Final dividend paid for the year ended March 31, 2024 of ₹ 0.30 per share fully paid share.	300	300



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes to standalone financial statements for the year ended March 31,2025

2.30 Employee benefits :

Particulars	As at March 31,2025	As at March 31, 2024
(a) Defined contribution plan		
Amount recognised in the statement of profit and loss		
(i) Employer's contribution to provident fund	35	32
(ii) Employer's contribution to pension fund	7	5
	<u>42</u>	<u>37</u>
(b) Gratuity:		
Disclosures required as per the Ind AS 19 , Employee Benefits		
Particulars	As at March 31,2025	As at March 31, 2024
I. Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Obligation at the beginning of the year	64	54
Interest cost	4	4
Service cost	5	7
Liability transferred in / acquisition	-	-
Benefit paid	(20)	(5)
Actuarial (gains) / losses recognised in other comprehensive income		
- Due to change in demographic assumptions	1	(2)
- Due to change in financial assumptions	15	(1)
- Due to experience adjustments	10	6
Obligation at the end of the year	79	64
II. Change in plan assets		
Fair value of plan assets at the beginning of the year	18	22
Expected return on plan assets	1	0
Contribution	30	-
Benefit paid from the fund	(20)	(5)
Liability transferred in / acquisition	-	-
Actuarial gains / (losses) on plan assets - due to experience	-	-
Interest income	1	2
Fair value of plan assets at the end of the year	30	18
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	30	18
Present value of the defined benefit obligation at the end of year	79	64
Liability recognised in the balance sheet	49	45
IV. Expense recognized in statement of profit or loss		
Service cost	5	7
Interest cost	3	4
Expense recognized in statement of profit or loss	8	9
V. Amount recognized in the other comprehensive income / (loss)		
Actuarial (gain)/loss recognised in other comprehensive income	26	4
Expected return on plan assets	(1)	(2)
Amount recognized in the other comprehensive income/(loss)	25	2
VI. Investment details on plan assets		
100% of the plan assets are invested in insurance fund	30	18
VII. Actual return on plan assets	1	0
(Current year ₹ 51,751 ; Previous year ₹ 27,531)		



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes to standalone financial statements for the year ended March 31, 2025

2.30 Employee benefits :

VIII. Assumptions

Interest rate	6.59%	7.14%
Salary growth rate	9.00%	5.12%
Estimated return on plan assets	6.59%	7.14%
Employee turnover rate	15.00%	37.00%

IX. Particulars of the amounts for the year and previous years

	₹ in Lakh				
	2025	2024	2023	2022	2021
Present value of benefit obligation	(79)	(64)	(54)	(44)	(30)
Fair value of plan assets	30	19	22	6	1
Excess of obligation over plan assets	(49)	(45)	(32)	(38)	(29)

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.

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate (+1% movement)	(4)	(1)
Discount rate (-1% movement)	4	1
Future salary growth (+1% movement)	4	1
Future salary growth (-1% movement)	(4)	(1)
Employee turnover (+1% movement)	(1)	-
Employee turnover (-1% movement)	1	-

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	As at March 31, 2025	As at March 31, 2024
Projected benefits payable in future from the date of reporting	9	34
1st following year	10	12
2nd following year	9	8
3rd following year	9	6
4th following year	8	4
5th following year	34	6
Sum of 6 to 10 years	40	1
Sum of 11 years and above		



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes to standalone financial statements for the year ended March 31,2025

2.31 Corporate Social Responsibility Expenditure:

₹ in Lakh

Particulars	For the year ended March 31,2025	For the year ended March 31, 2024
(a) amount required to be spent by the company during the year,	62	61
(b) amount of expenditure incurred,	62	61
(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>Eradicating hunger, poverty and malnutrition</p> <p>Promoting health care and medical facility</p> <p>Providing Safe Drinking Water through RO plants and Farmer Trainings on Integrated Pest Management in Chilli Cultivation.</p> <p>Advancing education by offering Scholarship and fees Concession to deserving students, ensuring that financial barriers do not hinder their academic growth and also, providing mid-day meals and essential Foods Items to support the nutrition and well-being of underprivileged students in Rural Areas.</p>	<p>Setting up homes for women's and orphans etc.</p> <p>Eradicating hunger, poverty and malnutrition</p> <p>Promoting health care</p>
(g) details of related party transactions,	NA	NA
(h) where a provision is made with respect to a liability incurred	NA	NA



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes to standalone financial statements for the year ended March 31,2025

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.

2.33 Foreign currency

The Company has incurred ₹ NIL (March 31, 2024 ₹ 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

Particulars	As at March 31, 2025	₹ in Lakh As at March 31, 2024
Debt securities		
Opening balance	1,205	-
Availed during the year	400	1,205
Impact of non-cash items	-	-
Repaid during the year	(1,050)	-
Closing balance	555	1,205
Borrowings (other than debt securities)		
Opening balance	1,135	2,275
Availed during the year	-	1,135
Impact of non-cash items	-	-
Repaid during the year	(1,135)	(2,275)
Closing balance	-	1,135
Interest		
Opening balance	21	-
Interest Expenses	710	742
Impact of non-cash items	(38)	(40)
Repaid during the year	(636)	(681)
Closing balance	57	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.

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	5	-	5	29	-	29
Trade receivables	700	-	700	185	-	185
Investments*	5,531	31,002	36,533	5,950	32,939	38,889
Other financial asset	36	62	98	62	62	124
Non-financial assets						
Current tax assets (Net)	26	-	26	1	-	1
Property, plant and equipment	-	36	36	-	47	47
Right of use assets	-	279	279	-	378	378
Other intangible assets	-	33	33	-	2	2
Intangible assets under development	-	-	-	-	30	30
Other non-financial asset	236	-	236	295	-	295
Total assets (a)	6,534	31,413	37,946	6,523	33,456	39,979

Particulars	As at March 31, 2025			As at March 31, 2024		
	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	166	-	166	-	-	-
(ii) total outstanding dues of creditors other than micro	221	-	221	225	-	225
Borrowings (Other than debt securities)	4,497	-	4,497	4,250	1,135	5,385
Debt Securities	555	-	555	-	1,205	1,205
Other financial liabilities	328	257	585	1,909	180	2,089
Non-financial Liabilities						
Current tax Liabilities (Net)	-	-	-	-	-	-
Provisions	36	12	48	33	12	45
Deferred tax liability (Net)	-	337	337	-	478	478
Other non-financial liabilities	1,316	-	1,316	2,136	-	2,136
Total liabilities (b)	7,119	606	7,725	8,553	3,010	11,564
Net (a - b)	(585)	30,807	30,221	(2,031)	30,446	28,416

* As expected by management of the Company



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes to standalone financial statements for the year ended March 31, 2025

2.36 Fair value measurements

a) Financial instruments by category

Particular	As at March 31, 2025		As at March 31, 2024		₹ in Lakh
	Fair value through profit or loss	Amortised cost	Fair value through profit or loss	Amortised cost	
Financial assets					
Cash and cash equivalents	-	5	-	29	
Trade receivables	-	700	-	185	
Investments - Unquoted	36,533	-	38,889	-	
Other financial asset	-	98	-	124	
Total financial assets	36,533	804	38,889	338	
Financial liabilities					
Payables	-	387	-	225	
Debt Securities	-	555	-	1,205	
Borrowings (Other than debt securities)	-	4,497	-	5,385	
Other financial liabilities	-	585	-	2,089	
Total financial liabilities	-	6,024	-	8,904	

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:

b) Fair value hierarchy for assets

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2025	Level 1	Level 2	Level 3	Total	₹ in Lakh
Financial assets					
Investments - Unquoted	-	-	36,533	36,533	36,533
Total	-	-	36,533	36,533	36,533



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes to standalone financial statements for the year ended March 31, 2025

2.36 Fair value measurements

₹ in Lakh

Financial liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2025	Level 1	Level 2	Level 3	Total
Financial liabilities				
Borrowings (Other than debt securities)	-	-	4,497	4,497
Debt Securities			555	555
Total	-	-	5,052	5,052

₹ 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

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.



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes to standalone financial statements for the year ended March 31, 2025

2.36 Fair value measurements

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, 2025 and March 31, 2024:

Particulars	Investment	Debt Securities
As at April 01, 2023	37,644	-
Additions	6,520	1,205
Disposals / Repayment / Write off	(4,487)	-
Gains/(losses) recognised in statement of profit and loss	(788)	-
As at March 31, 2024	38,889	1,205
Additions	1,685	400
Disposals / Repayment / Write off	(3,532)	(1,050)
Gains/(losses) recognised in statement of profit and loss	(511)	-
As at March 31, 2025	36,533	555

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.



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

Type of financial instruments	Fair value of asset as on March 31, 2025	Fair value of liability as on March 31, 2025	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	36,533	-	Discounted projected cash flow	Expected gross recoveries *	2,117,684	21,768	3,272	(21,768)	(3,272)
				Discount rates	4.72% - 10%	0.50%	(279)	0.50%	236

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

* 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.



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes to standalone financial statements for the year ended March 31, 2025

2.37 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, 2025

Contractual maturities of assets and liabilities	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	₹ in Lakh
Financial assets					
Cash and cash equivalents	5	-	-	-	5
Trade Receivables *	-	700	-	-	700
Investments *	1,071	4,460	13,515	17,487	36,533
Other financial assets *	1	35	62	-	98
Total financial assets (a)	1,077	5,196	13,578	17,487	37,336
Financial liabilities					
Trade payables					
(i) total outstanding dues of micro enterprises and small enterprises	166	-	-	-	166
(ii) total outstanding dues of creditors other than micro enterprises and small	221	-	-	-	221
Borrowings (Other than debt securities)	-	4,497	-	-	4,497
Debt Borrowing	-	555	-	-	555
Other financial liabilities	203	125	257	-	585
Total financial liabilities (b)	590	5,177	257	-	6,024
Net (a - b)	487	18	13,321	17,487	31,312

As at March 31, 2024

Contractual maturities of assets and liabilities	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	₹ in Lakh
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 expected by management of the Company



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
 Notes to standalone financial statements for the year ended March 31, 2025

2.38 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	2024-25			
	Increase in basis points	Effect on profit before tax (₹ in lakh)	Decrease in basis points	Effect on profit before tax (₹ in lakh)
INR	50	(22)	50	22

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



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
 Notes to standalone financial statements for the year ended March 31, 2025
 2.39 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, 2025 (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, 2025	For the year ended March 31, 2024
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
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	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



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes to standalone financial statements for the year ended March 31,2025

2.39 Additional Disclosures

Sr. No.	Name of the Bank / Financial Institution	Address	Acquisition price (₹ in lakh)	
			For the year ended March 31,2025	For the year ended March 31, 2024
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	88,590	80,167
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	15,998
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, Piannacle Business Park, Corporate Road, Prahladnagar, Ahmedabad - 380015	1,039	1,039



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes to standalone financial statements for the year ended March 31, 2025

2.39 Additional Disclosures

Sr. No.	Name of the Bank / Financial Institution	Address	Acquisition price (₹ in lakh)	
			For the year ended March 31, 2025	For the year ended March 31, 2024
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	864
41	PHF Leasing Limited	87, Radio Colony, Mahavir Marg, Jalandhar, Punjab- 144001.	325	325
42	Laxmi India Finance Private Limited	2, Gopinath Marg, MI Rd, Jaipur - 302001	1,432	1,432
43	Manba Finance Limited	Manba House, Plot No A - 79, Road No 16, Wagle Estate, Thane (West) - 400604	2,102	2,102
TOTAL			4,54,920	4,46,496

(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, 2025	For the year ended March 31, 2024
Agriculture	31,516	6.93%	31,516	7.06%
Education	1,64,119	36.08%	1,55,696	34.87%
Housing	17,238	3.79%	17,238	3.86%
MSME	1,41,387	31.08%	1,41,387	31.67%
Seeds / Biotech	5,730	1.26%	5,730	1.28%
Food processing	9,735	2.14%	9,735	2.18%
Power	270	0.06%	270	0.06%
Plastics	230	0.05%	230	0.05%
Casting & Forging	3,343	0.73%	3,343	0.75%
Construction	2,440	0.54%	2,440	0.55%
Waste Processing	440	0.10%	440	0.10%
Vehicle	15,767	3.47%	15,767	3.53%
Personal	13,586	2.99%	13,586	3.04%
Infrastructure	3,905	0.86%	3,905	0.87%
Information Technology	294	0.06%	294	0.07%
Advertisement	3	0.00%	3	0.00%
Textile	4,735	1.04%	4,735	1.06%
Electricals	592	0.13%	592	0.13%
Gems & Jewellery	710	0.16%	710	0.16%
Others	38,880	8.55%	38,880	8.71%
TOTAL	4,54,920	100.00%	4,46,496	100.00%



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
 Notes to standalone financial statements for the year ended March 31, 2025
 2.39 Additional Disclosures

(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, 2025		For the year ended March 31, 2024		
A. Sponsor				
- Reliance Capital Limited	9,599	2%	9,599	2%
- Union Bank of India	-	0%	-	0%
Total Sponsor (A)	9,599	2%	9,599	2%
B. Non-Sponsors	4,45,321	98%	4,36,897	98%
Total Non Sponsor (B)	4,45,321	98%	4,36,897	98%
TOTAL (A+B)	4,54,920	100%	4,46,496	100%

₹ in Lakh

For the year ended For the year ended
 March 31, 2025 March 31, 2024

(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 8,424 35,105

(vi) Value of Financial Assets realised during the financial year 25,260 23,004

(vii) Value of Financial Assets outstanding for realisation as at the end of the financial year. 2,16,078 2,32,914

(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	25,260	23,004

(ix) Value of Security Receipts/Contractual Rights in Loan Assets, pending for redemption as at the end of the financial year 2,16,078 2,32,914

(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 - VB PILVE Trust SR issued was of INR 990 lakh where redemption of INR 664.38 lakh has been done during its tenure. Hence SR of INR 325.62 lakh has been written off in FY 2024-25 as per the policy formulated which could not be redeemed as a result of non realisation of the Financial Asset .

(xi) Value of land and / or building acquired in ordinary course of business of reconstruction of assets. - NIL



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED

Notes to standalone financial statements for the year ended March 31, 2025

2.39 Additional Disclosures

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.

(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, 2025
1	Reliance ARC - INB Retail Portfolio Trust (2013)	33,302	-
2	Reliance ARC - LVB Trust	1,568	-
3	Reliance ARC - CUB 2014 (1) Trust	354	-
4	Reliance ARC - SBI Maan Sarovar Trust	460	-
5	Reliance ARC CUB HL & SME 2014 1 Trust	156	-
6	Reliance ARC - CUB(CIRPL)(2014)Trust	2,510	-
7	Reliance ARC 001 Trust	13,099	-
8	Reliance ARC 002 Trust	259	-
9	Reliance ARC 004 Trust	0	-
10	Reliance ARC 006 Trust	1,048	-
11	Reliance ARC 007 Trust-A	857	-
12	Reliance ARC 007 Trust-B	600	-
13	Reliance ARC 008 Trust	699	-
14	Reliance ARC 010 Trust	2,045	-
15	Reliance ARC 011 Trust	3,546	-
16	Reliance ARC 012 Trust	1,367	-
17	Reliance ARC 015 Trust	4,246	-
18	Reliance ARC 016 Trust	1,440	-
19	Reliance ARC 013 Trust	46	-
20	Reliance ARC SBI(CHN)018 Trust	4,608	-
21	Reliance ARC SBI(HYD)021 Trust	112	-
22	Reliance ARC SBI(BHO)019 Trust	713	-
23	Reliance ARC SBI(MUM)020 Trust	190	-
24	Reliance ARC SBI(CHN)022 Trust	7,623	-
25	RARC Dena Bank 024 Trust	104	-
26	RARC 026 Trust	3,675	-
27	RARC Dena Bank 025 Trust	321	-
28	RARC 027 Trust	1,265	-
29	LVB RARC 029 Trust	568	-
30	INB RARC 030 Trust	5,561	-
31	Magma RARC 031 Trust	191	-
32	SVC Bank RARC 033 Trust	1,450	-
33	SBI Bank RARC 035 Trust	2,865	-
34	INB RARC 036 Trust	2,348	-
35	LVB RARC 038 Trust	2,445	-
36	Andhra Bank RARC 039 Trust	211	50%
37	RARC 040 (IB SME) Trust	1,315	75%
38	RARC 045 (IB SME) Trust	1,105	75%
39	RARC 048 (RCFL) Trust	5,134	50%
40	RARC (IOB EL) 050 Trust	7,293	75%
41	RARC 053 (IB SME) Trust	2,119	50%
42	RARC 058 (KJSB SME) Trust	792	73%
43	RARC (IOB EL) 062 Trust	4,534	75%



Reliance Asset Reconstruction Company Limited
Notes to standalone financial statements for the year ended March 31,2025

2.4 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
7. Reliance ARC SBI Maan Sarovar Trust

iii) Asset Reconstruction trusts - subsidiary and associates of 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
8. Reliance ARC 006 Trust
9. Reliance ARC 008 Trust
10. SBI Bank RARC 035 Trust
11. LVB RARC 038 Trust
12. RARC (IOB EL) 062 Trust
13. RARC (IOB EL) 065 Trust
14. RARC 068 Trust
15. RARC 072 Trust
16. RARC 089 Trust
17. RARC 092 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 Officer

b) Mr. Rakesh Panjwani

Chief Financial Officer

c) Ms. Dipanjali Nagpal (upto December 31, 2024)

Company Secretary

d) Ms. Sujata Mukherjee (upto October 17, 2025)

Company Secretary



Reliance Asset Reconstruction Company Limited
Notes to standalone financial statement for the year ended March 31, 2025

2.40 Related party transactions

B. Transactions during the year with related parties:

Particulars	Year	Entity having Significant Influence	Subsidiaries of Entity having significant influence	Asset Reconstruction trusts - subsidiary and associates of the company	Key Management Personnel	(₹ in lakh)
Total Income (Net of Provision)						
Trust Controlled by the Company	2024-25	-	-	2,403	-	2,403
	2023-24	-	-	8	-	8
Interest on Borrowings other than debt securities						
Reliance Corporate Advisory Services Limited (assigned to Acre- 116 Trust on June 07, 2023)	2024-25	-	-	-	-	-
	2023-24	-	165	-	-	165
Other Expenses						
Reliance Capital Limited (Software Maintenance Charges & Other Expense)	2024-25	9	-	-	-	9
	2023-24	7	-	-	-	7
Reliance General Insurance Company Limited (Mediclaim Premium Expense & Other Expense)	2024-25	-	16	-	-	16
	2023-24	-	13	-	-	13
Reliance Asset Reconstruction Company Limited Group Gratuity Cum Life Assurance Scheme	2024-25	-	-	30	-	30
	2023-24	-	-	-	-	-
Reliance Securities Ltd (Rent & Maintenance Expense & Other Expenses)	2024-25	-	91	-	-	91
	2023-24	-	79	-	-	79
Trade Receivables						
Trust Controlled by the Company	2024-25	-	-	-	-	-
	2023-24	-	-	3	-	3
Investments						
Trust Controlled by the Company	2024-25	-	-	18,075	-	18,075
	2023-24	-	-	2,985	-	2,985
Other Financial Asset						
Advance To Trust Trust Controlled by the Company	2024-25	-	-	7	-	7
	2023-24	-	-	-	-	-
Trust Fund						
Trust Controlled by the Company (* ₹ 7000, ** ₹ 7000)	2024-25	-	-	*	-	*
	2023-24	-	-	**	-	**
Reliance Asset Reconstruction Company Limited Group Gratuity Cum Life Assurance Scheme	2024-25	-	-	0	-	0
	2023-24	-	-	-	-	-
Other Non Financial Asset						
Reliance General Insurance Company Limited	2024-25	-	0	-	-	0
	2023-24	-	1	-	-	1
Trade Payables						
Reliance Securities Limited	2024-25	-	34	-	-	34
	2023-24	-	33	-	-	33
Reliance General Insurance Company Limited	2024-25	-	-	-	-	-
	2023-24	-	-	-	-	-



Particulars	Year	Entity having Significant Influence	Subsidiaries of Entity having significant influence	Asset Reconstruction trusts - subsidiary and associates of the company	Key Management Personnel	Total
Borrowings other than debt securities						
a) Taken during the year						
Reliance Corporate Advisory Services Limited	2024-25	-	-	-	-	-
	2023-24	-	-	-	-	-
Reliance Capital Limited	2024-25	-	-	-	-	-
	2023-24	-	-	-	-	-
Reliance Financial Limited	2024-25	-	-	-	-	-
	2023-24	-	-	-	-	-
b) Returned during the year						
Reliance Corporate Advisory Services						
Limited(assigned to Acre- 116 Trust on June 07, 2023)	2024-25	-	-	-	-	-
	2023-24	-	2,275	-	-	2,275
Reliance Capital Limited	2024-25	-	-	-	-	-
	2023-24	-	-	-	-	-
Reliance Financial Limited	2024-25	-	-	-	-	-
	2023-24	-	-	-	-	-
c) Closing Balances						
Reliance Corporate Advisory Services Limited (assigned to Acre- 116 Trust on June 07, 2023)	2024-25	-	-	-	-	-
	2023-24	-	-	-	-	-
Reliance Capital Limited	2024-25	-	-	-	-	-
	2023-24	-	-	-	-	-
Reliance Financial Limited	2024-25	-	-	-	-	-
	2023-24	-	-	-	-	-
Other Financial Liabilities						
Interest accrued but not due on borrowings						-
Reliance Corporate Advisory Services Limited	2024-25	-	-	-	-	-
	2023-24	-	-	-	-	-
Reliance Capital Limited	2024-25	-	-	-	-	-
	2023-24	-	-	-	-	-
Other Non Financial Liabilities						
Trust Controlled by the Company						
Income Received in Advance	2024-25	-	-	246	-	246
	2023-24	-	-	1	-	1
Advance Received from Trust	2024-25	-	-	73	-	73
	2023-24	-	-	61	-	61
Key Managerial Personnel						
Remuneration	2024-25	-	-	-	406	406
	2023-24	-	-	-	380	380



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes to standalone financial statements for the year ended March 31, 2025

2.41 Earning per equity share

Particulars	Year ended March 31, 2025	Year Ended March 31, 2024
Basic and diluted earning per equity share		
Net Profit after tax attributable to equity shareholders (₹ in lakh) (A)	2,122	1,862
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)	2.12	1.86

2.42 Dividend remitted in foreign currency

Particulars	Year ended March 31, 2025	Year Ended March 31, 2024
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	2023 - 2024	2022 - 2023



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED

Notes to standalone financial statements for the year ended March 31,2025

₹ in Lakh

2.43 Comparision 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 As at year ended March 31, 2025

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	5	-	5	-	-
	Stage 2	-	-	-	-	-
Subtotal Performing Assets(A)		5	-	5	-	-
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	36	-	36	-	-
	Stage 2	79	79	-	73	6
	Stage 3	155	155	-	155	-
Trade receivables (D)	NA	935	235	700	231	4
Purchased or Originated credit impaired (E)	Purchased or Originated credit impaired					-
Subtotal (F) = (C) + (D) + (E)		1,205	469	736	459	10
Total assets (a)	Stage 1	42	-	41	-	-
	Stage 2	79	79	-	73	6
	Stage 3	155	155	-	155	-
	Others	935	235	700	231	4
	Total	1,211	469	741	459	10



2.43 Comparision 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

As at year ended March 31, 2024

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 - up to 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	91	-	91	-	-
	Stage 2	183	183	-	178	5
	Stage 3	40	40	-	40	-
	Others	368	183	185	183	-
	Total	682	406	276	401	5

In accordance with Ind AS 109 – Financial Instruments, the Company is required to recognise Expected Credit Loss (ECL) on its financial assets. However, as per the Reserve Bank of India (RBI) guidelines, where provisions have already been created in excess of the requirements under the Income Recognition, Asset Classification and Provisioning (IRAC) norms, such excess provision can be reckoned for meeting the ECL requirements. Accordingly, since the Company has maintained provisions in excess of the IRAC requirement, no additional impairment reserve has been created in these financial statements.



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes to standalone financial statements for the year ended March 31,2025

2.44 Schedule of security receipts (SRs)

₹ in Lakh

Name of Trust	As at March 31,2025		As at March 31, 2024	
	No. of SRs	Fair Value	No. of SRs	Fair Value
A) Structured entities controlled by the Company (Refer Note 2.38)				
Reliance ARC - CUB (2014) Trust	35,409	684	43,421	709
Reliance ARC - CUB (HL & SME)(2014) Trust *	15,645	250	15,653	231
Reliance ARC 004 Trust	1	251	1	464
Reliance ARC 007 Trust	94,748	289	1,06,951	433
RARC 061 (Indusind Retail) Trust#	28,244	681	16,290	452
RARC 076 TRUST	1	1,148	5,673	905
Reliance ARC ALPLUS Trust	-	-	-	-
Ind AS 109 Adjustment	-	231		
Total (A)		3,533		3,193
B) Other structured entities				
Reliance ARC - LVB Trust	7,841	-	7,841	-
Reliance ARC - INB Retail Portfolio Trust (2013)	2,33,141	629	2,45,364	1,008
Reliance ARC - AUCB 2014 (1) Trust	1	34	1,017	13
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)	-	-	-	-
Reliance ARC 001 Trust	1,96,493	-	1,96,932	-
Reliance ARC 002 Trust	3,893	-	4,132	-
Reliance ARC 006 Trust	26,196	-	34,390	-
Reliance ARC 008 Trust	17,482	-	22,679	-
Reliance ARC 010 Trust	30,680	121	30,680	124
Reliance ARC 011 Trust	53,184	402	56,151	558
Reliance ARC 012 Trust	20,507	202	20,507	137
Reliance ARC 015 Trust	63,670	366	69,408	415
Reliance ARC 016 Trust	21,606	132	21,606	130
Reliance ARC 013 Trust	693	-	1,697	-
RELIANCE ARC SBI (HYD) 021 Trust	1,685	-	1,685	-
RELIANCE ARC SBI (CHN) 018 Trust	69,122	492	74,325	443
RELIANCE ARC SBI (MUM) 020 Trust	2,853	-	3,080	-
RELIANCE ARC SBI (BHO) 019 Trust	10,689	-	10,750	-
RELIANCE ARC SBI (CHN) 022 Trust	1,14,345	649	1,27,642	988
RARC SVC 023 Trust	-	-	-	4
RARC Dena Bank 024 Trust	1,556	-	2,354	18
RARC 026 Trust	55,132	272	61,428	932
RARC Dena Bank 025 Trust	4,819	-	5,194	25
INB RARC 030 Trust	83,414	582	84,165	1,098
RARC 027 Trust	18,979	28	19,964	318
Magma RARC 031 Trust	2,868	20	4,868	55



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes to standalone financial statements for the year ended March 31, 2025

2.44 Schedule of security receipts (SRs)

₹ in Lakh

Name of Trust	As at March 31, 2025		As at March 31, 2024	
	35,216	136	41,108	411
INB RARC 036 Trust	8,515	22	11,878	88
SVC Bank RARC 033 Trust	21,744	43	22,826	343
SBI RARC 035 Trust	57,304	289	57,304	787
LVB RARC 038 Trust	48,905	188	79,622	796
Andhra Bank RARC 039 Trust	3,164	16	3,164	24
RARC 040 IB SME Trust	19,730	145	22,463	337
RARC 045 IB SME Trust	16,570	124	16,570	166
RARC 048 RCFL Trust	77,013	385	78,931	1,148
RARC 049 (Kalyan Janata SME) Trust *	6,308	95	6,308	95
RARC (IOB EL) 050 Trust	1,09,386	811	1,22,462	907
RARC 051 (KJSB SME) Trust	40,944	614	40,944	514
RARC 052 (IB Retail) Trust*	1,29,508	1,968	1,50,375	1,504
RARC 053 (IB SME) Trust	31,780	153	40,170	301
RARC 057 (SHDFCL HL) Trust	1	-	1,141	26
RARC 058 (KJSB SME) Trust	11,877	85	26,640	130
RARC 059 (RHDFC HL) Trust	34,180	106	10,753	170
RARC (IOB EL) 062 Trust	90,679	674	98,630	1,340
RARC 064 (HDFC Retail) Trust *	51,495	784	60,847	926
RARC (IOB EL) 065 Trust *	1,34,102	2,024	1,46,988	2,215
RARC (ORFIPL TWL) 066 Trust*	12,405	185	14,280	203
Shubham Housing RARC Trust*	29,912	459	42,935	661
RARC 068 Trust*	1,21,331	1,645	1,40,709	1,709
RARC 069 Trust*	11,290	161	13,500	185
RARC 070 Trust *	39,954	678	81,270	1,252
RARC 071 Trust	19,716	296	21,562	325
RARC 072 Trust *	89,077	1,336	90,389	1,211
RARC 073 Trust	11,225	172	11,845	183
RARC 074 Trust	8,849	135	11,121	167
RARC 075 Trust	13,024	195	13,267	214
RARC 077 TRUST	3,822	65	6,415	110
RARC 078 TRUST	5,432	88	10,541	164
RARC (IOB EL)079 TRUST	1,48,595	2,438	1,67,827	2,730
RARC 080 TRUST	11,527	61	11,527	128
RARC 081 TRUST	12,933	221	13,379	221
RARC 082 TRUST	7,645	144	15,844	259
RARC 083 TRUST	19,074	347	23,013	406
RARC 086 TRUST	1,12,501	1,700	1,24,803	1,914
RARC 084 Trust	44,954	683	51,899	519
RARC 087 Trust	8,035	113	8,718	87
RARC 089 Trust	3,83,969	6,544	4,37,410	4,374
RARC 090 Trust	12,964	194	12,964	130
RARC 091 Trust	4,376	65	4,878	49
RARC 092 Trust	1,65,374	2,480	-	-
Total (B)		32,999		35,695
Total (A + B)		36,533		38,889

Trust expiring 8 years, where recovery is expected security receipts are valued by external valuer.
During the previous year, the company had written-off investment in security receipts (No. of Security Receipts - 1,628) amounting to ₹ 16.28 Lakh as no further recovery is expected.

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



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes to standalone financial statements for the year ended March 31, 2025

2.45 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 & Loan Management System for maintaining books of account. During the year ended March 31, 2025, the Company had complied with the above provisions.

2.46 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".

2.47 Other Additional Regulatory Information

2.47.1 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.

2.47.2 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

2.47.3 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.

2.47.4 Security of current assets against borrowings

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

2.47.5 Wilful defaulter

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

2.47.6 Relationship with Struckoff Companies

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

2.47.7 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.

2.47.8 Ratios

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Debt-Equity Ratio (No. of times) ^a	0.17	0.23
Debt Service Coverage Ratio (No. of times) ^b	1.15	0.89
Capital to risk asset ratio (CRAR) (%) ^c	74.15%	66.41%
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.



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes to standalone financial statements for the year ended March 31,2025

2.47.9 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:

- (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 company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company 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.

2.47.10 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.

2.47.11 Details of Crypto Currency or Virtual Currency

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

2.48 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

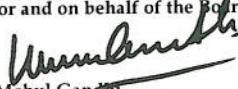
For M.P. Chitale & Co.
Chartered Accountants
Firm Registration No. : 101851W

Anagha Thatte
Partner
Membership No: 105525

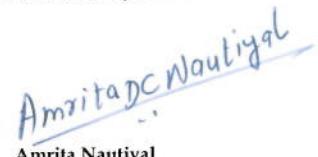
Place : Mumbai
Date: 09th December,2025

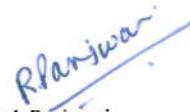


For and on behalf of the Board of Directors


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


Asokan Arumugam
(Director)
(DIN- 01460456)


Amrita Nautiyal
(Director)
(DIN- 00123512)


Rakesh Panjwani
(Chief Financial Officer)



M. P. Chitale & Co.

Chartered Accountants

Hamam House, Ambala Doshi Marg, Fort, Mumbai - 400 001 • Tel. : 2265 1186 / 2265 3023 / 24 • E-mail : office@mpchitale.com

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED

Report on the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of Reliance Asset Reconstruction Company Limited (hereinafter referred to as the “Holding Company”) and its Trusts (Holding Company and its Trusts together referred to as “the Group”) which includes 7 subsidiaries and 10 associates, which comprise the Consolidated Balance Sheet as at March 31, 2025, the consolidated Statement of Changes in Equity, Consolidated Statement of Profit and Loss (including consolidated Other Comprehensive Income) and consolidated Statement of Cash Flows for the year ended on that date, notes to the Consolidated Ind AS Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as “Consolidated Ind AS Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards (the “Ind AS”) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015; as amended of the state of affairs (financial position) of the Group as at March 31, 2025, the consolidated changes in equity, its consolidated profit (financial performance including other comprehensive income) and consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing (SA) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further prescribed in the Auditor’s Responsibilities for the Audit of the Consolidated Ind AS 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.



Emphasis of Matter

We draw attention to Note 2.29 (A) read along with Note 1.01 of the financial statements, which states that the Company's regulatory capital (net owned funds) without taking into consideration the positive impact of fair valuation of SR is Rs. 145.58 crore which is below the regulatory requirement. There is a change in the shareholding pattern post March 31, 2025 and as a result one of the existing Sponsor (Cosmea Investments Private Limited) as on September 06, 2025 has given the assurance to comply with the regulatory capital requirement on or before March 31, 2026.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the Consolidated Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Ind AS 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 key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the Key Audit Matter
i. Valuation of Investment in Security Receipts (SR) (as described in Note No. 2.04 & 2.25 of the consolidated financial statements)	
<p>The Holding Company has investment in SR having fair value amounting to Rs. 304.57 Lakh which are classified as Fair Value through Profit & Loss Accounts and fair valued as Level 3 financial instruments. 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 projections of future cash flows and its timings and expenses.</p> <p>Based on RBI's Master Direction, the management has engaged external credit rating agencies for assigning the rating to SRs basis</p>	<p>Our audit approach was a combination of test of internal controls and substantive procedure which include the following:</p> <ol style="list-style-type: none"> <li data-bbox="870 1545 1494 1814">1. We tested the relevant internal controls over measurement of fair value and evaluating the methodologies, assessment underlying pool of assets , inputs, judgements made and assumptions used by the management in determining fair value. <li data-bbox="870 1870 1494 2102">2. Performed testing on a sample basis of key inputs like estimated cash flows compared with previous year estimated cash flows and its timing. The trend of recoveries were tested on sample basis with previous year's

Key Audit Matters	How our audit addressed the Key Audit Matter
<p>which the management estimate Net Asset Value (NAV) of Security Receipts (SRs) that are less than eight years old. While an external valuer (registered /unregistered) has been appointed for valuation of SRs basis the management estimate for SRs exceeding eight years old.</p> <p>Considering the fair valuation of investments is significant to overall standalone financial Statement as well as the Group performance and the fair valuations involves significant degree of complexities and including management's judgment. This could lead to material misstatement in the standalone financial statement.</p> <p>Therefore, it is considered as a key audit matter.</p>	<p>trend. Verified actual cashflows with estimated cashflows and obtained explanations for variances, if any.</p> <ol style="list-style-type: none"> 3. We reviewed the adequacy of the inputs used in the fair valuation vis-à-vis the observable market data. 4. Verification of the disclosure related to investments in SRs being financial instrument as guided by relevant Indian Accounting Standards and RBI guidelines.
<p>ii. <u>Revenue Recognition – Trusteeship fees / Management fees (as described in Note 1.03 (i) and 2.21 of the consolidated financial statements)</u></p> <p>Trusteeship fees constitute the primary source of income in the statement of profit and loss.</p> <p>The calculation of Trusteeship fees as percentage of NAV is based on the Asset Under Management ('AUM') of the fund managed by the Holding Company in accordance with the guidelines prescribed under RBI guidelines, as amended from time to time.</p> <p>Trusteeship fees are recognised as per the provisions of the relevant trust deeds/ offer documents on accrual basis.</p>	<p>Our audit approach was a combination of test of internal controls and substantive procedure which include the following:</p> <ol style="list-style-type: none"> 1. Understanding and evaluation of design and implementation of key controls place around recognition of fees charged by the Holding company. 2. Evaluated the appropriateness of recognition of revenue in respect of Trusteeship Fee income based on the requirements of Ind AS 115.



Key Audit Matters	How our audit addressed the Key Audit Matter
<p>Trusteeship Fee is accrued based on a five step model as set out in Ind AS 115 “Revenue from Contract with Customers”. Further, to comply with the RBI guidelines the income is reversed if it is outstanding for more than 180 days.</p> <p>Therefore, it is considered as a key audit matter.</p>	<p>3. Reviewed fee rates from Trust deeds and offer documents as agreed upon by the parties on sample basis.</p> <p>4. Verified invoices raised towards revenue and reconciled them with accounting records.</p> <p>Further, verified trusteeship fees computation with reference to SR outstanding as well as the NAV (recovery estimate at lower end) of the SR.</p>
<p>iii) Consolidation of Trusts</p> <p>The Group sponsors and manages multiple Trusts for the purpose of acquiring and resolving stressed assets, where Security Receipts (SRs) are issued to investors.</p> <p>As per Ind AS 110 Consolidated Financial Statements An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.</p> <p>Special consideration is required for structured entities where conventional shareholding may not indicate control. In such cases, contractual arrangements, decision-making rights, and exposure to variable returns are key in assessing control.</p> <p>Control exists when the investor has:</p> <ul style="list-style-type: none"> • Power over the investee; • Exposure, or rights, to variable returns from its involvement with the investee; and 	<p>We have understood the structure of the Trust managed by the Holding Company and review the beneficial interest and other relevant clauses of the trust deeds.</p> <p>We have read and understood the technical assessment documents made by the Holding Company and control/power assessment made for the purpose of consolidation in accordance with Ind AS 110.</p> <p>We have verified the consolidation of these trust done by the Group including disclosures made in financial statements in accordance with Ind AS 110.</p>

Key Audit Matters	How our audit addressed the Key Audit Matter
<ul style="list-style-type: none"> The ability to use its power over the investee to affect its returns. <p>Considering the significant management judgement and estimate involved in assessing control.</p> <p>Therefore, it is considered as a key audit matter.</p>	

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

The Holding Company's Board of Directors is responsible for preparation of other information. The other information comprises information included in the Management discussion and analysis, the Directors' Report including Annexures to Directors' Report (collectively called as "Other Information") but does not include the Consolidated Ind AS Financial Statements and our auditor's report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.

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 Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Other Information, if, we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance. We have nothing to report in this regard.

Responsibility of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act,2013 ("the Act") with respect to the preparation of these Consolidated Ind AS Financial Statements that give a true and fair view of consolidated financial position, consolidated financial performance (including consolidated other comprehensive income), consolidated changes in equity and consolidated cash flows and of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards ("Ind

AS") prescribed under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015; as amended and RBI Guidelines.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision 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 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 Consolidated Ind AS Financial Statements 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, Board of Director is responsible for assessing the Group 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 Holding Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of Consolidated Ind AS 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 Ind AS 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 Ind AS 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 Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls over financial reporting system with reference to Consolidated Ind AS 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 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 Group 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 Consolidated Ind AS 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 Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Other Matter

These Consolidated Financial Statements include the figures for the year ended March 31, 2024 which were audited by predecessor auditor who expressed an unmodified opinion as relevant on those Consolidated Financial Statements vide their audit report dated August 20, 2024. Our opinion on the Consolidated Financial Statements is not modified in respect of this matter.



Report on Other Legal and Regulatory Requirements

(i) As required by the Companies (Auditors' Report) Order, 2020 ("the order") issued by the Central Government of India in terms of sub-section (11) of the Section 143 of the Act on the matter specified at clause (xxi) of paragraph 3 and 4 of the said order, we report that this Consolidated Financial Statement comprise of the financial statement of

- a) The Holding Company wherein there are adverse remark in their CARO report

Sr. no.	Name of the Entity	Parent /Subsidiary	Clause Number of the CARO Report
1	Reliance Asset Reconstruction Company Limited	Parent	(ii) (b)

- b) 7 subsidiaries and 10 associates which are Trust entities to which CARO 2020 is not applicable

(ii) As required by sub-section (3) of the section 143 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 Group so far as it appears from our examination of those books;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Consolidated Ind AS Financial Statement comply with the Indian Accounting Standards referred under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Amendment Rules, 2024.
- (e) On the basis of written representations from the Directors as on March 31, 2025 and taken on record by the Board of Directors, in its meeting held on May 08, 2025 none of the Directors is disqualified as on March 31, 2025, from being appointed as a Director u/s 164(2) of the Companies Act, 2013;
- (f) With respect to the adequacy of the internal financial controls with reference to Consolidated Ind AS Financial Statements of the Holding Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Further, our report expresses an unmodified opinion on the adequacy and operating



effectiveness of the Holding Company's internal financial controls over with reference to Consolidated Ind AS Financial Statements;

(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, as amended:

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, 2025 has been provided by the Holding Company to its director in accordance with the provisions of Section 197 read with Schedule V of the Act

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Amendment Rules, 2021; in our opinion and to the best of our information and according to the explanations given to us:

a) The Group has disclosed the impact of pending litigations on its financial position in its Consolidated Ind AS Financial Statements – [Refer Note no. 2.32 & 1.03 (m)]

b) The Group has made provision as required under applicable law or accounting standards for material foreseeable losses [Refer Note no. 2.16 & 1.03 (m)]

c) The Group did not have any long-term contracts including derivative contracts.

d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

e) (i) On the basis of written representations received from the management and reference to note no. 2.48.2 , there were no funds, that have been advanced or loaned or invested by the Group to or in 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 Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) On the basis of written representations received from the management and reference to note no. 2.48.2, there were no funds, that have been received by the Group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, that the Group 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”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (iii) Basis the audit procedures performed, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- f) The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.
- g) Based on our examination which included test checks, the Holding Company has used accounting software for maintaining its books of account for the year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, basis the data received and verified on test check, we did not come across any instance of audit trail feature being tampered with and also found that the audit trail feature has been configured in the core accounting software including the record prevention as per the statutory requirements.

Trusts incorporated in India are registered under The Indian Trust Act, 1882 and included in the consolidated financial statements are not companies under the Act and provision of Rule 11(g) is not applicable to Trust.

For M. P. Chitale & Co.
Chartered Accountants
ICAI Firm Registration No.: 101851W

Anagha Thatte



Anagha Thatte

Partner

ICAI Membership No.: 105525

UDIN : 25105525BMOKTA5360

Place : Mumbai

Date : December 09, 2025

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE
ON THE CONSOLIDATED FINANCIAL STATEMENTS OF RELIANCE ASSET
CONSTRUCTION COMPANY LIMITED**

(Referred to in paragraph (ii) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members the Company)

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

We have audited the internal financial controls over financial reporting with reference to Consolidated Ind AS Financial Statements of Reliance Asset Construction Company Limited (hereinafter referred to as the "Holding Company"), as of March 31, 2025 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The management of Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 (the "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 Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting with reference to Consolidated Ind AS 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") and the Standards on Auditing, issued by ICAI and specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to Consolidated Ind AS Financial Statements were 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to Consolidated Ind AS Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Ind AS Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Ind AS 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 Holding Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls with reference to Consolidated Ind AS Financial Statements

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Holding Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Consolidated Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Holding Company are being made only in accordance with authorisations of management and directors of the Holding Company; and
- (3) 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 Consolidated Ind AS Financial Statements.



Inherent Limitations of Internal Financial Controls with reference to Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to Consolidated Ind AS 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 over financial reporting with reference to Consolidated Ind AS Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting with reference to Consolidated Ind AS Financial Statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting with reference to Consolidated Ind AS Financial Statements criteria established by the Holding 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.

**For M. P. Chitale & Co.
Chartered Accountants
ICAI Firm Registration No.: 101851W**

Anagha Thatte



Anagha Thatte

Partner

ICAI Membership No.: 105525

UDIN : 25105525BMOKTA5360

Place : Mumbai

Date : December 09, 2025

Particulars	Notes	As at	
		March 31, 2025	March 31, 2024
I) ASSETS			
A) Financial Assets			
(a) Cash & cash equivalents	2.01	47	42
(b) Trade receivables	2.02	699	181
(c) Loans	2.03	246	367
(d) Investments	2.04	30,457	34,025
(e) Other financial asset	2.05	151	107
		<u>31,600</u>	<u>34,722</u>
Total Financial Assets (A)			
B) Non-financial Assets			
(a) Current tax assets (Net)	2.06	26	1
(b) Property, plant and equipment	2.07	36	47
(c) Right of use assets	2.08	279	378
(d) Other intangible assets	2.09	33	2
(e) Intangible assets under development	2.10	-	30
(f) Other non-financial assets	2.11	236	296
		<u>610</u>	<u>754</u>
Total Non Financial Assets (B)			
TOTAL ASSETS (A + B)		<u>32,210</u>	<u>35,476</u>
II) LIABILITIES AND EQUITY			
LIABILITIES			
(C) Financial Liabilities			
(a) Trade Payables	2.12	166	-
(i) total outstanding dues of micro enterprises and small enterprises			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		224	229
	2.12(i)	555	1,205
(b) Debt Securities	2.13	4,497	5,385
(c) Borrowings (Other than debt securities)	2.14	585	2,145
(d) Other financial liabilities			
Total Financial Liabilities (C)		<u>6,027</u>	<u>8,964</u>
(D) Non-Financial Liabilities			
(a) Current tax liability (Net)	2.15	-	-
(b) Provisions	2.16	49	45
(c) Deferred tax (Net)	2.17	44	147
(d) Other non-financial liabilities	2.18	1,396	2,139
		<u>1,489</u>	<u>2,331</u>
Total non financial Liabilities (D)			
(E) EQUITY			
a) Equity Share capital	2.19	10,000	10,000
b) Other Equity	2.20	14,684	14,071
c) Non Controlling Interest (Security Receipt issued by Trust)		10	110
		<u>24,694</u>	<u>24,181</u>
Total Equity (E)			
TOTAL LIABILITIES AND EQUITY (C + D+ E)		<u>32,210</u>	<u>35,476</u>
Significant Accounting Policies		1	
Notes on Accounts		2	
The accompanying notes are an integral part of the Consolidated Financial Statements.			
As per our report of even date			

For M.P. Chitale & Co.
 Chartered Accountants
 Firm Registration No. : 101851W

Anagha Thatte
 Anagha Thatte
 Partner
 Membership No: 105525



For and on behalf of the Board of Directors

Mehul Gandhi

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

Asokan Arumugam

Asokan Arumugam
 (Director)
 (DIN- 01460456)

Amrita Nautiyal

Amrita Nautiyal
 (Director)
 (DIN- 00123512)

Rakesh Panjwani

Rakesh Panjwani
 (Chief Financial Officer)



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
 Consolidated statement of profit and loss for the period ended March 31, 2025
 CIN: U45200MH2006PLC161190

Particulars	Notes	For the year ended	For the year ended March
		March 31, 2025	31, 2024
I Revenue from operation			₹ in lakh
(a) Fees and commission income	2.21	7,187	5,881
(b) Gain on sale of Investment	2.22	-	597
(c) Net gain on fair value changes		-	-
Total Revenue from operation (I)	2.23	7,187	6,478
II Other income (II)		753	785
III Total Revenue (I+II)		7,940	7,263
IV Expenses			
(a) Finance costs	2.24	710	742
(b) Net loss on fair value changes	2.25	352	729
(c) Employee benefits expense	2.26	1,111	1,105
(d) Depreciation and amortisation	2.06, 2.07 & 2.08	121	128
(e) Other expenses	2.27	2,701	2,029
Total Expenses (IV)		4,995	4,733
V Profit / (Loss) before tax (III - IV)	2.28	2,945	2,530
VI Tax expense			
Current Tax		(396)	(478)
Tax of Earlier Years		-	80
Deferred Tax		98	191
VII Profit / (Loss) after tax (V - VI)		2,647	2,323
VIII Other Comprehensive Income			
Items that will not be reclassified to Consolidated statement of profit and loss			
Remeasurement Gain / (Loss) of defined benefit plans		(24)	(4)
Deferred Tax Expense on above		6	1
Other Comprehensive Income / (Loss) for the year (VIII)		(18)	(3)
Total Comprehensive Income / (Loss) for the year (VII + VIII)		2,629	2,320
Net profit for the year attributable to:			
Owners of the Company		2,572	2,271
Non Controlling Interest		75	52
Total Comprehensive Income attributable to:			
Owners of the Company		2,554	2,268
Non Controlling Interest		75	52
Earning per equity share: (Nominal value per share: ₹ 10)	2.41	2.57	2.27
Basic & Diluted (Amount in ₹)		1	
Significant Accounting Policies		2	
Notes on Accounts			

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

For M.P. Chitale & Co.
 Chartered Accountants
 Firm Registration No. : 101851W

ANAGHA THATTE
 Anagha Thatte
 Partner
 Membership No: 105525



For and on behalf of the Board of Directors

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

Asokan Arumugam
 Asokan Arumugam
 (Director)
 (DIN: 01460456)

Amrita Nautiyal
 Amrita Nautiyal
 (Director)
 (DIN- 00123512)

R. Panjwani
 Rakesh Panjwani
 (Chief Financial Officer)



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
 Consolidated statement of changes in equity for the year ended March 31, 2025
 CIN: U45200MH2006PLC161190

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, 2024	10,00,00,000	10,000
Shares issued during the year	-	-
As at March 31, 2025	10,00,00,000	10,000

₹ in lakh

B. Other equity (Refer Note 2.20)

Particulars	Reserves and surplus		Other comprehensive income	Total other equity
	Debenture redemption reserve	Retained Earnings		
Balance as at April 01, 2023	-	13,711	(15)	13,696
Profit for the year	-	601	-	601
Dividend (including tax on dividend)	-	(300)	-	(300)
Transfer to Debenture Redemption Reserve (Net)	121	(121)	-	-
Loss on NCI Transferred		-		-
Non Controlling Interest Share Adjustment		77		77
Other comprehensive income/(loss) for the year	-	-	(3)	(3)
Balance as at March 31, 2024	121	13,968	(18)	14,071
Profit for the year	-	2,572	-	2,572
Dividend (including tax on dividend)	-	(300)	-	(300)
Non Controlling Interest Share Adjustment	-	(8)	-	(8)
Other comprehensive income/(loss) for the year	-	-	(18)	(18)
Equity Adjustment for Associates		(1,226)		(1,226)
Buyback SR cost adjustment		(407)		(407)
Transfer from Debenture Redemption Reserve	(66)	66		-
Balance as at March 31, 2025	55	14,665	(36)	14,684

As per our report of even date.

For M.P. Chitale & Co.
 Chartered Accountants
 Firm Registration No. : 101851W

Anagha Thatte
 Partner
 Membership No: 105525



For and on behalf of the Board of Directors

Mehul Gandhi

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

Asokan Arumugam
 Asokan Arumugam
 (Director)
 (DIN- 01460456)

Amrita Nautiyal
 Amrita Nautiyal
 (Director)
 (DIN- 00123512)

Rakesh Panjwani
 Rakesh Panjwani
 (Chief Financial Officer)

Place : Mumbai
 Date: 09th December,2025



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED

Consolidated statement of cash flow for the year ended March 31, 2025

CIN: U45200MH2006PLC161190

₹ in lakh

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A. Cash flow from operating activities		
Profit before Tax	2,945	2,530
Adjustments for:		
Net (gain)/loss on fair value changes (net)	352	(59)
Other Income	-	(45)
Provision / (Reversal) of doubtful debts (net)	51	(37)
Provision / (Reversal) for advances (net)	17	34
Write off of Investment in Security Receipts	16	79
Write off of Advances given to trust	2	4
Depreciation and amortisation	121	128
Gain on sale of investment	-	(597)
Interest on Income Tax Refund	(4)	(26)
Interest expenses	672	702
Interest on lease liability	38	40
Operating Profit before working capital changes	4,210	2,752
Adjustments for working capital changes:		
Increase/(Decrease) in trade receivables and other financial assets	(554)	(69)
Increase/(Decrease) in trade payables and other financial liabilities	(2,118)	1,613
Cash generated from operations	1,538	4,296
Income tax paid (net of refund)	(315)	(479)
Net cash generated from operating activities (A)	1,223	3,817
B. Cash flow from investing activities		
Purchase of investments	(2,092)	(6,519)
Realisation from investment	4,264	3,883
Buyback of Security Receipts (Non Controlling Interest)	(786)	-
Recovery from financial asset of trust	-	236
Purchase of property, plant and equipment (Including CWIP and Intangible asset under development)	(11)	(45)
Net cash (used in) / generated from investing activities (B)	1,375	(2,445)
C. Cash flow from financing activities		
Proceeds from borrowings	400	2,340
Repayment of borrowings	(2,185)	(2,275)
Proceeds from sale of Non Controlling Interest	-	1,176
Dividend paid	(300)	(300)
Lease liability paid	(119)	(116)
Interest expenses	(636)	(681)
Net cash (used in) / generated from financing activities (C)	(2,840)	144
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(242)	1,517
Cash and cash equivalents at the beginning of the year	(4,208)	(5,726)
Cash and cash equivalents at the end of the year	(4,450)	(4,208)



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
 Consolidated statement of cash flow for the year ended March 31, 2025
 CIN: U45200MH2006PLC161190

₹ in lakh

Cash and cash equivalents considered for cash flows		For the year ended March 31, 2025	For the year ended March 31, 2024
Particular		47	42
Cash & cash equivalents (Refer Note 2.01)		(4,497)	(4,250)
Less : Secured Bank Over Draft (Refer Note 2.13)		(4,450)	(4,208)
Cash and cash equivalents for cash flows purpose			

Note 1: Secured bank overdraft has been considered as a part of cash and cash equivalent as Indian Accounting Standard (Ind AS)

7 "Statement of Cash Flows".

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 M.P. Chitale & Co.
 Chartered Accountants
 Firm Registration No. : 101851W

Anagha Thatte
 Anagha Thatte
 Partner
 Membership No: 105525



For and on behalf of the Board of Directors

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

Asokan Arumugam
 Asokan Arumugam
 (Director)
 (DIN- 01460456)

Amrita Dc Nautiyal
 Amrita Nautiyal
 (Director)
 (DIN- 00123512)

R.Panjwani
 Rakesh Panjwani
 (Chief Financial Officer)

Place : Mumbai
 Date: 09th December,2025



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes on accounts to consolidated financial statements for the year ended March 31, 2025

Significant 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. The Company is a group company of Reliance Capital Limited being the largest shareholder holding 49% of the Companies paid up share capital. RCL's corporate insolvency resolution process was concluded on March 19, 2025 and IndusInd International Holding Limited (IIHL) has taken control on RCL. Thereafter the Company appraised IIHL about the business plan and RBI requirement about minimum Net Owned Fund (NOF). The Company has also requested RBI for providing time upto March 31, 2026 to meet the minimum regulatory threshold for NOF. The Company vide letter dated October 31, 2025 requested Reserve Bank of India (RBI) Department of Regulation sought a clarification on computing its Net Owned Fund considering the fair value of Security Receipts that are more than eight years old vis-à-vis its accounting done in compliance with Ind AS 109, Financial Instruments. Accordingly, RBI vide e-mail dated December 05, 2025, advised that the ARC may be guided by paragraph 137 of Reserve Bank of India (Asset Reconstruction Companies) Directions, 2025 dated November 28, 2025 for computation of owned fund, i.e., if the ARC recognizes in its balance sheet, the fair value of Security Receipts (SRs) which have crossed eight years from the date of acquisition of the financial assets, any net unrealised gains arising on fair valuation of SRs should not be included in its owned fund. Accordingly, the Company's regulatory capital is below the minimum threshold requirement as on the Balance sheet date. Further, considering the event occurring after balance sheet date there is change in the shareholding pattern from RCL to Cosmea Investments Pvt. Ltd. (CIPL) on September 06, 2025. CIPL as part of Share Purchase agreement has assured the financial commitment to meet the regulatory capital as needed by infusing additional equity.

These standalone financial statement of the Company for the year ended March 31, 2025 were authorised for issue by the board of directors on December 09, 2025. 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.

As on September 10, 2025, the Company filed an application for an extension of time by a period of three months for holding the 19th Annual General Meeting under Section 96 of the Companies Act, 2013. The Ministry of Company Affairs (MCA) has granted the extension for a period of two months and one day on September 13, 2025. Further as on November 04, 2025 Company again file Form GNL 1 for further extension of 1 month i.e. up to December 31, 2025. MCA approved the extension the same.

1.02 Principles of Consolidation

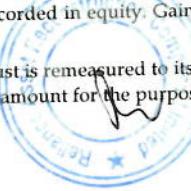
The Consolidated Financial Statements relate to the Company and trusts (structured entities) controlled by the Company (hereinafter collectively referred to as "the Group"). The Company consolidates a trust when it controls it. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns 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

During the current financial year, the Group reassessed its involvement in certain Trusts wherein it holds more than 20% of the Security Receipts (SRs). In accordance with Ind AS 110, Consolidated Financial Statements, to be read along with Ind AS 28, such holdings were evaluated to determine the nature of the Group's involvement. Based on this reassessment, the Group concluded that its rights are sufficient to provide it with significant influence and power over the relevant activities of the Trusts. Accordingly, these Trusts are classified as associates in terms of Ind AS 28, Investments in Associates and Joint Ventures during the current Financial Year, and are accounted for using the equity method in these Consolidated Financial Statements. In the previous financial year, the Group did not consolidate/equity account for these Trusts. The omission has been assessed as a prior period error under Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors and has been corrected by restatement of the comparative financial information as required by Ind AS 8. The comparative figures for the year ended March 31, 2024 have been restated and hence will differ from the audited financial statements for the year ended March 31, 2024 to this extent.

- (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 difference between the costs of investment over the net assets, as the trust 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
- (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.



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes on accounts to consolidated financial statements for the year ended March 31, 2025

Significant Accounting Policies

- (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.

1.03 Significant 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.

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 2.17), 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 2.16). 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.

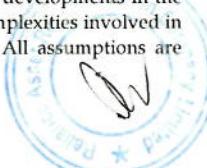
(ii) Taxes: The group provides for tax considering the applicable tax regulations and based on probable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation 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.



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes on accounts to consolidated financial statements for the year ended March 31, 2025

Significant Accounting Policies

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 for Trust less than 8 years and external valuer for valuation of SRs for trust more than 8 years.

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
Server and Network	6 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 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 group.
- (iv) Amortization 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 statement of profit and loss.

f) Right-of-use asset

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 group has substantially all the economic benefits from the use of the asset through the period of lease; and
- (iii) the group 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.



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes on accounts to consolidated financial statements for the year ended March 31, 2025

Significant Accounting Policies

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 group's incremental borrowing rate. The group 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:

- 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 group operates the following post-employment schemes:

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



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes on accounts to consolidated financial statements for the year ended March 31, 2025

Significant Accounting Policies

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 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 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 group 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 consolidated 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 Group to the Trusts

Advances paid by the group to the trusts are shown as recoverable from trusts and are grouped under "Advance recoverable in cash or kind". These advances are reimbursed to the group 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".



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes on accounts to consolidated financial statements for the year ended March 31, 2025

Significant Accounting Policies

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 Group recognises transfers between levels of fair value hierarchy at the end of the reporting period during which the change has occurred. (Refer to note 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 initially measured at fair value, except for Trade receivables which are initially measured at the transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in standalone statement of profit or loss.

(ii) Day 1 Profit and Loss

When the transaction price of the Financial instrument differs from the Fair value at origination and the fair value is based on a valuation technique using inputs observable in market transactions the company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable or when the instruments are derecognised.

(iii) Subsequent measurement

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

- Asset is held within a business model whose objective is to hold assets for collecting contractual cash flows.
- 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 classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- 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.

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')



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes on accounts to consolidated financial statements for the year ended March 31, 2025
Significant Accounting Policies

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 Assets can be impaired maximum upto the reduction in the value of securities and after 8 years financial assets are fully impaired. Any subsequent recovery post impairment will result in reversal of impairment cost.

During the financial 2024-25, below mention trust there is an impairment of financial asset

1. LVB RARC 038 Trust
2. RARC (IOB EL) 062 Trust
3. SBI Bank RARC 035 Trust

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 Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the 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 of amounts

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



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes on accounts to consolidated financial statements for the year ended March 31, 2025

2.01 Cash & cash equivalents

	₹ in lakh	
	As at March 31, 2025	As at March 31, 2024
Balances with bank:		
In current accounts	47	42
	47	42

2.02 Trade Receivables

	₹ in lakh	
	As at March 31, 2025	As at March 31, 2024
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured (Refer Note No. 2.40)	699	181
Receivables which have significant increase in credit risk	234	183
	933	364
Less: Expected credit losses (ECL)	(234)	(183)
	699	181

No trade receivables are due from directors or other officers of the Group 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.

Particulars	Trade receivables days past due	0-180 days	181-360 days	More than 360 days	Total
March 31, 2025	Estimated total gross carrying amount at default	702	53	178	933
	ECL - Simplified approach	(4)	(53)	(177)	(234)
	Net carrying amount	698	-	1	699
March 31, 2024	Estimated total gross carrying amount at default	181	183	-	364
	ECL - Simplified approach	-	(183)	-	(183)
	Net carrying amount	181	-	-	181

Reconciliation of provision of doubtful debts:

Particulars	₹ in lakh
ECL measured as per simplified approach	
ECL as on April 01, 2023	220
Add/ (less): asset originated or acquired net of recoveries	(37)
ECL as on March 31, 2024	183
Add/ (less): asset originated or acquired net of recoveries	51
ECL as on March 31, 2025	234

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 Feb 22, 2023.

Particulars	As at the end of March 31, 2025	As at the end of March 31, 2024
Outstanding amount of unrealised management fee	933	364
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	223	147
(b) Other amounts unrealised for:	-	-
(i) More than 180 days but upto 1 year	7	36
(ii) More than 1 year but upto 3 years	-	-
(iii) More than 3 years	-	-
Allowances held for unrealised management fee outstanding for less than 6 months	4	-
Total Allowances held for unrealised management fee	234	183
Net unrealised management fee receivable	699	181

*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, 2025	As at March 31, 2024
Loans Considered good	246	367
	246	367



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes on accounts to consolidated financial statements for the year ended March 31, 2025

2.04 Investments	₹ in lakh	
	As at March 31, 2025	As at March 31, 2024
At fair value through profit and loss	30,457	34,025
Investments in Security Receipts (Unquoted) (Refer Note 2.46)		
	30,457	34,025
Total	-	-
Investments outside India	30,457	34,025
Investments in India		

During the current financial year, the Group reassessed its involvement in certain Trusts wherein it holds more than 20% of the Security Receipts (SRs). In accordance with Ind AS 110, Consolidated Financial Statements, to be read along with Ind AS 28, such holdings were evaluated to determine the nature of the Group's involvement. Based on this reassessment, the Group concluded that its rights are sufficient to provide it with significant influence and power over the relevant activities of the Trusts. Accordingly, these Trusts are classified as associates in terms of Ind AS 28, Investments in Associates and Joint Ventures during the current Financial Year, and are accounted for using the equity method in these Consolidated Financial Statements. In the previous financial year, the Group did not consolidate/equity account for these Trusts. The omission has been assessed as a prior period error under Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors and has been corrected by restatement of the comparative financial information as required by Ind AS 8. The comparative figures for the year ended March 31, 2024 have been restated and hence will differ from the audited financial statements for the year ended March 31, 2024 to this extent.

During the year, the company has written off investments in security receipts amounting to Rs.16.28 lakhs (Previous year- Rs.78.63 Lakhs) as no recovery is expected in future.

2.05 Other financial assets	₹ in lakh	
	As at March 31, 2025	As at March 31, 2024
Considered good unless otherwise stated - Unsecured	89	45
Advances to trust considered good (Refer Note No. 2.40)	244	225
Advances to trust which have significant increase in credit risk	(244)	(225)
Less: Provision for advances	89	45
Security deposit	61	61
Collection on behalf of trust	-	-
Trust fund	1	1
	151	107

Particulars	Advance to trust	₹ in lakh			Total
		0-180 days	181-360 days	More than 360 days	
March 31, 2025	Advance to trust	99	79	155	332
	Provision	(10)	(79)	(155)	(244)
	Net carrying amount	89	-	-	89
March 31, 2024	Advance to trust	45	185	40	270
	Provision	-	(185)	(40)	(225)
	Net carrying amount	45	-	-	45

2.06 Current tax assets (Net)	₹ in lakh	
	As at March 31, 2025	As at March 31, 2024
Tax Receivable (net of provision March 31, 2025 ₹2,720 lakh)	26	1



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED

Notes on accounts to consolidated financial statements for the year ended March 31, 2025

2.07 Property, plant and equipment

Particulars	Own assets					₹ in Lakh
	Buildings	Furniture and fixtures	Office equipments	Leasehold Improvement	Computers	
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	-	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
Year ended March 31, 2025						
Gross carrying amount						
Opening gross carrying amount	25	14	7	7	120	173
Additions	-	-	-	-	4	4
Closing gross carrying amount	25	14	7	7	124	176
Accumulated depreciation						
Opening accumulated depreciation	3	14	6	5	98	126
Depreciation charge during the year	0	0	1	1	12	14
Closing accumulated depreciation	3	14	7	6	110	140
Net carrying amount as at March 31, 2025	22	-	0	-	14	36

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



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes on accounts to consolidated financial statements for the year ended March 31, 2025

2.08 Right-of-use assets

(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, 2025	As at March 31, 2024
	Building	323	175
a.	Opening Balance	-	255
b.	Additions to right of use asset	(75)	(78)
c.	Depreciation charge for the year	-	(117)
d.	De-recognition of right of use assets	-	88
e.	Accumulated depreciation on "d" above	248	323
f.	Closing Balance		
	Motor Vehicle	55	79
a.	Opening Balance	-	-
b.	Additions to right of use asset	(24)	(24)
c.	Depreciation charge for the year	-	-
d.	De-recognition of right of use assets	-	-
e.	Accumulated depreciation on "d" above	31	55
f.	Closing Balance	279	378
	Total		

Other disclosure w.r.t. leases:

- Finance cost amounts to ₹ 38 lakh (March 31, 2024 ₹ 40 lakh).
- The total cash outflow for the year ended March 31, 2025 amounts to ₹ 119 lakh (March 31, 2024 ₹ 116 lakh).
- The Company incurred ₹ 52.26 lakh (March 31, 2024 ₹ 52 lakh) for the year ended March 31, 2025 towards expenses relating to lease of low-value assets.

Lease liabilities

Maturity analysis - contractual discounted cash flows

Lease liabilities	Contractual cash flows				
	Carrying amount	Total	0-1 years	1-5 years	5 years and above
2024-25	324	382	125	257	-
2023-24	406	501	119	382	-



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
 Notes on accounts to consolidated financial statements for the year ended March 31, 2025

2.09 Other intangible assets

Particulars	₹ in Lakh
Computer Software	
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
Year ended March 31, 2025	
Gross carrying amount	
Opening gross carrying amount	66
Additions	38
Closing gross carrying amount	104
Accumulated amortisation	
Opening accumulated amortisation	63
Amortisation during the year	8
Closing accumulated amortisation	71
Net carrying amount as at March 31, 2025	33

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



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
 Notes on accounts to consolidated financial statements for the year ended March 31, 2025

Particulars	₹ in Lakh
Year ended March 31, 2024	
Gross carrying amount	30
Opening gross carrying amount	-
Additions	-
Written off	-
Capitalisation	30
Closing gross carrying amount as at March 31, 2024	
Year ended March 31, 2025	
Gross carrying amount	30
Opening gross carrying amount	-
Additions	-
Disposal and transfers	30
Capitalisation	-
Closing gross carrying amount as at March 31, 2025	



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes on accounts to consolidated financial statements for the year ended March 31, 2025

2.11 Other non financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
Considered good unless otherwise stated - Unsecured		
Balances with Government authorities	14	131
Prepaid expenses	19	29
Income Tax Refund Receivable	20	124
Recovery received on behalf of trust*	155	-
Advances recoverable in cash and kind or for value to be received which are considered good (Refer Note No. 2.39)	28	12
Advances recoverable in cash or in kind or for value to be received which have significant increase in credit risk	-	-
Less: Provision for Advances	28	12
	28	12
	236	296

2.12 Trade Payables

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Total outstanding dues of micro enterprises and small enterprises*	166	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	224	229
	390	229

Trade Payables ageing

As at March 31, 2025	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	-	166	-	-	-	166
(ii) Undisputed Trade Payables - Others	-	224	-	-	-	224
Total	-	389	-	-	-	389

As at March 31, 2024	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

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

2.12 (i) Debt securities

Particulars	As at March 31, 2025	As at March 31, 2024
At amortised cost		
Secured		
Non Convertible Debentures - (Refer Note No. 2.39)	555	1,205
Total (A)	555	1,205
Debt securities in India	555	1,205
Debt securities outside India	-	-
Total (B)	555	1,205

Note : During the year the Company has issued, Non Convertible Debentures ₹ 400 Lakh to Torus Distress Fund-2 with a coupon rate of 14% p.a. for 24 months with call option or bullet on completion of 30 months and the same was redeemed in March'25. The Non Convertible Debentures outstanding of ₹ 328 Lakh (₹ 750 lakhs issued to Cleardu Fintech Pvt Ltd) and ₹ 227 Lakh (₹ 455 lakhs issued to Torus Distress Fund- 1) are secured against Security Receipts of RARC 089 Trust and RARC (IOB EL) 079 Trust respectively.



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes on accounts to consolidated financial statements for the year ended March 31, 2025

₹ in lakh

2.13 Borrowings (Other than debt securities)

Particulars	As at	
	March 31, 2025	March 31, 2024
At amortised cost		
Loans from banks	4,497	4,250
Secured bank over draft		
Inter Corporate Deposit		1,135
Unsecured from related parties [Refer Note No. 2.40]	4,497	5,385
Total (A)	4,497	5,385
Borrowings in India		
Borrowings outside India		
Total (B)	4,497	5,385

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 range between 9.80% - 11.80% (March 31, 2024 10.95%) and is required to be renewed on yearly basis.

(ii) During the year the Company had not issued any Inter corporate deposit.

2.14 Other financial liabilities

Particulars	As at	
	March 31, 2025	March 31, 2024
Interest accrued but not due on borrowings	57	21
Employee benefits payable	202	283
Recovery received on behalf of trust*	-	1,434
Others payables	2	1
Lease liability	293	353
- Building	31	52
- Motor Vehicle	585	2,145

* 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, as per report generated from payment gateway site. The above amount represents amounts pending to be transferred to the trust as on balance sheet date.

2.15 Current tax liability (Net)

Particulars	As at	
	March 31, 2025	March 31, 2024
Tax Payable	-	-

2.16 Provisions

Particulars	As at	
	March 31, 2025	March 31, 2024
Provision for employee benefits Gratuity (Refer note 2.30)	49	45



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes on accounts to consolidated financial statements for the year ended March 31, 2025

2.17 Deferred tax (Net)

Particulars	₹ in lakh	
	As at March 31, 2025	As at March 31, 2024
Deferred tax liabilities		
Related to Property, plant and equipment and intangibles	-	-
Fair valuation of investments	128	220
	128	220
Deferred tax assets		
Related to Property, plant and equipment and intangibles	1	(3)
Gratuity	(12)	(11)
Leased liability	(11)	(2)
Provisions	(61)	(57)
	(84)	(73)
	44	147

Movements in deferred tax

Particulars	Property, plant and equipment and intangibles	Fair valuation of investments	Gratuity	Provisions for SARs	Leased Liability	Provisions	Total
As at April 01, 2023	(3)	403	(8)	-	(4)	(48)	340
Charged/(Credited) to							
Statement of profit and loss	-	(183)	(2)	-	2	(9)	(192)
Other comprehensive income/(loss)	-	-	(1)	-	-	-	(1)
As at March 31, 2024	(3)	220	(11)	-	(2)	(57)	147
Charged/(Credited) to							
Statement of profit and loss	4	(92)	5	-	(9)	(4)	(97)
Other comprehensive income/(loss)	-	-	(6)	-	-	-	(6)
As at March 31, 2025	1	128	(12)	-	(11)	(61)	43

2.18 Other Non financial liabilities

Particulars	₹ in lakh	
	As at March 31, 2025	As at March 31, 2024
Income received in advance	995	1,580
Statutory dues*	401	478
Advance received from Trust	-	82
	1,396	2,139

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



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes on accounts to consolidated financial statements for the year ended March 31, 2025

2.19 Share capital

Particulars	₹ in lakh	
	As at March 31, 2025	As at March 31, 2024
Authorised 15,00,00,000 (March 31, 2022 - 15,00,00,000) equity shares of ₹10 each 1,00,00,000 (March 31, 2022 - 1,00,00,000) preference shares of ₹10 each	15,000 1,000 <hr/> 16,000	15,000 1,000 <hr/> 16,000
Total		
 Issued, Subscribed and Fully Paid Up 10,00,00,000 (March 31, 2022 - 10,00,00,000) equity shares of ₹10 each	10,000 <hr/> 10,000	10,000 <hr/> 10,000
Total		

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	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, 2025		
	Number	₹ in lakh	% Change during the year
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	-
Particulars	As at March 31, 2024		
	Number	₹ in lakh	% Change during the year
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%

d. Details of Share holders, holding more than 5% of the aggregate Shares in the Company

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	% Holding	Number of shares	% 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%	1,35,00,000	13.50%
Union Bank of India	95,00,000	9.50%	95,00,000	9.50%
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%

Subsequent to the reporting date, the Company's shareholding structure has undergone a change, whereby Cosmea Investments Private Limited (CIPL) has become the holding company of Reliance Asset Reconstruction Company, replacing Reliance Capital Limited (RCAP) vide share purchase agreement dated September 06, 2025. The transaction resulted in consideration payable by the incoming shareholder to RCAP. This does not affect the assets and liabilities as at the reporting date.



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED

Notes on accounts to consolidated financial statements for the year ended March 31, 2025

2.20 Other equity

	₹ in lakh	
	As at March 31, 2025	As at March 31, 2024
Retained earnings	14,665	13,968
Other comprehensive income	(36)	(18)
Debenture redemption reserve	55	121
Total other equity	14,684	14,071
Retained earnings		
Opening balance	13,968	13,711
Add: Profit for the year	2,572	601
Less: Dividend paid	(300)	(300)
Add: Transfer from debenture redemption reserve	66	(121)
Add: Loss on NCI Transferred	-	-
Add: Buyback SR cost adjustment	(407)	
Add: Equity Adjustment for Associates	(1,226)	
Add: Non Controlling Interest Share Adjustment	(8)	77
Closing balance	14,665	13,968
Other comprehensive income		
Opening balance	(18)	(15)
Additions during the year (net)	(18)	(3)
Closing balance	(36)	(18)
Debenture redemption reserve		
Opening balance	121	-
Add: Transfer from retained earnings	-	121
Less: Transfer to retained earnings	(66)	-
Closing balance	55	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 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.

During the current financial year, the Group reassessed its involvement in certain Trusts wherein it holds more than 20% of the Security Receipts (SRs). In accordance with Ind AS 110, Consolidated Financial Statements, to be read along with Ind AS 28, such holdings were evaluated to determine the nature of the Group's involvement. Based on this reassessment, the Group concluded that its rights are sufficient to provide it with significant influence and power over the relevant activities of the Trusts. Accordingly, these Trusts are classified as associates in terms of Ind AS 28, Investments in Associates and Joint Ventures during the current Financial Year, and are accounted for using the equity method in these Consolidated Financial Statements. In the previous financial year, the Group did not consolidate/equity account for these Trusts. The omission has been assessed as a prior period error under Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors and has been corrected by restatement of the comparative financial information as required by Ind AS 8. The comparative figures for the year ended March 31, 2024 have been restated and hence will differ from the audited financial statements for the year ended March 31, 2024 to this extent.



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes on accounts to consolidated financial statements for the year ended March 31, 2025

		₹ in lakh	
2.21 Fees and commission Income		For the year ended March 31, 2025	For the year ended March 31, 2024
Particulars			
Trusteeship fees		3,136	3,114
Incentive fees		90	139
Recovery agent fees (Refer No. 2.40)		3,830	2,600
Profit on redemption of security receipts		131	28
		<u>7,187</u>	<u>5,881</u>

		₹ in lakh	
2.22 Net gain on fair value changes		For the year ended March 31, 2025	For the year ended March 31, 2024
Particulars			
Net gain / (loss) on financial instruments at fair value through profit or loss		-	597
Fair value gain/(loss) on investment - Unrealised		-	597
		<u>-</u>	<u>597</u>
Fair value changes:		-	-
- Realised		-	597
- Unrealised		-	597
		<u>-</u>	<u>597</u>

		₹ in lakh	
2.23 Other Income		For the year ended March 31, 2025	For the year ended March 31, 2024
Particulars			
At amortised cost		-	-
Interest on fixed deposits		76	42
Interest on advance given to trusts		4	27
Interest on Income Tax Refund		-	-
Other income		-	-
- Professional Fees		673	717
- Realisation over Financial Asset		-	-
- Other Income		<u>753</u>	<u>785</u>

		₹ in lakh	
2.24 Finance costs		For the year ended March 31, 2025	For the year ended March 31, 2024
Particulars			
Interest on financial liabilities measured at fair value through profit or loss		205	57
Interest on debt securities		-	-
Interest on financial liabilities measured at amortised cost		446	624
Interest on other borrowings		19	15
Processing charges		1	1
Bank charges		1	4
Interest - Others		38	40
Interest on leased liability		<u>710</u>	<u>742</u>



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes on accounts to consolidated financial statements for the year ended March 31, 2025

2.25 Net loss on fair value changes

	₹ in lakh	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Net loss on financial instruments at fair value through profit or loss		
Fair value gain/(loss) on investment - Unrealised	352	729
Fair value gain/(loss) on Loan Assets - Unrealised	-	-
	352	729
Fair value changes:		
- Realised	-	-
- Unrealised	352	729
	352	729

During the year, the company has written off investments in security receipts amounting to Rs.16.28 lakhs (Previous year- Rs.78.63 Lakhs) as no recovery is expected in future.

2.26 Employee Benefit Expense

	₹ in lakh	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Salary, bonus and allowances		
Contribution to provident fund and other funds	999	1,017
Gratuity expense (Refer Note No 2.29)	43	39
Staff welfare expenses	8	9
	61	40
	1,111	1,105

2.27 Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Professional and legal charges	620	690
Premises rent and electricity expenses	46	41
Payment to auditors		
- Statutory audit fees	14	15
- Tax audit fees		0
- Limited review fees	2	3
Provision for advances	21	34
Investment Written off	16	79
Advance to Trust Written off	2	4
Recovery commission	1,474	703
Director's sitting fees	30	29
Travelling expenses	51	44
Telephone expenses	38	29
Stamp duty and processing fees	4	5
Repair and maintenance	24	22
Courier and postage	9	6
Software maintanance Charges	144	119
Office printing and stationery	5	5
Due diligence expense	2	7
Expenditure towards corporate social responsibility (refer note 2.31)	62	61
Trusteeship fees	-	-
Rating fees	1	2
Miscellaneous expenses	136	131
	2,701	2,029



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
 Notes on accounts to consolidated financial statements for the year ended March 31, 2025

2.28 Income tax expense

₹ in lakh

	For the year ended March 31, 2025	For the year ended March 31, 2024
Tax Expense recognized in the statement of profit and loss		
(a) Income tax expense	396	478
Current tax on profits for the year	-	(80)
Adjustments for current tax of prior periods	<u>396</u>	<u>398</u>
Total current tax expense	396	398
Deferred tax	(98)	(191)
(Decrease) / increase in deferred tax	<u>(98)</u>	<u>(191)</u>
Total deferred tax expense / (benefit)	<u>298</u>	<u>207</u>
Income tax expense		
Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:	25.17%	25.17%
Tax rates	2,945	2,530
Profit before tax	<u>741</u>	<u>637</u>
Tax calculated at tax rates applicable		
Difference due to:	16	14
Corporate social responsibility	(15)	15
Depreciation and amortization	7	13
Provision disallowed and others	(340)	(508)
Losses of Trust	(1)	(145)
Others	(109)	253
Ind AS adjustment	-	(80)
Adjustments for current tax of prior periods	<u>299</u>	<u>198</u>
Total income tax expense / (credit)	<u>299</u>	<u>198</u>
Effective Tax Rate	10.14%	7.82%

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%.



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED

Notes on accounts to consolidated financial statements for the year ended March 31, 2025

2.29 (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

Capital to risk assets ratio (CRAR):	₹ in lakh	
	As at March 31, 2025	As at March 31, 2024
(a) Common Equity Tier 1 capital	26,918	25,087
(b) Other Tier 2 capital instruments	-	-
(c) Total capital	26,918	25,087
(d) Risk weighted assets	36,299	37,775
(e) CRAR (%)	74.15%	66.41%

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.

Particulars	As at March 31, 2025	As at March 31, 2024
Paid Up Equity Capital	10,000	10,000
Free Reserves (excluding OCI)	20,257	18,435
Sub-Total	30,257	28,435
Less: Adjustments		
Debit balance on the profit and loss account		
Miscellaneous expenditure (to the extent not written off or adjusted)		
Deferred Fair Value Gain	231	-
Book value of intangible assets and prepaid expenses	51	60
Under / short provision against NPA / diminution in value of		
(a) SRs less than 8 years in age	9,336	7,666
(b) SRs more than 8 years in age	6,081	5,653
Net Owned Fund (Tier I)	14,558	15,056
Other Tier II capital instruments	-	-
Total capital	14,557	15,056
Risk weighted assets	36,299	37,775
CRAR (%)	40.10%	39.86%

(B) Dividends

	₹ in lakh	
	As at March 31, 2025	As at March 31, 2024
(i) Equity Shares		
Final dividend paid for the year ended March 31, 2024 of ₹ 0.30 (March 31, 2023 - ₹ 0.30) per share fully paid share.	300	300



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes on accounts to consolidated financial statements for the year ended March 31, 2025

2.30 Employee benefits :

Particulars	₹ in Lakh	
	As at March 31, 2025	As at March 31, 2024
(a) Defined contribution plan		
Amount recognised in the statement of profit and loss	35	32
(i) Employer's contribution to provident fund	7	5
(ii) Employer's contribution to pension fund	42	37
(b) Gratuity:		
Disclosures required as per the Ind AS 19, Employee Benefits		
Particulars	₹ in Lakh	
	As at March 31, 2025	As at March 31, 2024
I. Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Obligation at the beginning of the year	4	4
Interest cost	5	7
Service cost	-	-
Liability transferred in / acquisition	(20)	(5)
Benefit paid		
Actuarial (gains) / losses recognised in other comprehensive income	0	(2)
- Due to change in demographic assumptions	15	(1)
- Due to change in financial assumptions	10	6
- Due to experience adjustments	79	64
Obligation at the end of the year		
II. Change in plan assets		
Fair value of plan assets at the beginning of the year	1	2
Expected return on plan assets { as per standalone}	30	-
Contribution	(20)	(5)
Benefit paid from the fund	-	-
Liability transferred in / acquisition	-	-
Actuarial gains / (losses) on plan assets - due to experience	1	0
Interest income { as per standalone}	30	18
Fair value of plan assets at the end of the year		
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	79	64
Present value of the defined benefit obligation at the end of year	49	45
Liability recognised in the balance sheet		
IV. Expense recognized in statement of profit or loss		
Service cost	3	2
Interest cost	12	8
Expense recognized in statement of profit or loss		
V. Amount recognized in the other comprehensive income		
Actuarial (gain)/loss recognised in other comprehensive income	(1)	(0)
Expected return on plan assets	25	4
Amount recognized in the other comprehensive income		
VI. Investment details on plan assets		
100% of the plan assets are invested in insurance fund	0	0
VII. Actual return on plan assets { as per standalone}		
(Current year ₹ 51,751 ; Previous year ₹ 27,531)		



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED

Notes on accounts to consolidated financial statements for the year ended March 31, 2025

2.30 Employee benefits :

VIII. Assumptions

Interest rate	6.59%	7.14%
Salary growth rate	9.00%	5.12%
Estimated return on plan assets	6.59%	7.14%
Employee turnover rate	15.00%	37.00%

IX. Particulars of the amounts for the year and previous years

	₹ in Lakh			
	2025	2024	2023	2022
Present value of benefit obligation	(79)	(64)	(54)	(44)
Fair value of plan assets	30	18	22	6
Excess of obligation over plan assets	(49)	(45)	(32)	(38)
				(29)

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.

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate (+1% movement)	(4)	(1)
Discount rate (-1% movement)	4	1
Future salary growth (+1% movement)	4	1
Future salary growth (-1% movement)	(4)	(1)
Employee turnover (+1% movement) {as per standalone}	(1)	-
Employee turnover (-1% movement) {as per standalone}	1	-
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	As at March 31, 2025	As at March 31, 2024
Projected benefits payable in future from the date of reporting		
1st following year	9	34
2nd following year	10	12
3rd following year	9	8
4th following year	9	6
5th following year	8	4
Sum of 6 to 10 years	34	6
Sum of 11 years and above	40	1

XII. The weighted average duration of the defined benefit obligation is 5 years. (March 31, 2024 - 5 years)



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes on accounts to consolidated financial statements for the year ended March 31, 2025

2.31 Corporate Social Responsibility Expenditure:

Particulars	For the year ended March 31, 2025	₹ in lakh For the year ended March 31, 2024
(a) amount required to be spent by the company during the year,	62	61
(b) amount of expenditure incurred,	62	61
(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>Eradicating hunger, poverty and malnutrition</p> <p>Promoting health care and medical facility</p> <p>Providing Safe Drinking Water through RO plants and Farmer Trainings on Integrated Pest Management in Chilli Cultivation.</p> <p>Advancing education by offering Scholarship and fees Concession to deserving students, ensuring that financial barriers do not hinder their academic growth and also, providing mid-day meals and essential Foods Items to support the nutrition and well-being of underprivileged students in Rural Areas.</p>	<p>Setting up homes for women's and orphans etc.</p> <p>Eradicating hunger, poverty and malnutrition</p> <p>Promoting health care</p>
(g) details of related party transactions,	NA	NA
(h) where a provision is made with respect to a	NA	NA

2.32 Contingent liability and capital commitments:

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 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.

2.33 Foreign currency

The Company has incurred ₹ NIL (March 31, 2024 ₹ 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

Particulars	As at March 31, 2025	₹ in lakh As at March 31, 2024
Debt securities	1,205	-
Opening balance	-	1,205
Availed during the year	-	-
Impact of non-cash items	(650)	-
Repaid during the year	555	1,205
Closing balance		
Borrowings (other than debt securities)	1,135	2,275
Opening balance	-	1,135
Availed during the year	-	-
Impact of non-cash items	(1,135)	(2,275)
Repaid during the year	-	1,135
Closing balance		
Interest	21	-
Opening balance	710	742
Interest Expenses	(38)	(40)
Impact of non-cash items	(636)	(681)
Repaid during the year	57	21
Closing balance		



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.

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	47	-	47	42	-	42
Trade receivables	699	-	699	181	-	181
Loans*	-	246	246	367	-	367
Investments*	4,477	25,980	30,457	5,950	29,745	35,695
Other financial asset	89	62	151	45	62	107
Non-financial assets						
Current tax assets (Net)	-	26	26	-	1	1
Property, plant and equipment	-	36	36	-	47	47
Right of use assets	-	279	279	-	378	378
Other intangible assets	-	33	33	-	2	2
Intangible assets under development	-	-	-	-	30	30
Other non-financial asset	236	-	236	296	-	296
Total assets (a)	5,547	26,662	32,209	6,881	30,265	37,146

Particulars	As at March 31, 2025			As at March 31, 2024		
	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	224	-	224	229	-	229
Borrowings (Other than debt securities)	4,497	-	4,497	5,385	-	5,385
Other financial liabilities	328	257	585	1,965	180	2,145
Debt Securities	555	-	555	-	1,205	1,205
Non-financial Liabilities						
Current tax liability (Net)	-	-	-			
Provisions	37	12	49	33	12	45
Deferred tax (Net)	-	44	44	-	147	147
Other non-financial liabilities	1,396	-	1,396	2,139	-	2,139
Total liabilities (b)	7,037	313	7,349	9,751	1,544	11,295
Net (a - b)	(1,490)	26,349	24,860	(2,870)	28,721	25,851

* As expected by management of the Group



2.36 Fair value measurements

a) Financial instruments by category

Particular	March 31, 2025		March 31, 2024	
	Fair value through profit or loss	Amortised cost	Fair value through profit or loss	Amortised cost
Financial assets				
Cash & cash equivalents	-	47	-	42
Trade receivables	-	699	-	181
Loans	-	246	-	367
Investments - Unquoted	30,457	-	34,025	-
Other financial asset	-	151	-	107
Total financial assets	30,457	1,143	34,025	697
Financial liabilities				
Payables	-	390	-	229
Debt Securities		555		1,205
Borrowings (Other than debt securities)	-	4,497	-	5,385
Other financial liabilities	-	585	-	2,145
Total financial liabilities	-	6,027	-	8,964

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 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

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2025	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments - Unquoted	-	-	30,457	30,457
Total	-	-	30,457	30,457

Financial liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2025	Level 1	Level 2	Level 3	Total
Financial liabilities				
Borrowings (Other than debt securities)	-	-	4,497	4,497
Debt Securities*	-	-	555	555
Total	-	-	5,052	5,052



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED

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₹ 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			34,025	34,025
Total	-	-	34,025	34,025
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

* 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.

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.



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
 Notes on accounts to consolidated financial statements for the year ended March 31, 2025

₹ in lakh

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

The following table presents the changes in level 3 items for the periods ended 31 March 2025 and 31 March 2024:

Particulars	Investment	Debt securities	₹ in lakh
As at April 01, 2023	33,556	1,135	
Additions	6,519	1,205	
Disposals	(3,651)	(1,135)	
Gains/(losses) recognised in consolidated statement of profit and loss	(729)		
Equity Adjustment from investment	(1,670)		
As at March 31, 2024	34,025	1,205	
Additions	1,685	-	
Disposals / Repayment / Write off	(3,675)	(650)	
Gains/(losses) recognised in consolidated statement of profit and loss	(352)	-	
Equity Adjustment from investment	(1,226)		
As at March 31, 2025	30,457	555	

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.



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

Type of Financial Instruments	Fair value of asset as on March 31, 2025	Fair value of liability as on March 31, 2025	Valuation Techniques	Significant Unobservable input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Decrease 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	30,457	-	Discounted projected cash flow	Expected gross recoveries*	2,17,684	17,724	3,125	(25,078)	(3,125)	0.50%

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)	Decrease 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	34,025	-	Discounted projected cash flow	Expected gross recoveries*	2,09,968	20,997	1,658	(20,997)	(3,129)	0.50%

* 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.



₹ in lakh

RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
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2.37 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 taken 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 group expects that the counterparties will not request repayment on the earliest date it could be required to pay.

₹ in lakh					
As at March 31, 2025	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Contractual maturities of assets and liabilities					
Financial assets					47
Cash and cash equivalents	47	-	-	-	47
Trade Receivables	-	699	-	-	699
Loans	-	-	246	-	246
Investments *	1,071	3,406	13,183	12,797	30,457
Other financial assets	1	88	20	42	151
Total financial assets (a)	1,119	4,193	13,449	12,839	31,600
Financial liabilities					
Trade payables					
(i) total outstanding dues of micro enterprises and small enterprises	166	-	-	-	166
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	224	-	-	-	224
Borrowings (Other than debt securities)	-	4,497	-	-	4,497
Debt Securities	-	555	-	-	555
Other financial liabilities	203	125	257	-	585
Total financial liabilities (b)	593	5,177	257	-	6,026
Net (a - b)	526	(984)	13,192	12,839	25,574

₹ in lakh					
As at March 31, 2024	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Contractual maturities of assets and liabilities					
Financial assets					42
Cash and cash equivalents	42	-	-	-	42
Trade Receivables	-	181	-	-	181
Loans	-	-	367	-	367
Investments*	1,488	4,462	18,876	9,199	34,025
Other financial assets	1	44	20	42	107
Total financial assets (a)	1,531	4,687	19,263	9,241	34,722
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
Borrowings (Other than debt securities)	-	5,385	-	-	5,385
Debt Securities	1,767	91	1,205	-	1,205
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)	17,771	9,241	25,758

* As expected by management of the Group



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2.38 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	2024-25			
	Increase in basis points	Effect on profit before tax (₹ in lakh)	Decrease in basis points	Effect on profit before tax (₹ in lakh)
INR	50	(22)	50	22

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)



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2.39 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 also as assets directly acquired by the Company.

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 also as 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, 2025 & 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, 2025	As at March 31, 2024
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
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	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



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED

Notes on accounts to consolidated financial statements for the year ended March 31, 2025

2.39 Additional Disclosures

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	88,590	80,167
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	15,998
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, Piannacle 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	864
41	PHF Leasing Limited	87, Radio Colony, Mahavir Marg, Jalandhar, Punjab- 144001.	325	325
42	Laxmi India Finance Private Limited	2, Gopinath Marg, MI Rd, Jaipur - 302001	1,432	1,432
43	Manba Finance Limited	Manba House, Plot No A - 79, Road No 16, Wagle Estate, Thane (West) - 400604	2,102	2,102
TOTAL			4,54,920	4,46,496



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED

Notes on accounts to consolidated financial statements for the year ended March 31, 2025

2.39 Additional Disclosures

(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, 2025	As at March 31, 2024	
Agriculture	31,516	6.93%	31,516	7.06%
Education	1,64,119	36.08%	1,55,696	34.87%
Housing	17,238	3.79%	17,238	3.86%
MSME	1,41,387	31.08%	1,41,387	31.67%
Seeds / Biotech	5,730	1.26%	5,730	1.28%
Food processing	9,735	2.14%	9,735	2.18%
Power	270	0.06%	270	0.06%
Plastics	230	0.05%	230	0.05%
Casting & Forging	3,343	0.73%	3,343	0.75%
Construction	2,440	0.54%	2,440	0.55%
Waste Processing	440	0.10%	440	0.10%
Vehicle	15,767	3.47%	15,767	3.53%
Personal	13,586	2.99%	13,586	3.04%
Infrastructure	3,905	0.86%	3,905	0.87%
Information Technology	294	0.06%	294	0.07%
Advertisement	3	0.00%	3	0.00%
Textile	4,735	1.04%	4,735	1.06%
Electricals	592	0.13%	592	0.13%
Gems & Jewellery	710	0.16%	710	0.16%
Others	38,880	8.55%	38,880	8.71%
TOTAL	4,54,920	100.00%	4,46,496	100.00%

(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, 2025	As at March 31, 2024	
A. Sponsor				
- Reliance Capital Limited	9,599	2%	9,599	2%
- Union Bank of India	-	0%	-	0%
Total Sponsor (A)	9,599	2%	9,599	2%
B. Non-Sponsors				
Total Non Sponsor (B)	4,45,321	98%	4,36,897	98%
TOTAL (A+B)	4,54,920	100%	4,46,496	100%



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
 Notes on accounts to consolidated financial statements for the year ended March 31, 2025

2.39 Additional Disclosures

		₹ in Lakh	As at March 31, 2025	As at March 31, 2024
(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		8,424	35,105
(vi)	Value of Financial Assets realised during the financial year		25,260	23,004
(vii)	Value of Financial Assets outstanding for realisation as at the end of the financial year.		2,16,078	2,32,914
(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		25,260	23,004
(ix)	Value of Security Receipts/Contractual Rights in Loan Assets, pending for redemption as at the end of the financial year		2,16,078	2,32,914
(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 - VB PILVE Trust SR issued was of Rs 990 lakhs where redemption of Rs 664.38 lakhs has been done during its tenure. Hence, SR of Rs 325.62 lakhs were not redeemed during the financial year as a result of non-realisation of the Financial Asset as per the policy formulated. The SR has been written off in FY 24-25 whereas trust has been closed in FY 24-25.			
(xi)	Value of land and / or building acquired in ordinary course of business of reconstruction of assets. - NIL			



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED

Notes on accounts to consolidated financial statements for the year ended March 31, 2025

2.39 Additional Disclosures

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.

(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, 2025
1	Reliance ARC - INB Retail Portfolio Trust (2013)	33,302	-
2	Reliance ARC - LVB Trust	1,568	-
3	Reliance ARC - CUB 2014 (1) Trust	354	-
4	Reliance ARC - SBI Maan Sarovar Trust	460	-
5	Reliance ARC CUB HL & SME 2014 1 Trust	156	-
6	Reliance ARC - CUB(CTRPL)(2014)Trust	2,510	-
7	Reliance ARC 001 Trust	13,099	-
8	Reliance ARC 002 Trust	259	-
9	Reliance ARC 004 Trust	0	-
10	Reliance ARC 006 Trust	1,048	-
11	Reliance ARC 007 Trust-A	857	-
12	Reliance ARC 007 Trust-B	600	-
13	Reliance ARC 008 Trust	699	-
14	Reliance ARC 010 Trust	2,045	-
15	Reliance ARC 011 Trust	3,546	-
16	Reliance ARC 012 Trust	1,367	-
17	Reliance ARC 015 Trust	4,246	-
18	Reliance ARC 016 Trust	1,440	-
19	Reliance ARC 013 Trust	46	-
20	Reliance ARC SBI(CHN)018 Trust	4,608	-
21	Reliance ARC SBI(HYD)021 Trust	112	-
22	Reliance ARC SBI(BHO)019 Trust	713	-
23	Reliance ARC SBI(MUM)020 Trust	190	-
24	Reliance ARC SBI(CHN)022 Trust	7,623	-
25	RARC Dena Bank 024 Trust	104	-
26	RARC 026 Trust	3,675	-
27	RARC Dena Bank 025 Trust	321	-
28	RARC 027 Trust	1,265	-
29	LVB RARC 029 Trust	568	-
30	INB RARC 030 Trust	5,561	-
31	Magma RARC 031 Trust	191	-
32	SVC Bank RARC 033 Trust	1,450	-
33	SBI Bank RARC 035 Trust	2,865	-
34	INB RARC 036 Trust	2,348	-
35	LVB RARC 038 Trust	2,445	-
36	Andhra Bank RARC 039 Trust	211	50%
37	RARC 040 (IB SME) Trust	1,315	75%
38	RARC 045 (IB SME) Trust	1,105	75%
39	RARC 048 (RCFL) Trust	5,134	50%
40	RARC (IOB EL) 050 Trust	7,293	75%
41	RARC 053 (IB SME) Trust	2,119	50%
42	RARC 058 (KJSB SME) Trust	792	73%
43	RARC (IOB EL) 062 Trust	4,534	75%



Reliance Asset Reconstruction Company Limited

Notes on accounts to consolidated financial statements for the year ended March 31, 2025

2.40 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
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) Asset Reconstruction trusts - controlled and associates of 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
8. Reliance ARC 006 Trust
9. Reliance ARC 008 Trust
10. SBI Bank RARC 035 Trust
11. LVB RARC 038 Trust
12. RARC (IOB EL) 062 Trust
13. RARC (IOB EL) 065 Trust
14. RARC 068 Trust
15. RARC 072 Trust
16. RARC 089 Trust
17. RARC 092 Trust

iv) 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 & Chief Executive Officer
- b) Mr. Rakesh Panjwani
Chief Financial Officer
- c) Ms. Dipanjali Nagpal (upto December 31, 2024)
Company Secretary
- d) Ms. Sujata Mukherjee (upto October 17, 2025)
Company Secretary



Reliance Asset Reconstruction Company Limited
 Notes to consolidated financial statement for the year ended March 31, 2025

2.40 Related party transactions

B. Transactions during the year with related parties:

Particulars	Year	Entity having	Subsidiaries	Asset	Key	(₹ in lakh)
		Significant Influence	of Entity having significant influence	Reconstruction trusts - controlled by the company		
Total Income (Net of Provision)	2024-25	-	1	-	-	1
Reliance ARC SBI Maan Sarovar Trust (*₹.22891)	2023-24	-	*	-	-	*
Interest on Borrowings other than debt securities						
Reliance Corporate Advisory Services Limited (assigned to Acre- 116 Trust on June 07, 2023)	2024-25	-	-	-	-	165
	2023-24	-	165	-	-	-
Reliance Capital Limited	2024-25	-	-	-	-	-
	2023-24	-	-	-	-	-
Other Expenses						
Reliance Capital Limited (Software Maintenance Charges & Other Expense)	2024-25	9	-	-	-	9
	2023-24	7	-	-	-	7
Reliance General Insurance Company Limited (Mediclaim Premium Expense & Other Expense)	2024-25	-	16	-	-	16
	2023-24	-	13	-	-	13
Reliance Asset Reconstruction Company Limited Group Gratuity Cum Life Assurance Scheme	2024-25	-	-	30	-	30
	2023-24	-	-	-	-	-
Reliance Financial Limited (*₹ 4000)	2024-25	-	*	-	-	*
	2023-24	-	*	-	-	-
Reliance Securities Ltd (Rent & Maintenance Expense & Other Expenses)	2024-25	-	91	-	-	91
	2023-24	-	79	-	-	79
Trade Receivables						
Reliance ARC SBI Maan Sarovar Trust (** ₹ 21121)	2024-25	-	-	-	-	1
	2023-24	-	1	-	-	-
Investments						
Reliance ARC SBI Maan Sarovar Trust	2024-25	-	-	-	-	-
	2023-24	-	-	-	-	-
Other Financial Asset						
Reliance ARC SBI Maan Sarovar Trust	2024-25	-	0	-	-	0
	2023-24	-	-	-	-	-
Trust Fund						
Reliance ARC SBI Maan Sarovar Trust(* ₹ 1000, **₹ 1000)	2024-25	-	*	-	-	*
	2023-24	-	**	-	-	**
Reliance Asset Reconstruction Company Limited Group Gratuity Cum Life Assurance Scheme	2024-25	-	-	0	-	0
	2023-24	-	-	-	-	-
Other Non Financial Asset						
Reliance General Insurance Company Limited	2024-25	-	0	-	-	0
	2023-24	-	1	-	-	1
	2024-25	-	-	-	-	-
Reliance Commercial Finance Limited	2023-24	-	-	-	-	-



Particulars	Year	Entity having Significant Influence	Subsidiaries of Entity having significant influence	Asset Reconstruction trusts - controlled by the company	Key Management Personnel	Total
Trade Payables						
Reliance Capital Limited (** 8403)	2024-25	-	-	-	-	-
	2023-24	-	**	-	-	**
Reliance Securities Limited	2024-25	-	34	-	-	34
	2023-24	-	33	-	-	33
Reliance General Insurance Company Limited	2024-25	-	-	-	-	-
	2023-24	-	-	-	-	-
Reliance Nippon Life Insurance Company Limited	2024-25	-	-	-	-	-
	2023-24	-	-	-	-	-
Borrowings other than debt securities						
a) Taken during the year						
Reliance Corporate Advisory Services Limited	2024-25	-	-	-	-	-
	2023-24	-	-	-	-	-
Reliance Capital Limited	2024-25	-	-	-	-	-
	2023-24	-	-	-	-	-
Reliance Financial Limited	2024-25	-	-	-	-	-
	2023-24	-	-	-	-	-
b) Returned during the year						
Reliance Corporate Advisory Services Limited(assigned to Acre- 116 Trust on June 07, 2023)	2024-25	-	-	-	-	-
	2023-24	-	2,275	-	-	2,275
Reliance Capital Limited	2024-25	-	-	-	-	-
	2023-24	-	-	-	-	-
Reliance Financial Limited	2024-25	-	-	-	-	-
	2023-24	-	-	-	-	-
c) Closing Balances						
Reliance Corporate Advisory Services Limited (assigned to Acre- 116 Trust on June 07, 2023)	2024-25	-	-	-	-	-
	2023-24	-	-	-	-	-
Reliance Capital Limited	2024-25	-	-	-	-	-
	2023-24	-	-	-	-	-
Reliance Financial Limited	2024-25	-	-	-	-	-
	2023-24	-	-	-	-	-
Other Financial Liabilities						
Interest accrued but not due on borrowings						
Reliance Corporate Advisory Services Limited	2024-25	-	-	-	-	-
	2023-24	-	-	-	-	-
Reliance Capital Limited	2024-25	-	-	-	-	-
	2023-24	-	-	-	-	-
Other Non Financial Liabilities						
Reliance ARC SBI Maan Sarovar Trust	2024-25	-	-	-	-	-
	2023-24	-	-	-	-	-
Key Managerial Personnel						
Remuneration	2024-25	-	-	-	406	406
	2023-24	-	-	-	380	380



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
 Notes on accounts to consolidated financial statements for the year ended March 31, 2025

2.41 Earning per equity share

Particulars	Year ended March 31, 2025	Year Ended March 31, 2024
Basic and diluted earning per equity share		
Net Profit after tax attributable to equity shareholders (₹ in lakh) (A)	2,572	2,271
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)	2.57	2.27

2.42 Dividend remitted in foreign currency

Particulars	Year ended March 31, 2025	Year Ended March 31, 2024
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	2023-2024	2022-2023



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED

Notes on accounts to consolidated financial statements for the year ended March 31, 2025

₹ in lakh

2.43 Comparision 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, 2025

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	47	-	47	-	-
	Stage 2	-	-	-	-	-
Subtotal Performing Assets(A)		47	-	47	-	-
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	99	-	99	-	-
	Stage 2	79	79	-	73	6
	Stage 3	155	155	-	155	-
Trade receivables (D)	NA	933	234	699	231	3
Purchased or Originated credit impaired (E)	Purchased or Originated credit impaired					
		246	-	246	-	-
Subtotal (F) = (C) + (D) + (E)		1,511	468	1,043	459	9
Total assets (a)	Stage 1	146	-	146	-	-
	Stage 2	79	79	-	73	6
	Stage 3	155	155	-	155	-
	Others	1,179	234	945	231	3
	Total	1,558	468	1,090	459	9



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED

Notes on accounts to consolidated financial statements for the year ended March 31, 2025

₹ in lakh

2.43 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

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	-	-
	Stage 2	185	185	-	179	6
	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)		1,064	408	655	402	6
Total assets (a)	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

Note : In accordance with Ind AS 109 – Financial Instruments, the Group is required to recognise Expected Credit Loss (ECL) on its financial assets. However, as per the Reserve Bank of India (RBI) guidelines, where provisions have already been created in excess of the requirements under the Income Recognition, Asset Classification and Provisioning (IRAC) norms, such excess provision can be reckoned for meeting the ECL requirements. Accordingly, since the Group has maintained provisions in excess of the IRAC requirement, no additional impairment reserve has been created in these financial statements.



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED

Notes on accounts to consolidated financial statements for the year ended March 31, 2025

2.44 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, 2025	As at March 31, 2024
1. Reliance ARC CUB 2014 (1) Trust	India	100%	100%
2. Reliance ARC - CUB (HL & SME) (2014) (1) Trust	India	100%	100%
3. Reliance ARC 004 Trust	India	100%	100%
4. Reliance ARC 007 Trust	India	65%	68%
5. Reliance ARC ALPLUS Trust	India	100%	100%
6. RARC 061 (INDUSIND RETAIL) Trust	India	100%	51%
7. RARC 076 Trust (wef October 21, 2022)	India	100%	71%
8. Reliance ARC 006 Trust	India	25%	25%
9. Reliance ARC 008 Trust	India	25%	25%
10. SBI Bank RARC 035 Trust	India	20%	20%
11. LVB RARC 038 Trust	India	20%	20%
12. RARC (IOB EL) 062 Trust	India	20%	20%
13. RARC (IOB EL) 065 Trust	India	20%	20%
14. RARC 068 Trust	India	25%	25%
15. RARC 072 Trust	India	28%	28%
16. RARC 089 Trust	India	20%	20%
17. RARC 092 Trust	India	20%	20%

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.

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, 2025

Name of the Entity	₹ in lakh					
	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	27,325	110.65%	2,086	78.81%	2,068	78.67%
Subsidiary Trust in India						
Reliance ARC CUB 2014 (1) Trust	(0)	0.00%	80	3.02%	80	3.04%
Reliance ARC - CUB (HL&SME) (2014) (1) Trust	78	0.32%	(4)	-0.17%	(4)	-0.17%
Reliance ARC 004 Trust	(1)	0.00%	148	5.61%	148	5.65%
Reliance ARC ALPLUS Trust	(4)	-0.02%	-	0.00%	-	0.00%
RARC 061 (INDUSIND RETAIL) Trust	173	0.70%	(24)	-0.90%	(24)	-0.90%
RARC 076 TRUST	(8)	-0.03%	147	5.54%	147	5.58%
Reliance ARC 007 Trust	17	0.07%	139	5.25%	139	5.28%
Ind AS 28 Adjustment	(2,896)	-11.73%	-	0.00%	-	0.00%
Total	24,684	99.96%	2,572	97.17%	2,554	97.15%
Non Controlling Interest in all trusts						
Reliance ARC 007 Trust	10	0.04%	75	2.83%	75	2.85%
Total	24,694	100.00%	2,647	100.00%	2,629	100.00%

Note : Trusts share in OCI is NIL for the year ended March 31, 2025

As at and for the year ended March 31, 2024

Name of the Entity	₹ in lakh					
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Total comprehensive income	
	Rs. in crore	As % of consolidated net assets	Rs. in crore	As % of consolidated profit or loss	Rs. in crore	As % of consolidated profit or loss
Parent						
Reliance Asset Reconstruction Company Limited	25,554	105.68%	1,705	73.40%	1,702	73.36%
Subsidiary Trust in India						
Reliance ARC CUB 2014 (1) Trust	(0)	0.00%	34	1.48%	34	1.48%
Reliance ARC - CUB (HL&SME) (2014) (1) Trust	83	0.34%	(1)	-0.05%	(1)	-0.05%
Reliance ARC 004 Trust	(2)	-0.01%	433	18.62%	433	18.64%
Reliance ARC ALPLUS Trust	(4)	-0.02%	-	0.00%	-	0.00%
RARC 061 (INDUSIND RETAIL) Trust	120	0.50%	(17)	-0.74%	(17)	-0.74%
RARC 076 TRUST	34	0.14%	(20)	-0.86%	(20)	-0.86%
Reliance ARC 007 Trust	(44)	-0.19%	138	5.92%	138	5.93%
Ind AS 28 Adjustment	(1,670)	-6.92%	-	0.00%	-	0.00%
Total	24,071	99.54%	2,271	97.76%	2,268	97.76%
Non Controlling Interest in all trusts						
Reliance ARC 007/076/061 Trust	110	0.45%	52	2.24%	52	2.24%
Total	24,181	100.00%	2,323	100.00%	2,320	100.00%

Note : Trusts share in OCI is NIL for the year ended March 31, 2024.



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes to consolidated financial statements for the year ended March 31, 2025

2.46 Schedule of security receipts (SRs)

Name of Trust	As at March 31, 2025		As at March 31, 2024	
	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)	2,33,141	629	2,45,364	1,008
Reliance ARC - AUCB 2014 (1) Trust	1	34	1,017	13
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)	-	-	-	-
Reliance ARC 001 Trust	1,96,493	-	1,96,932	-
Reliance ARC 002 Trust	3,893	-	4,132	-
Reliance ARC 006 Trust	26,196	-	34,390	-
Reliance ARC 008 Trust	17,482	-	22,679	-
Reliance ARC 010 Trust	30,680	121	30,680	124
Reliance ARC 011 Trust	53,184	402	56,151	558
Reliance ARC 012 Trust	20,507	202	20,507	137
Reliance ARC 015 Trust	63,670	366	69,408	415
Reliance ARC 016 Trust	21,606	132	21,606	130
Reliance ARC 013 Trust	693	-	1,697	-
RELIANCE ARC SBI (HYD) 021 Trust	1,685	-	1,685	-
RELIANCE ARC SBI (CHN) 018 Trust	69,122	492	74,325	443
RELIANCE ARC SBI (MUM) 020 Trust	2,853	-	3,080	-
RELIANCE ARC SBI (BHO) 019 Trust	10,689	-	10,750	-
RELIANCE ARC SBI (CHN) 022 Trust	1,14,345	649	1,27,642	988
RARC SVC 023 Trust	-	-	-	4
RARC Dena Bank 024 Trust	1,556	-	2,354	18
RARC 026 Trust	55,132	272	61,428	932
RARC Dena Bank 025 Trust	4,819	-	5,194	25
INB RARC 030 Trust	83,414	582	84,165	1,098
RARC 027 Trust	18,979	28	19,964	318
Magma RARC 031 Trust	2,868	20	4,868	55
INB RARC 036 Trust	35,216	136	41,108	411
LVB RARC 029 Trust	8,515	22	11,878	88
SVC Bank RARC 033 Trust	21,744	43	22,826	343
SBI RARC 035 Trust	57,304	289	57,304	787
LVB RARC 038 Trust	48,905	188	79,622	796
Andhra Bank RARC 039 Trust	3,164	16	3,164	24
RARC 040 IB SME Trust	19,730	145	22,463	337
RARC 045 IB SME Trust	16,570	124	16,570	166
RARC 048 RCFL Trust	77,013	385	78,931	1,148
RARC 049 (Kalyan Janata SME) Trust *	6,308	95	6,308	95
RARC (IOB EL) 050 Trust	1,09,386	811	1,22,462	907
RARC 051 (KJSB SME) Trust	40,944	614	40,944	514



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes to consolidated financial statements for the year ended March 31, 2025

2.46 Schedule of security receipts (SRs)

Name of Trust	As at		As at	
	March 31, 2025		March 31, 2024	
RARC 052 (IB Retail) Trust *	1,29,508	1,968	1,50,375	1,504
RARC 053 (IB SME) Trust	31,780	153	40,170	301
RARC 057 (SHDFCL HL) Trust	1	-	1,141	26
RARC 058 (KJSB SME) Trust	11,877	85	26,640	130
RARC 059 (RHDFC HL) Trust	34,180	106	10,753	170
RARC (IOB EL) 062 Trust	90,679	674	98,630	1,340
RARC 064 (HDFC Retail) Trust *	51,495	784	60,847	926
RARC (IOB EL) 065 Trust *	1,34,102	2,024	1,46,988	2,215
RARC (ORFIPL TWL) 066 Trust *	12,405	185	14,280	203
Shubham Housing RARC Trust *	29,912	459	42,935	661
RARC 068 Trust *	1,21,331	1,645	1,40,709	1,709
RARC 069 Trust *	11,290	161	13,500	185
RARC 070 Trust *	39,954	678	81,270	1,252
RARC 071 Trust	19,716	296	21,562	325
RARC 072 Trust *	89,077	1,336	90,389	1,211
RARC 073 Trust	11,225	172	11,845	183
RARC 074 Trust	8,849	135	11,121	167
RARC 075 Trust	13,024	195	13,267	214
RARC 077 TRUST	3,822	65	6,415	110
RARC 078 TRUST	5,432	88	10,541	164
RARC (IOB EL)079 TRUST	1,48,595	2,438	1,67,827	2,730
RARC 080 TRUST	11,527	61	11,527	128
RARC 081 TRUST	12,933	221	13,379	221
RARC 082 TRUST	7,645	144	15,844	259
RARC 083 TRUST	19,074	347	23,013	406
RARC 086 TRUST	1,12,501	1,700	1,24,803	1,914
RARC 084 Trust	44,954	683	51,899	519
RARC 087 Trust	8,035	113	8,718	87
RARC 089 Trust	3,83,969	6,544	4,37,410	4,374
RARC 090 Trust	12,964	194	12,964	130
RARC 091 Trust	4,376	65	4,878	49
RARC 092 Trust	1,65,374	2,480	-	-
Ind AS 28 Adjustment	-	(2,896)	-	(1,670)
Ind AS 109 Adjustment	-	354	-	-
Total		30,457		34,025

Since Reliance Asset Reconstruction Company Ltd (The Company) is preparing and presenting financial statements under Ind AS ,investment made by the Company in security receipts of the trust being financial instrument are recognized at fair value under Ind AS 109 . Hence investment in the security receipts of the trust, which has expired 8 years and future cashflow is expected, are valued at fair value, valuations being done by independent valuer.

During the previous year, the company had written-off investment in security receipts (No. of Security Receipts - 1,628) amounting to ₹ 16.28 Lakh as no further recovery is expected.

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



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED

Notes on accounts to consolidated financial statements for the year ended March 31, 2025

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:

₹ in lakh

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, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	As at March 31, 2025	As at March 31, 2024
Reliance ARC 007 Trust	India	65.01%	67.71%	75	66	10	(21)
RARC 061 (INDUSIND RETAIL) Trust	India	0.00%	51.00%	-	(8)	-	117
RARC 076 TRUST	India	0.00%	71.00%	-	(6)	-	14
Total				75	52	10	110

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)		RARC 076 TRUST		Reliance ARC 007 Trust	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Financial Assets	-	238	-	50	28	-
Non Financial Assets	-	1	-	1	0	-
Financial Liabilities	-	1	-	2	1	58
Non Financial Liabilities	-	1	-	1	-	7
Equity attributable to owners of the Company	-	120	-	34	18	(44)
Non-controlling interests	-	117	-	14	10	(21)
Revenue	-	-	-	-	218	218
Expense	-	25	-	26	4	15
Profit for the year	-	(25)	-	(26)	214	203
Profit attributable to owners of the Company	-	(17)	-	(20)	139	138
Profit attributable to non-controlling interests	-	(8)	-	(6)	75	65
Profit for the year	-	(25)	-	(26)	214	203
Other comprehensive income attributable to owners of the Company	-	-	-	-	-	-
Other comprehensive income attributable to non-controlling interests	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	139	138
Total comprehensive income attributable to owners of the Company	-	(17)	-	(20)	75	65
Total comprehensive income attributable to non-controlling interests	-	(8)	-	(6)	214	203
Total comprehensive income for the year	-	(25)	-	(26)	-	-
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)	-	-	-	-	-	-



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED

Notes on accounts to consolidated financial statements for the period ended March 31, 2025

2.45 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, 2025, the Company had complied with the above provisions. However audit trail is not applicable to the trust.

2.46 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".

2.47 Other Additional Regulatory Information

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

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

2.47.2 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

2.47.3 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.

2.47.4 Security of current assets against borrowings

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

2.47.5 Wilful defaulter

The Company or none of its subsidiaries are not declared as wilful defaulter by any bank or financial institution or other lender.

2.47.6 Relationship with Struckoff Companies

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

2.47.7 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.

2.47.8 Ratios

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Debt-Equity Ratio (No. of times) ^a	0.18	0.21
Debt Service Coverage Ratio (No. of times) ^b	1.29	2.72
Capital to risk asset ratio (CRAR) (%) ^c	74.15%	66.41%
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 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.



RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED
Notes on accounts to consolidated financial statements for the year ended March 31, 2025

2.47.9 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 recorded 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.

2.47.10 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.

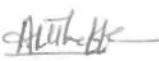
2.47.11 Details of Crypto Currency or Virtual Currency

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

2.48 Previous Year Figures

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

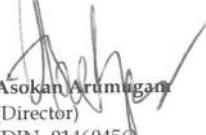
For M.P. Chitale & Co.
Chartered Accountants
Firm Registration No. : 101851W

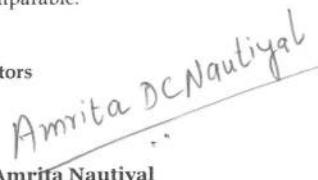

Anagha Thatte
Partner
Membership No: 105525

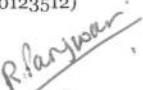


For and on behalf of the Board of Directors


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


Asokan Arumugam
(Director)
(DIN- 01460456)


Amrita Nautiyal
(Director)
(DIN- 00123512)


Rakesh Panjwani
(Chief Financial Officer)



Place:Mumbai
Date:09th December,2025