

**INDEPENDENT AUDITOR'S REPORT**

To,  
The Board of Directors  
**Reliance Asset Reconstruction Company Limited**  
Reliance Centre, North Wing, 6<sup>th</sup> Floor,  
Off. Western Express Highway,  
Santacruz, Mumbai – 400055.

**LIMITED REVIEW REPORT ON THE UNAUDITED RESULTS OF RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED FOR THE HALF YEAR ENDED 30.09.2018**

We have reviewed the accompanying statement of unaudited standalone financial results ("the Statement") of Reliance Asset Reconstruction Company Limited ('the Company ') for the half year ended 30<sup>th</sup> September 2018 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Attention is drawn to the fact that the figures for the corresponding half year ended 30<sup>th</sup> September, 2017 including the reconciliation of net profit under Ind As of the corresponding half year with net profit reported under previous GAAP, as reported in these financial results have been approved by Company's Board of Directors but have not been subjected to review.

This statement is the responsibility of the Company's management and has been approved by the Board of Directors in their meeting held on 16 October, 2018. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued there under and other recognised accounting practices and policies, has



not disclosed the information required to be disclosed in terms of Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Mumbai  
Date: 16<sup>th</sup> October, 2018



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

*Parimal Kumar Jha*

**Parimal Kumar Jha**  
Partner  
Membership No:124262

Reliance Asset Reconstruction Company Limited  
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Santacruz (East), Mumbai - 400 055.

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**Statement of Standalone Unaudited Financial Results for the Half year ended September 30, 2018**

(Rs. in 000)

Sr. No.	Particulars	For the Half year ended		Year to date figures for the Half year ended
		September 30, 2018 Unaudited	September 30, 2017 Unaudited	September 30, 2018 Unaudited
	<b>Income</b>			
I	Revenue from operations	2,36,913	3,06,844	2,36,913
II	Other Income	1,496	112	1,496
III	<b>Total Income (I+II)</b>	<b>2,38,409</b>	<b>3,06,956</b>	<b>2,38,409</b>
	<b>Expenses</b>			
IV	Employee benefits expense	40,139	44,325	40,139
	Finance costs	70,989	79,439	70,989
	Depreciation and amortization expense	1,667	1,491	1,667
	Other expenses	33,661	19,870	33,661
	<b>Total Expenses (IV)</b>	<b>1,46,456</b>	<b>1,45,125</b>	<b>1,46,456</b>
V	<b>Profit/(loss) before tax (III-IV)</b>	<b>91,953</b>	<b>1,61,831</b>	<b>91,953</b>
VI	<b>Tax expense:</b>			
	(1) Current tax	28,650	14,710	28,650
	(2) Deferred tax	(821)	(32,265)	(821)
	<b>Total tax expense (VI)</b>	<b>27,829</b>	<b>(17,555)</b>	<b>27,829</b>
VII	<b>Profit/(loss) after tax for the period (V-VI)</b>	<b>64,124</b>	<b>1,79,386</b>	<b>64,124</b>
A	Other Comprehensive Income after tax	(134)	(134)	(134)
VIII	<b>Other comprehensive income for the year( net of tax)</b>	<b>(134)</b>	<b>(134)</b>	<b>(134)</b>
IX	<b>Total Comprehensive Income for the period (VII+VIII)</b>	<b>63,989</b>	<b>1,79,251</b>	<b>63,989</b>
X	Paid-up equity share capital (face value of Rs. 10 per share)	10,00,000	10,00,000	10,00,000
XI	<b>Earnings per equity share (EPS) (not annualised): (Rupees)</b>			
	(1) Basic	0.64	1.79	0.64
	(2) Diluted	0.64	1.79	0.64



Standalone Statement of Assets and Liabilities		(Rs. in 000)
Particulars		As at
		30-Sep-2018
		Unaudited
<b>A</b>	<b>ASSETS</b>	
<b>1</b>	<b>Non-Current Assets</b>	
	(a) Property, plant and equipment	4,754
	(b) Intangible assets	2,705
	(c) Financial assets	
	(i) Investments	36,02,217
	(d) Other Non current assets	26,888
	<b>Sub-total Non-Current Assets</b>	<b>36,36,564</b>
<b>2</b>	<b>Current Assets</b>	
	(a) Financial assets	
	(i) Investments	3,517
	(ii) Trade receivables	1,28,445
	(iii) Cash and cash equivalents	576
	(iv) Loans	24,356
	(b) Other current assets	1,406
	<b>Sub-total Current Assets</b>	<b>1,58,300</b>
	<b>Total Assets</b>	<b>37,94,864</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>	
<b>1</b>	<b>Equity</b>	
	(a) Equity share capital	10,00,000
	(b) Other equity	8,15,765
	<b>Total Equity</b>	<b>18,15,765</b>
<b>2</b>	<b>Liabilities</b>	
	<b>Non Current Liabilities</b>	
	(a) Provision	330
	(b) Deferred tax liabilities (Net)	1,14,876
	(c) Financial liability	
	(i) Borrowings	1,00,000
	<b>Sub-total Non-Current Liabilities</b>	<b>2,15,206</b>
	<b>Current Liabilities</b>	
	(a) Financial liability	
	(i) Borrowings	15,53,002
	(ii) Trade payable	
	total outstanding dues of MSME	-
	total outstanding dues of Other than MSME	402
	(b) Provisions	1,512
	(c) Other current liabilities	2,08,977
	<b>Sub-total Current Liabilities</b>	<b>17,63,893</b>
	<b>Total Equity and Liabilities</b>	<b>37,94,864</b>



**Notes:**

1. The Company has adopted Indian Accounting Standards ("IND AS") notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from April 1, 2018 and the effective date of such transition is April 1, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ("RBI") (collectively referred to as "the Previous GAAP"). Accordingly, the impact of transition has been recorded in the opening reserves as at April 1, 2017. These financial results (including for previous comparative periods presented) have been prepared in accordance with the recognition and measurement principles of IND AS 34 "Interim Financial Reporting" prescribed under the Act, read with the relevant Rules made thereunder.

There is a possibility that these financial results for the current and previous periods may require adjustments due to changes in financial reporting requirements arising from new standards, modifications to the existing standards, guidelines issued by the Ministry of Corporate Affairs and RBI or changes in the use of one or more optional exemptions from full retrospective application of certain IND AS permitted under IND AS 101 which may arise upon finalization of the financial statements as at and for the year ending March 31, 2019 prepared under IND AS.

2. The financial results of the Company for the quarter ended September 30, 2018 are prepared in accordance with the IND AS and have been subjected to limited review by Statutory Auditors of the Company. The IND AS compliant corresponding figures for the previous period have not been subjected to review by Statutory Auditors. However, the management has exercised necessary due diligence to ensure that financial results provide a true and fair view of its affairs.
3. As required by paragraph 32 of IND AS 101, net profit reconciliation between figures reported, net of tax, under previous GAAP and IND AS is given below: ✓



Particular	Half year ended September 30, 2017 (Amount in '000)	Refer Note Below
Net profit of loss as per Previous GAAP (Indian GAAP)	35,108	
<b>IND AS adjustment increasing / (decreasing) Net Profit as reported under Indian GAAP:</b>		
Profit on fair value of investment	1,11,876	(a)
Actuarial gain on employee benefit expenses	189	(b)
Deferred tax expense on above	32,212	(c)
<b>Net profit / loss as per IND AS</b>	<b>1,79,385</b>	
Other comprehensive income net of taxes as per IND AS	(134)	
<b>Total comprehensive income for the period as per IND AS</b>	<b>1,79,251</b>	

- a. Profit on fair value of security receipts
- b. Actuarial gain / loss has been recognized in other comprehensive income.
- c. Deferred Tax has been charged due to following the Balance Sheet approach and impact arising on account of such changes on transition date.

4. The Rated, Listed, Secured, Redeemable, Non-Convertible Debentures of the company amounting to Rs. 10,00,00,000/- are secured by way of:

- (i) a first pari passu charge and mortgage over the Company's, Maharashtra Immovable Property;
- (ii) Hypothecation of specified Security Receipts;

and the asset cover thereof exceeds hundred percent of principal amount of the said debentures.

5. Disclosures under Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as certified by the management is enclosed as Annexure A.



6. The Company is mainly engaged in the business of Acquisition and Resolution of Non-Performing Asset and all other activities revolve around the main business of the Company. Further, all activities are conducted within India and as such no separate reportable segment, as per the IND AS 108 "Operating Segments" specified under Section 133 of the Act.
7. Figures for the previous period have been regrouped / reclassified wherever necessary to correspond to the current period presentation.
8. The statement does not include IND AS compliant statement of financial results and statement of assets and liabilities for the previous year ended March, 31 2018 as the same is not mandatory as per SEBI's circular dated August 10, 2016.
9. The above results were reviewed by the Audit Committee. The Board of Directors at its meeting held on October 16, 2018 approved the above results and its release.

for Reliance Asset Reconstruction Company Limited

  
Ravindra S. Rao  
Executive Director & CEO

Dated: October 16, 2018





**Annexure A**

**Disclosures pursuant to Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half-year ended September 30, 2018**

**a. Credit Ratings :**

Particulars	Name of Rating Agency	Rating
Principal Protected Market Linked Debentures	Brickwork Ratings India Private Limited	BWR PP-MLD AA- (Outlook Stable)

**b. Debt-Equity Ratio:**

Debt-Equity Ratio of the Company as on September 30, 2018 is 0.90 (No. of times) as per Standalone Unaudited Financial Results of the Company.

Formula for Debt Equity Ratio = Debt / Equity

(Debt = Long Term Borrowings + Short Term Borrowings + Current Maturities of Long Term Borrowings

Equity = Equity Share Capital + Other Equity)

**c. Previous due date for the payment of Interest / Principal : - Not Applicable**
**d. Next due date for the payment of Interest / Principal :**

Sr. No.	ISIN	Scrip Code	Interest	Principal
1.	INE407107019*	958267	On maturity	December 14, 2020
2.	INE407107027**	958271	On maturity	December 20, 2021

\*NCD have put /call option on December 12, 2019

\*\*NCD have put /call option on December 17, 2020

**e. Debenture Redemption Reserve (DRR): Rs. 7,00,000/-**
**f. Net Worth : Rs. 181,57,65,353/-**
**g. Net Profit After Tax: Rs. 6,41,23,723/-**
**h. Earnings per share: Re. 0.64 per share**
