

NOTICE OF 9TH ANNUAL GENERAL MEETING

Notice is hereby given that the 9th Annual General Meeting (AGM) of the Members of Rare Asset Reconstruction Limited will be held on Monday, September 30, 2024 at 03:00 p.m. (IST) at the registered office of the Company at 104-106, Gala Argos, Nr. Harikrupa Tower, Gujarat College Road, Ellisbridge, Ahmedabad – 380 006 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2024 and the reports of the Board of Directors and the Auditor's Report thereon.
2. To declare final dividend of Rs. 0.20 per Equity share i.e. (2%) for the financial year ended March 31, 2024.
3. To appoint a Director in the place of Mrs. Shikha Bhandari (DIN: 02620265), who retires by rotation, and being eligible, offers herself for re-appointment as a director liable to retire by rotation.

SPECIAL BUSINESS:

4. Appointment of Mr. Prashant Chakravorty (DIN: 10172007) as a Non-Executive and Independent Director:

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to Section 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), and the Rules framed thereunder, read with Schedule IV of the Act, as amended from time to time, Mr. Prashant Chakravorty (DIN: 10172007), was appointed by the Board of Directors of the Company as an Additional Director (Non-Executive and Independent Director) w.e.f. June 25, 2024 and as per terms of Section 161 of the Act, holds office up to the conclusion of this Annual General Meeting and who is eligible for re-appointment and who meets the criteria for Independence as provided under section 149(6) of the Act along with rules framed thereunder and he has submitted a declaration to that effect and in respect of whom the Company has received a recommendation from the Nomination and Remuneration Committee and notice in writing under Section 160 of the Act from a member proposing his candidature for office of Director, be and is hereby appointed as a Non-Executive and Independent Director of the Company not liable to retire by rotation for a term of 5 (Five) consecutive financial years w.e.f. June 25, 2024 to June 24, 2029, subject to the approval of the Reserve Bank of India.

Registered Office:

104-106, Gala Argos,
Nr. Harikrupa Tower
Gujarat College Road,
Ellisbridge, Ahmedabad - 380 006
CIN: U74900GJ2015PLC084515
Phone no: 079 40092297/98
E-mail: cs@rarearcc.com
Website: www.rarearc.com

By order of the Board of Directors

For, Rare Asset Reconstruction Limited

Deepika Agrawal
Company Secretary
ACS 55217

Date: June 25, 2024

Place: Ahmedabad

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/ HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
Pursuant to the provisions of section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the company carrying voting rights. Members holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other member. The instrument of proxy, in order to be effective, should be deposited at the registered office of the company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A proxy form is annexed to this notice. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/ authority, as applicable.
2. Corporate members intending to send their authorised representatives to attend the Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the company a certified copy of resolution of its Board of Directors or other governing body, authorising their representative to attend and vote on their behalf at the meeting.
3. Members/ Proxies are requested to bring the attendance slips duly filled in.
4. Members are requested to notify immediately any change of address: (i) to their Depository Participants (DPs) in respect of their electronic share accounts; and (ii) to the Company and to its Share Transfer Agents in respect of their physical share folios, if any.
5. Electronic copy of the notice of the Annual General Meeting of the Company along with Attendance Slip and Proxy Form is being sent to all members whose email IDs are registered with the Company/Depository Participant (DPs).
6. Members may also note that the physical copies of the aforesaid documents will also be available at the Company's Registered Office during business hours (11.00 A.M. to 5.00 P.M.) on all working days except Saturdays and Sundays, up to and including the date of Annual General Meeting. Members are also entitled to receive such communication in physical form, upon making a request for the same.
7. The dividend on Equity Shares if approved at the meeting, will be credited/ dispatched to those members whose name shall appear on the Company's Register of Members on September 27, 2024; in respect of the shares held in dematerialized form, the dividend will be paid to the members whose names are furnished by the Depository as beneficial owners as on that date.
8. Route map to the venue of the meeting is annexed hereto.

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013 annexed to the Notice of 9th Annual General Meeting of the members of the Company:

Item No. 4:

Mr. Prashant Chakravorty (DIN: 10172007) was appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from June 25, 2024. In accordance with the provisions of Section 161 of the Companies Act, 2013, Mr. Prashant holds office upto the conclusion of this Annual General Meeting but is eligible for appointment as a Director and he has given a declaration to that effect to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act at the time of his appointment.

Mr. Prashant is eligible for appointment and the Company had received a notice from a member signifying his intention to propose him as a candidate for the office of Director at this Annual General Meeting of the Company.

Mr. Prashant, aged 63 years, M.Sc., MBA and CAIIB, possesses expertise and rich experience in Corporate Banking and MSME segment of about 4 decades. He served as Geography Head for more than twelve years for East, North East and West Geographies handling portfolio size of more than Rs 14,000 Crore and provided leadership to teams of more than 250 officials. He has worked in Public and Private Sector banks and has experience of working in Rural, Semi Urban, Urban Centers and three major Metros viz Mumbai, Kolkata and New Delhi. He was also nominated by Axis Bank for Course on International Risk Management programme for two weeks at San Francisco conducted by Wells Fargo Bank and for one-week programme on Innovation & Strategy at IIM-Ahmedabad.

Details of the Directors seeking for appointment at the ensuing Annual General Meeting in pursuance to Secretarial Standard –2 on General Meetings and applicable provisions of Companies Act, 2013 has been provided in “Annexure-I”.

In terms of Section 149 and other applicable provisions of the Act, Mr. Prashant is eligible to be appointed as an Independent Director of the Company and has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. As per the provisions of Section 149 of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. The matter regarding appointment of Mr. Prashant as Independent Director was placed before the Nomination & Remuneration Committee, which recommends his appointment as an Independent Director for a term of 5 years, subject to the approval of RBI.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Prashant Chakravorty as an Independent Director is now being placed before the Members in General Meeting for their approval. The Board of Directors recommend passing an Ordinary Resolution as set out at Item No. 4 of the Notice for approval by the members.

Except Mr. Prashant Chakravorty, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolutions set out in Item No. 4 of the Notice.

Registered Office:

104-106, Gala Argos,
Nr. Harikrupa Tower
Gujarat College Road,
Ellisbridge, Ahmedabad - 380 006
CIN: U74900GJ2015PLC084515
Phone no: 079 40092297/98
E-mail: cs@rarearc.com
Website: www.rarearc.com

By order of the Board of Directors

For, Rare Asset Reconstruction Limited

Deepika Agrawal
Company Secretary
ACS 55217
Date: June 25, 2024
Place: Ahmedabad

1. Details of the Directors seeking for re-appointment at the ensuing Annual General Meeting in pursuance to Secretarial Standard – 2 on General Meetings and applicable provisions of Companies Act, 2013:

Particulars	Details
Name of Director	Mrs. Shikha Bhandari
Director Identification Number (DIN)	02620265
Date of Birth	11/11/1968
Age	55 years
Date of Appointment	08/04/2019
Qualifications	Post Graduate in M. Sc (Mathematics)
Experience:	More than 12 years of experience in the field of Administration and Human Resources
Directorships held in other companies	1) Renaissance Fiscal Services Private Limited 2) Sigma Polyfilms Private Limited 3) Recreation Production House Private Limited
Memberships/ Chairmanships of Committees of other Public Companies	None
Chairman/ Member of the Committee(s) of the Board of the Company	- Audit Committee – Member - Nomination and Remuneration Committee – Member
Number of shares held in the Company	None
Number of Board Meetings attended during the year	Four Board Meetings attended during the financial year
Relationships between directors inter-se, Manager and other Key Managerial Personnel	Spouse of Mr. Anil Kumar Bhandari
Terms and Conditions of appointment/ reappointment along with remuneration to be paid and last drawn	Re-appointment as a Non-Executive Director of the Company liable to retire by rotation in accordance with the provisions of Section 152 of the Act. Last sitting Fees paid Rs. 1,50,000/-

2. Details of the Directors seeking for appointment at the ensuing Annual General Meeting in pursuance to Secretarial Standard – 2 on General Meetings and applicable provisions of Companies Act, 2013:

Particulars	Details
Name of Director	Mr. Prashant Chakravorty
Director Identification Number (DIN)	10172007
Date of Birth	29/03/1961
Age	63 Years
Date of Appointment	June 25, 2024
Qualifications	Post Graduate in M.Sc. from University of Rajasthan
Experience	He has an expertise and rich experience in Corporate Banking and MSME segment of more than 40 years. He served as Geography Head for more than twelve years for East, North East and West Geographies handling portfolio size of more than Rs 14,000 Crore and provided leadership to teams of more than 250 officials. He has worked in Public and Private Sector banks and has experience of working in Rural, Semi Urban, Urban Centers and three major Metros viz Mumbai, Kolkata and New Delhi.
Directorships held in other companies	Rungta Greentech Limited and Hamraes Agro Exports LLP
Memberships/ Chairmanships of Committees of other Public Companies	None
Number of shares held in the Company	None
Number of Meetings attended during the year	None
Relationships between directors inter-se, Manager and other Key Managerial Personnel	None
Terms and Conditions of appointment/ reappointment along with remuneration to be paid and last drawn	The Non-Executive and Independent Directors are entitled to receive the sitting fees for attending the Board/ Committee meetings.
Justification for appointment of him as an Independent Director	He has a rich experience in Corporate Banking and MSME segment of more than 40 years. His appointment as an Independent Director will be beneficial to the Board of the Company.

Rare Asset Reconstruction Limited

Reg. Office: 104-106 Gala Argos, Nr. Harikrupa Tower,
Gujarat College Road, Ellisbridge, Ahmedabad - 380 006

CIN: U74900GJ2015PLC084515

Proxy Form

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014)

Name of the member(s):	
Registered Address:	
E-mail ID:	
Folio no. / Client Id:	
DP Id:	

I/ We, being the member(s) of _____ equity shares of Rare Asset Reconstruction Ltd., hereby appoint;

1. Name: _____ E-mail: _____ Address: _____

Signature: _____ or failing him

2. Name: _____ E-mail: _____ Address: _____

Signature: _____ or failing him

3. Name: _____ E-mail: _____ Address: _____

Signature: _____

as my/ our proxy to attend and vote (on poll) for me/ us and on my/ our behalf in 9th Annual General Meeting of the Company to be held on Monday, September 30, 2024 at 3:00 PM (IST) at the registered office of the Company at 104-106 Gala Argos, Nr. Harikrupa Tower, Gujarat College Road, Ellisbridge, Ahmedabad – 380 006 and any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution
ORDINARY BUSINESS:	
1.	To consider and adopt the audited financial statements of the Company for the financial year ended on March 31, 2024
2.	To declare final dividend of Rs. 0.20 per Equity share for the financial year ended March 31, 2024.
3.	To appoint a Director in the place of Mrs. Shikha Bhandari (DIN: 02620265), who retires by rotation, and being eligible, offers herself for re-appointment as a director liable to retire by rotation.
SPECIAL BUSINESS:	
4.	Appointment of Mr. Prashant Chakravorty (DIN: 10172007) as a Non-Executive and Independent Director.

Signed this _____ day of _____, 2024

Affix
Revenue
Stamp

Signature of the shareholder

(Please sign across the Stamp)

Instructions:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Please fill all the details in BLOCK LETTERS in English.

Rare Asset Reconstruction Limited
Reg. Office: 104-106 Gala Argos, Nr. Harikrupa Tower,
Gujarat College Road, Ellisbridge, Ahmedabad - 380 006
CIN: U74900GJ2015PLC084515

Attendance Slip
Annual General Meeting

I/ We hereby record my/ our presence at 9th Annual General Meeting of the Company held from Registered Office at 104-106, Gala Argos, Nr. Harikrupa Tower, Gujarat College Road, Ellisbridge, Ahmedabad - 380 006 Monday, September 30, 2024 at 3:00 PM (IST).

Name of the Shareholder/
Proxy (In BLOCK LETTER)

Signature of the Shareholder/ Proxy

Folio No. _____
Client Id.# _____
DP ID _____
No. of shares held _____

(Applicable for shareholders holding shares in dematerialized form)

Route map for venue of Annual General Meeting (AGM)





ANNUAL REPORT

FY 2023-24

RARE ASSET RECONSTRUCTION LIMITED

Directors

Mr. Ramaswamy V. Iyer : Non-Executive Director and Independent Director
Mr. Deepak Narang : Chairman and Independent Director (ceased w.e.f 04.01.2024)
Mr. Dilip Kumar Daga : Non-Executive Director and Independent Director
Mrs. Shikha Bhandari : Non-Executive Non-Independent Director
Mr. Anil Bhandari : Managing Director
Mr. Sandeep Vrat : Director & Chief Executive Officer
Mr. Prashant Chakravorty: Additional Director (w.e.f 25.06.2024)

Chief Financial Officer

Mr. Umesh Bafna

Company Secretary

Ms. Deepika Agrawal

Statutory Auditors

M/s Mehta Lodha & Company

Secretarial Auditors

M/s Ravi Kapoor & Associates

Registered Office

104-106 Gala Argos,
Beside Hari Krupa Tower,
Gujarat College Road, Ellisbridge,
Ahmedabad-380006, Gujarat
Tel: +079-40092295/96/97
Email: cs@rarearc.com / info@rarearc.com
Web: www.rarearc.com

Bankers

IDBI Bank

Registrar & Share Transfer Agent

KFin Technologies Limited
Selenium Building Tower-B, Plot No.31-32,
Gachibowli, Financial District, Nakakramguda,
Hyderabad - 500032 Telangana
Tel: +91 040-67161520

DIRECTORS' REPORT

To,
 The Members,
 Rare Asset Reconstruction Limited

The Directors are pleased to present the 9th Annual Report on the business, operations and state of affairs of the Company together with the audited financial statements for the year ended March 31, 2024.

Financial highlights:

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

(Rs. in lakh)

Particulars	2023-24	2022-23
Total Income	6540.03	7,181.42
Total Expenditure	3377.25	2,623.68
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	3162.78	4,557.74
Less: Depreciation/ Amortisation/ Impairment	16.27	18.64
Profit/ loss before Finance Costs, Exceptional items and Tax Expense	3146.51	4,539.10
Less: Finance Costs	2045.87	3,464.16
Profit/ loss before Exceptional items and Tax Expense	1100.64	1,074.94
Add/(less): Exceptional items	-	-
Profit Before Tax	1100.64	1,074.94
Provision for tax (including Deferred Tax)	291.40	325.80
Profit After Tax	809.24	749.14
Balance in Profit & Loss Account brought forward	2024.31	1,550.46
Securities Premium	3545.45	2,045.45
Less: Dividend Paid	275.31	275.31
Balance carried to Balance Sheet	6103.69	4069.76

During the year ended on March 31, 2024, the Company generated total income of Rs. 6540.03/- lakh as compared to Rs. 7181.42/- lakh in the previous year. The profit after tax for the year ended March 31, 2024 is Rs. 809.24/- lakh as compared to Rs. 749.14/- lakh in the previous year.

Net Owned funds stood at Rs. 20360.30/- lakh as compared to Rs. 17820.42/- lakh in the previous year, complying with the RBI norms of minimum NOF of Rs. 200 crores.

Reserve Bank of India Circular dated October 11, 2022, "Review of Regulatory Framework for Asset Reconstruction Companies" states that the minimum NOF is required to be increased to Rs. 200 Crores by 31.03.2024 from the existing norm of Rs.100 Crores has been achieved by the Company. Further, by the end of 31st March, 2026, the minimum net owned funds is required to be increased to Rs. 300 Crores.

Change in nature of Business:

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

Dividend:

Your Directors have recommended a dividend of Rs.0.20/- (2%) per equity share of Rs.10/- each aggregating to approx. Rs. 2,85,31,311/-, for financial year ended on March 31, 2024 which, if approved by the members at the ensuing Annual General Meeting, will be paid to all those equity shareholders whose names are appearing in the register of member as on the record date.

Transfer to Reserves:

The Board has not recommended transfer of any amount to general reserves.

Corporate Overview:

Rare Asset Reconstruction Limited was incorporated on September 16, 2015 with the object of engaging in the business of Asset Reconstruction in all forms in India and to acquire, hold, manage, assign or dispose of non-performing or defaulting loan assets, with or without the underlying securities of Banks, Financial Institutions or other specified lending institutions. Pursuant to necessary approvals from the members, Central Government and RBI, company had been converted into public company on October 11, 2018.

The Company is registered with Reserve Bank of India (RBI) as an Asset Reconstruction Company (ARC) under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002).

As per the Press Release dated June 07, 2024 from the RBI indicating the Governor's Statement at the Monetary Policy Committee Meeting on that date, it is stated –

“The annual financial results for 2023-24 indicate that the banking system remained sound and resilient, backed by improvement in asset quality, enhanced provisioning for bad loans, sustained capital adequacy and rise in profitability. The non-banking financial companies (NBFCs) also displayed strong financials in line with the banking sector. Notably, the gross non-performing assets (GNPAs) of scheduled commercial banks (SCBs) and NBFCs are below 3 per cent of total advances as at end of March 2024.

Provisional data relating to scheduled commercial banks (SCBs) for March 2024 suggest that their GNPA ratio dipped to 2.8 per cent. At the same time, the net non-performing assets ratio of SCBs declined to 0.6 per cent, the lowest ever, indicating adequate loan loss provisioning by the banking system. The provision coverage ratio (PCR) (without write-off adjusted) of SCBs rose to 76.5 per cent at end March 2024 as compared with 75.0 per cent a year earlier. SCBs stressed asset ratio i.e., gross non-performing asset (GNPA) ratio plus restructured advances ratio, was at 3.6 per cent, the lowest level since March 2008. Capital to risk-weighted asset ratio of SCBs at 17.4 per cent remained well above the regulatory requirement. Their headline profitability indicators, viz., return on asset (RoA) and return on equity (RoE) were 1.1 per cent

and 12.3 per cent, respectively, at end March 2024. The LCR of SCBs remained comfortable at 130.3 per cent, much above the minimum stipulation of 100 percent.

As per provisional data, the GNPA ratios of Banks and NBFCs stood at 2.8 per cent and 2.5 per cent, respectively, as at end March 2024.

The Reserve Bank increased risk weights on unsecured consumer credit and bank credit to NBFCs on November 16, 2023 to pre-empt build-up of any potential risk in these segments. Consequently, credit growth in unsecured personal loans such as ‘credit card outstanding’ declined from 34.2 per cent in November 2023 to 23.0 per cent in April 2024, while bank credit growth to NBFCs declined from 18.5 per cent in November 2023 to 14.4 per cent in April 2024.

It is important that the Regulated Entities (REs) should continue to improve their governance standards, risk management practices and compliance culture across the organisation.”

The Keynote address delivered by Shri M. Rajeshwar Rao, Deputy Governor at the conference on ‘Governance in ARCs – Towards Effective Resolutions’ held on May 17, 2024 at Mumbai, stated -

“Sound and robust governance provides a strong foundation for the ARCs to build a robust business model. Governance, in this context, transcends mere regulatory compliance; it embodies a philosophy of accountability, transparency, and ethical conduct. In case of distressed assets, where conflicts of interest looms large and fiduciary duties are tested, effective governance can serve to develop confidence in the processes adopted by the ARCs.

Sound governance can also act as both a shield and a sword. It shields the stakeholders from conflicts of interest, ensuring that the decisions are guided by prudence and sound business sense. At the same time, it wields the sword of transparency and accountability by holding decision makers accountable for their actions and fostering a culture of ethical leadership.

To build a strong bedrock of governance, following conditions are critical:

- (i) A diverse and independent Board with effective oversight.
- (ii) A robust risk management framework for identifying, assessing, and mitigating risks inherent in the portfolio of distressed assets.
- (iii) Transparency regarding disclosure of information about the operations and decision-making processes and accounting practices.
- (iv) Effective safeguards and robust policies to identify, disclose, and manage conflicts of interest in a fair and transparent manner.
- (v) A comprehensive code of conduct that outlines ethical principles, professional integrity, and accountability.

Sound governance in ARCs, therefore, requires a multifaceted approach that encompasses all the above elements.”

Your ARC has adopted sound practices for achieving Good Corporate Governance, risk management practices and compliance culture throughout the organisation.

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

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

Acquisitions:

During the year under review, your Company acquired debts/ Loan Portfolios with aggregate principal outstanding dues of about Rs. 4,88,327.33 lakh from Banks/ FIs for a total consideration of about Rs. 1,23,779.97 lakh.

Resolution and Recovery:

The Company has planned appropriate resolution strategies in respect of assets acquired. Strategies adopted/ proposed to be adopted included restructuring of debt/ business, sale of non-core assets, enforcement of securities under SARFAESI ACT, 2002, etc. The aggregate redemptions/ recoveries were given effect by the Company during the financial year under review from the acquired assets amounted to Rs. 60,091.61 lakh as compared to Rs. 46,311.98 lakh in the previous year.

Impact of recently amended RBI Guidelines and Circulars thereunder:

In order to have all current instructions/ guidelines on the subject at one place, the Reserve Bank of India has issued updated circulars/ guidelines. The instructions contained in The Asset Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 (vide Notification No. DNBS.2/CGM(CSM)-2003, dated April 23, 2003) together with Guidance Notes updated as on March 31, 2023. These instructions have been reissued in a circular no. RBI/2023-24/12, DOR.SIG.FIN.REC 8/26.03.001/2023-24 dated April 03, 2023, and further updated vide Master Direction for ARCs dated April 24, 2024.

During the year under review, the Company has been complied with all the regulatory framework requirements as prescribed by the RBI for Asset Reconstruction Companies (ARCs).

Assets Under Management (AUM):

The AUM as on March 31, 2024 stood at Rs. 385658.35 Lakhs.

Rating of Security Receipts and Net Asset Value:

Investments are made by your company in Security Receipts issued by various Trusts formed and managed by your company for the purpose of acquiring the stressed financial assets. As per the Reserve Bank of India guidelines, all the Security Receipts shall be rated at half yearly intervals i.e in December and June of every year by Informerics Ratings, an accredited rating agency.

Rating of Security Receipts, where applicable, has been received from the rating agencies and Net Asset Value of such Security Receipts has been communicated to the Security Receipt holders as per RBI Guidelines in this regard.

Capital Adequacy Ratio:

Your Company's Capital to Risk Assets Ratio (CRAR) stood at 17.77% (previous year 15.96%) calculated as per the parameters and meeting the norms prescribed by the Reserve Bank of India. Your company has adequate assets to leverage the existing capital for higher level of borrowings.

Industry Outlook:

Asset Reconstruction Companies (ARCs) have played a predominant role in the Indian stressed asset space. If we look into the past, prior to year 2013, the stressed asset space in India comprised of only ARCs. However, with the change in regulations and slew of measures taken by the government, entire ecosystem was opened up to increase the investor base. In the meantime, with the change in regulations, ARCs also have tried to shift their gears and adapted to the evolving regime. In this journey, they have travelled a significant distance from the time of their inception.

As brought out in the RBI Governors speech on June 7, 2024, referred earlier, the gross non-performing assets (GNPAs) of scheduled commercial banks (SCBs) and NBFCs are below 3 per cent of total advances as at end of March 2024. Other parameters, for Banks, also remained at comfortable / favourable levels. While this does not put undue pressure on banks to sell their NPAs to ARCs, in view of the higher provisioning, they are inclined to sell old NPAs preferably on 100% cash basis, to boost their profits. Hence, it is expected that sale of NPAs by banks / FIs / permitted entities will continue to grow including during FY24-25.

ARC Performance:

The ARC Sector has been showing tremendous growth rate, despite declining level of NPAs and fresh slippages. As per data collected by the Association of ARCs in India, consolidated data for the ARCs is as under (Provisional numbers):

(Rs in cr)

Sl No.		2018	2019	2020	2021	2022	2023	2024
1	Book Value of Assets Acquired	3,27,400	3,79,383	4,31,339	5,60,492	6,38,008	8,48,119	9,71,978
2	Security Receipts Issued by SCs/RCs	1,18,351	1,42,885	1,51,435	1,79,560	2,04,844	2,46,290	2,83,526
4	Amount of Security Receipts Redeemed	20,148	30,234	43,558	60,147	79,471	1,06,867	1,38,429
5	Security Receipts Outstanding	98,203	1,12,651	1,07,877	1,19,413	1,25,373	1,39,423	1,45,097
		2018	2,019	2020	2021	2022	2023	2024
1	SR Outstanding Beginning of the year	--	98,203	1,12,651	1,07,877	1,19,413	1,25,373	1,39,423
2	SR Issued During the Year	--	24,534	8,550	28,125	25,284	41,446	37,236
3	SR Redeemed during the Year	--	10,086	13,324	16,589	19,324	27,396	31,562
4	SR Outstanding at the closing of the Year	--	1,12,651	1,07,877	1,19,413	1,25,373	1,39,423	1,45,097

The performance for the last 3 years, is presented separately, below:

Performance of ARCs as on March 2024

(Rs in cr)

		2022	2023	2024	Growth	
					2023	2024
1	Book Value of Assets Acquired	6,38,008	8,48,119	9,71,978	2,10,111	1,23,859
2	SR Issued	2,04,884	2,46,290	2,83,526	41,406	37,236
3	SR Outstanding (AUM)	1,25,373	1,39,423	1,45,096	14,050	5,673
4	SR Redeemed	79,511	1,06,867	1,38,429	27,356	31,562

ARCs acquired debt of Rs1.23,859 lac crore from Banks/ NBFCs during 2023-24 by paying Rs 37,236 crore, a decline in growth of acquisition (SR Issued) from Rs 41,406 crore last year. However, Redemption of Security Receipts (SRs) during the year improved to Rs 31,562 crore from Rs 27,356 crore. Cumulative SR redemption improved from 43% in 2023 to 49% in 2024. The pricing (SR issued / Debt acquired) was at 29%, similar to last year. Retail continued to remain at 14% of total outstanding SRs, as in previous year. Amount Restructured improved from Rs 5,546 crore in previous year to Rs 7,948 crore in 2024. Asset sales came down marginally from Rs 8,632 crore to Rs 7,469 crores. Amount of Settlement went up from Rs 9,810 crore to 11,398 crores. Net Owned Fund improved from Rs 13,315 crore to Rs15,622 crore

Current Scenario:

The Government of India (GoI) had, previously, announced formation of an ARC, namely National Asset Reconstruction Company Limited (NARCL), for cleaning the books of PSBs. NARCL has since taken off in a significant manner. The availability of government guarantee for redeeming the SRs issued by NARCL, has provided an unfair advantage to NARCL, as the selling banks effectively get SRs with guaranteed redemption, unlike in the case of other ARCs, where the SRs are redeemed only through recoveries from the underlying assets and there is no government guarantee. To enable other ARCs to compete on an equal footing, some selling banks, for specified larger cases, are seeking bank guarantees from all ARC bidders, for ensuring confirmed redemption of their SRs.

Your ARC is confident in its ability to navigate through the environmental constraints and continue to perform satisfactorily.

Share Capital:

During the year under review, the Company had issued and allotted 50,00,000 equity shares of face value of Rs. 10 each on March 18, 2024, to Renaissance Fiscal Services Limited, at a price of Rs. 40 per share (inclusive of premium). As a result of such allotment, the issued, subscribed and paid-up share capital increased from 137,65,65,560 (comprising 13,76,56,556 equity shares of Rs. 10 each) to 142,65,65,560 (Rupees One Hundred Forty-Two Crores Sixty-Five Lakhs Sixty-Five Thousand Five Hundred Sixty only) (comprising 14,26,56,556 equity shares of Rs. 10 each).

The new equity shares so allotted rank pari-passu with the existing equity shares of the Company. There was no change in the authorized share capital of the Company, which was 200,00,00,000 (Rupees Two Hundred Crores) comprising of 20,00,00,000 equity shares of Rs. 10 each. Except as mentioned above, the Company had not issued any other shares or instruments convertible into equity shares of the Company or with differential voting rights nor has granted any sweat equity.

Debentures:

During the year under review, the Company issued and allotted unsecured Non-Convertible Debentures (NCDs) amounting to Rs. 53,00,00,000/- (Rupees Fifty-three Crore only). Consequently, the total NCDs issued and allotted as of March 31, 2024, amounted to Rs. 64,00,00,000/- (Rupees Sixty-four Crore only).

Directors and Key Managerial Personnel:

As on March 31, 2024, the Board of your Company comprised of 5 (Five) Directors including 2 (Two) Executive Director, 1 (One) Non-Executive Director and 2 (Two) 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. In terms of the provisions of the Act, Mrs. Shikha Bhandari (DIN: 02620265), Director of the Company, retires by rotation and being eligible, offers herself for re- appointment at the ensuing Annual

General Meeting. The information pertaining to Mrs. Shikha Bhandari as required to be disclosed under the Act, has been provided in the notice convening the AGM of the Company.

During the year under review, following Directors were appointed/ re-appointed by the Board of Directors as on March 31, 2024;

- Pursuant to recommendation of Nomination and Remuneration Committee of the Company, **Mr. Ramaswamy Venkatraman Iyer, (DIN: 00561569)** has been re-appointed as a Non-Executive & Independent Director on the Company's Board for his second term of 5 consecutive years effective from March 31, 2023 to hold office till March 30, 2028.
- Pursuant to recommendation of Nomination and Remuneration Committee of the Company, **Mr. Dilip Kumar Daga, (DIN: 02918995)** has been appointed as a Non-Executive & Independent Director on the Board of the Company, with effect from March 24, 2023, to hold office till March 24, 2028 for a term of 5 consecutive years. Also, his appointment was regularised by the members in the Annual General Meeting held on September 30, 2023.
- Pursuant to recommendation of Nomination and Remuneration Committee of the Company, **Mr. Anil Kumar Bhandari, (DIN: 02718111)** has been re-appointed as a Managing Director of the Company for a term of 5 years effective from June 19, 2023 to hold office till June 18, 2028.
- Further, pursuant to recommendation of Nomination and Remuneration Committee of the Company, and subject to approval of shareholders of the Company and Reserve Bank of India (RBI), **Mr. Prashant Chakravorty (DIN: 10172007)** has been appointed as an Additional Director (Non-Executive & Independent Director) on the Board of the Company, with effect from June 25, 2024, for a period of 5 consecutive years, who should hold office till the conclusion of the ensuing General Meeting. The Board has sought the members approval for his appointment at the ensuing Annual General Meeting.

Further, **Mr. Deepak Narang (DIN: 03272814)** has resigned w.e.f. January 04, 2024 during the review period. Apart from him, no other directors resigned during that time frame.

Other Directors on Board of the Company:

- **Mr. Sandeep Vrat**, Director & Chief Executive Officer of the Company.
- **Mrs. Shikha Bhandari**, Non-Executive Director of the Company.

Further, Key Managerial Personnel of the Company are as follows:

1. Mr. Anil Kumar Bhandari, Managing Director
2. Mr. Sandeep Vrat, Director & CEO
3. Mr. Umesh Bafna, Chief Financial Officer
4. Ms. Deepika Agrawal, Company Secretary

During the review period, there is no change in Key Managerial Personnel of the Company.

Independent Directors' Declaration

The Company has received the necessary declarations from each Independent Director in accordance with Section 149(7) of the Act, that he/she meets the criteria of independence as laid out in Section 149(6) of the Act. In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience of all Independent Directors on the Board.

Evaluation of the performance of Directors, Board and Committees:

Directors are chosen / re-appointed by applying fit and proper criteria based on the Reserve Bank of India guidelines and after receiving approval from the Reserve Bank of India. The Nomination and Remuneration Committee of the Company has devised a policy and framework for performance evaluation of individual directors, the Board and its Committees. Pursuant to the said policy and provisions of the Act, the Board has carried out an annual performance evaluation of its own performance, its committees and individual directors. For the aforesaid purpose, a formal evaluation mechanism has been adopted for evaluating the performance of the Board, the Committee(s) thereof and individual Directors. The evaluation is based on criteria which include, among others, providing strategic perspective, Chairmanship of Board Meetings and Committee(s) Meetings, attendance, time devoted and preparedness for the Meetings, quality, quantity and timeliness of the flow of information between the Board Members and the Management, contribution at the Meetings, effective decision-making ability, role and effectiveness of the Committee(s). A separate meeting of the Independent Directors was also held for the evaluation of the performance of non-independent Directors and performance of the Board as a whole & its committee.

The Board and the Independent Directors were of the unanimous view that performance of the Board of Directors as a whole was satisfactory. The Board also appreciated the contribution made by all the Independent Directors in guiding the management in achieving higher growth as also meeting other performance parameters and concluded that continuance of each Independent Director on the Board will be in the interest of the Company. The Independent Directors and the Board were of the view that each of the non-independent directors was providing good business leadership. Further, the Board was of the view that all the committees were performing their functions satisfactorily and according to the mandate prescribed by the Board under the regulatory requirements including the provisions of the Act, and the Rules framed there under.

Familiarisation Programme

The Company regularly provides orientation and business overview to its Directors by way of detailed presentations by the various business and functional heads at Board meetings and through other interactive programmes. Such meetings/ programmes include briefings on business of the Company. Besides this, the Directors are regularly updated about the Company's new acquisitions, resolutions, changes in the regulatory environment and strategic

direction. The Board members are also provided with relevant documents, reports and internal policies to facilitate familiarisation with the Company's procedures and practices, from time to time.

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 criteria for determining qualifications, positive attributes and independence of director which has been placed on the company's website viz. <http://rarearc.com/compliances.php>

Board Meetings:

The Board meets as often as required and to review the business of the company, formulate policies and provide strategic direction to the management in achieving the corporate objectives and further ensure the statutory and regulatory compliances, safeguarding the interests of the stake holders. The dates of the Board meetings are informed to the directors well in advance so as to enable them to manage their schedule effectively and prepare for the meeting. The company makes available video conferencing facility or other audio-visual means, to enable larger participation of directors in the meetings.

In consultation with the Managing Director, Directors & CEO, the Company Secretary prepares the agenda along with explanatory notes thereon and circulates to the directors and invitees. Members of the Board are free to recommend inclusion of any matter in the agenda for discussion. Senior Management Personnel are also invited to attend the Board meeting, make presentations and provide additional inputs to the agenda items under discussion.

During the financial year ended March 31, 2024, the Board of Directors of the Company met four (4) times: June 19, 2023, September 04, 2023, December 28, 2023 and March 30, 2024.

Details of attendance of directors at the Board Meetings during the year 2023-24:

Name of the Director	Designation	No of Board Meetings			% of Attendance
		Held	Entitled	Attended	
Mr. Ramaswamy V. Iyer	Non-Executive and Independent Director	4	4	4	100%
Mr. Deepak Narang	Non-Executive and Independent Director	4	3	2	66.67%
Mrs. Shikha Bhandari	Non-Executive Director	4	4	4	100%
Mr. Sandeep Vrat	Director & CEO	4	4#	2	50%
Mr. Anil Kumar Bhandari	Managing Director	4	4	4	100%
Mr. Dilip Kumar Daga	Non-Executive and Independent Director	4	4	4	100%

The RBI Circular dated October 11, 2022, stipulates that at least half of the directors attending the meetings of the Board shall be independent directors. Consequently, in the absence of Independent Director at Board Meeting, Mr Vrat was not entitled to attend the meeting.

Audit Committee:

The Audit Committee consists of three (3) members, two (2) of whom are Independent Directors and one (1) Non-Independent -Non-Executive Director as on March 31, 2024:

Sr. No.	Name	Designation
1	Mr. Dilip Kumar Daga	Chairman- Non-Executive and Independent Director
2	Mr. Ramaswamy V. Iyer	Member- Non-Executive and Independent Director
3	Mrs. Shikha Bhandari	Member- Non-Executive Director

The Audit Committee has been reconstituted in the board meeting held on December 28, 2023. The Audit Committee met four (4) times during the financial year 2023-24 on June 19, 2023, September 04, 2023, December 28, 2023 and March 30, 2024.

There are no instances where the Board has not accepted any recommendation of Audit Committee during the year.

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee consists of three (3) members, two (2) of whom are Independent Directors and one (1) Non- Executive Non-Independent Director as on March 31, 2024:

Sr. No.	Name	Designation
1	Mr. R. V. Iyer	Chairman- Non-Executive and Independent Director-
2	Mr. Dilip Kumar Daga	Member- Non-Executive and Independent Director
2	Mrs. Shikha Bhandari	Member- Non-Executive Director

The Nomination and Remuneration Committee has been reconstituted in the board meeting held on December 28, 2023. The Nomination and Remuneration Committee met two (2) times during the financial year 2023-24 on June 19, 2023 and December 28, 2023.

There are no instances where the Board has not accepted any recommendation of Nomination and Remuneration Committee during the year.

Corporate Social Responsibility Committee (CSR Committee):

The Corporate Social Responsibility (CSR) Committee consists of three (3) members, one (1) is Managing Director, one (1) is Executive Director and one (1) is Independent Director as on March 31, 2024:

Sr. No.	Name	Designation
1	Mr. Sandeep Vrat	Chairman- Executive Director
2	Mr. Anil Kumar Bhandari	Member-Managing Director
3	Mr. Dilip Daga	Member- Non-Executive and Independent Director

The CSR Committee has been reconstituted in the board meeting held on December 28, 2023. The Corporate Social Responsibility Committee met two (2) times during the financial year 2023-24 on September 04, 2023 and March 30, 2024.

The CSR Policy is placed on the Company's website viz. <http://rarearc.com/compliances.php>. The annual report on CSR activities is enclosed as **Annexure – I**, which forms a part of this report.

Subsidiaries, Joint Ventures and Associate Company:

Your Company does not have any Subsidiary or Associate Company, nor has it entered into any Joint Venture Agreement. During the year under review, the Company continues to be an Associate Company of Renaissance Fiscal Services Private Limited.

Deposits:

During the year under review, the Company has neither accepted nor renewed any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

Particulars of Loans, Guarantees or Investments made under Section 186 of Companies Act, 2013:

Particulars of loans, guarantees and investments covered under Section 186 of the Act, forms part of notes to the financial statements.

Particulars of Contracts or Arrangements with Related Parties:

During the year under review, all contracts/ arrangement/ transactions entered into by the Company with the Related Parties were on arm's length basis and in the ordinary course of business. All Related Party Transactions are placed before the Audit Committee for prior approval.

Pursuant to Section 134 of the Act, read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of related party transactions are provided in Form AOC-2 annexed as **Annexure-II** to this report.

All the Related Party Transactions as required under AS-18 form part of Notes to the financial statements.

Statutory Auditor and Audit Report:

M/s Mehta Lodha & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company for a second term of 5 years from the conclusion of the 8th Annual General Meeting till the conclusion of the 13th AGM to be held in the year 2027-28.

Pursuant to the amendments to Section 139 of the Act vide the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification by the members for appointment of the Statutory Auditors have been done away with. In view of the same, ratification by the members of the Company for continuing appointment of M/s Mehta Lodha & Co., Chartered Accountants as Statutory Auditors of the Company is not being sought at the

AGM. Accordingly, M/s Mehta Lodha & Co., Chartered Accountants shall continue to be the Statutory Auditors of the Company for Financial Year 2024-25.

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

Explanation or comments by the BoD on every qualification, reservation or adverse remark or disclaimer made by the Auditors in Audit report:

The statutory auditors have issued their unmodified opinion, on financial statements for the year ended March 31, 2024 and they have not raised any qualifications, reservations, adverse remarks or disclaimers. The statutory auditors have not reported any incident of fraud to the Audit Committee of the Company during the financial year 2023-24. The notes to the Accounts referred to in the Auditors' Report are self-explanatory.

Internal Auditor:

M/s. J. Prajapati & Co., Chartered Accountants were appointed as an Internal Auditors of the Company for the Financial Year 2023-24. There were no material adverse observations in its Report for FY2023-24. After the closure of the financial year, the Board appointed M/s. J. Prajapati & Co., Chartered Accountants, as Internal Auditor of the Company for the Financial Year 2024-25 in their meeting held on June 25, 2024. The terms of appointment of Internal Auditor and the scope and authority of the Internal Audit function have been reviewed, approved and recommended by the Audit Committee to the Board. To maintain its objectivity and independence, the internal auditor reports to the Chairman of the Audit Committee of the Board.

Secretarial Auditor:

The Board appointed M/s. Ravi Kapoor & Associates, Company Secretaries, as Secretarial Auditor of the Company for the Financial Year 2023-24 in their meeting held on June 19, 2023. Pursuant to Section 204 of the Companies Act 2013, the Secretarial Audit Report for the Financial Year ended March 31, 2024 given by M/s. Ravi Kapoor & Associates, Practicing Company Secretary, is annexed to this Report as an **Annexure – III**.

Explanation or comments by the BoD on every qualification, reservation or adverse remark or disclaimer made by the PCS in Secretarial Audit report:

There are no adverse remarks/ reservations or qualifications made by Practising Company Secretary in his Secretarial Audit Report.

Maintenance of cost records as specified by the central government under sub section (1) of section 148 of the Companies Act, 2013 and status of the same:

The provisions regarding maintenance of cost records as specified by the Central Government under Section 148 (1) of the Companies Act, 2013 are not applicable to the Company.

Reporting of Frauds by Auditors

During the year under review, no instances of fraud committed in the Company were reported by the Statutory/Secretarial Auditors under Section 143(12) of the Companies Act, 2013 to the Audit Committee or the Board of Directors of the Company.

Corporate Governance

Your Company being an Unlisted Company is not governed by Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015. However, our strong governance structure is designed to ensure the success and longevity of our business and forms the foundation of sustained value creation. Good governance, an important pillar of our operations, and our commitment to it goes beyond compliance and statutory norms. We have always ensured highest levels of transparency, integrity, accountability, and fairness in our dealings with shareholders, customers, investors, and other stakeholders. Our Board is committed to instilling ethical values and transparent practices across the organization. Our corporate governance framework ensures that we make timely disclosures transparently in respect of performance, financials and leadership.

Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Establishment of Internal Complaint Committee as per the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has framed Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace. During the year under review, no complaint pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 was received. The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Whistle Blower/ Vigil Mechanism

Your Company has formulated and implemented Whistle Blower/ Vigil mechanism framework to address the genuine concerns, if any. The policy is available on the website of the Company. The functioning of whistle blower/ vigil mechanism is overseen by the Audit Committee. During the year no case was reported under Vigil Mechanism of the Company.

Transfer of Unclaimed Dividend to the Investor Education Protection Fund

There are no unclaimed dividends that are required to be transferred to the Investor Education Protection Fund.

Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report:

There are no material changes and commitments which affect the financial position of the company occurring between the end of financial year and the date of this Report except as stated specifically in this Report.

Details of significant and material Orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future:

There are no material orders passed by the Regulators, Courts, and tribunals impacting going concern status and the Company's operations in future.

Corporate Insolvency Resolution Process under IBC, 2016

No application, against your company, was filed by any financial or operational creditor for commencement of Corporate Insolvency Process under IBC, 2016.

The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial institutions along with the reasons thereof during the financial year:

It is not applicable to the Company, during the financial year.

Internal Financial Control:

The Company has a well-defined Internal Control System, commensurate with the nature, scale and intricacy of its operations. The management monitors and evaluates the efficiency and adequacy of internal control system, accounting procedures, regulators' and Company's policies.

Annual Return:

In accordance with the provisions of Section 92 of the Companies Act, 2013 and the Rules framed thereunder, the Annual Return in Form MGT-7 for the financial year ended on 31st March, 2024 is placed on website of the Company the same can be accessed through the web-link <http://rarearc.com/compliances.php>

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/ Outgo:

Since the Company is not engaged in any manufacturing activity, issues relating to conservation of energy and technology absorption are not relevant to its functioning.

Details of foreign exchange earnings and outgo are as follows:

Foreign exchange earnings and Outgo:

Foreign Exchange Earning	: Rs. Nil
Foreign Exchange Outgo	: Rs. Nil

Particulars of Employees:

The statement containing particulars of employees as required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not required to be appended as the said provisions are not applicable to the Company.

Risk Management:

The Company has set up a risk management framework to identify, monitor, minimize, mitigate and report and also to identify business opportunities. The management oversees the

risk management framework and evaluates internal financial controls and risk management systems. In the opinion of Board, there are no risks which may threaten the existence of the Company.

Directors' Responsibility Statement:

Pursuant to Section 134 (3) (c) of the Companies Act, 2013, the Directors state that –

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Compliance with Secretarial Standards:

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

Acknowledgements:

Your Directors would like to place on record their sincere gratitude for the support and co-operation extended by the Reserve Bank of India, government authorities, banks, and all other stakeholders of the Company. The Board of Directors also take this opportunity to acknowledge the dedicated efforts and commitment made by employees at all levels and their contribution towards the Company during the reporting year.

Date: June 25, 2024

Place: Ahmedabad

**For, and on behalf of the Board of Directors,
Rare Asset Reconstruction Limited,**

Sd/-
Anil Kumar Bhandari
Managing Director
DIN: 02718111

Sd/-
Sandeep Vrat
Director & CEO
DIN: 07271783

Annexure-I

Annual Report on CSR Activities to be included in Board's Report for financial year ended on 31st March, 2024

1. A brief outline on CSR Policy of the Company:

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and the amendments thereto. Pursuant to provisions of Section 135 of the Companies Act, 2013, the Company has also formulated a Corporate Social Responsibility Policy which is available on the website of the Company at <http://www.rarearc.com>

2. The composition of CSR Committee:

Sr. 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. Sandeep Vrat	Chairman & Executive Director	2	2
2.	Mr. Deepak Narang*	Member-Independent Director & Non-Executive	2	0
3.	Mr. Anil Kumar Bhandari	Member-Promoter Director-Executive	2	2
4.	Mr. Dilip Kumar Daga*	Member-Independent Director-Non-Executive	2	1

* Mr. Deepak Narang ceased to be a committee member on December 28, 2023, while Mr. Dilip Daga was appointed as a member of the committee on December 28, 2023.

3. Web-link of the Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company and the weblink of the same is: <http://rarearc.com/compliances.php>
4. Provide the details 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 (attach the report): Not applicable.
5. (a) Average net profit of the company as per section 135(5): Rs. 11,63,06,858/-

(b) Two percent of average net profit of the company as per section 135(5): Rs. 23,26,137/-

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil.

(d) Amount required to be set off for the financial year, if any: Rs. 15,120/-

(e) Total CSR obligation for the financial year (7b+7c-7d): Rs. 23,11,017/-

Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sr. No.	Name of Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of Project (State/District)	Project Duration	Amount allocated for the Project (in Rs.)	Amount spent in the current financial year (in Rs.)	Amount transferred to Unspent CSR Account for the projects as per Sec 135(6) (in Rs.)	Mode of Implementation – Direct (Yes/No)	Mode of implementation – through implementing agency (Name and CSR Reg. No)
Not applicable										

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

Sr No.	Name of the Project	Local Area (Yes/No)	Item from the list of activities in Schedule VII to the Act.	Location of the Project	Amount spent for the project (in Rs.)	Mode of Implementation Direct (Yes/no)	Mode of Implementation through implementing agency (name and CSR Reg. No.)

1.	Projects related to running hostels and schools for education purpose, health centers, medical camps, balsankar Kendra, nasha mukti, cultural awareness & agricultural development.	Yes	(ii)	Gujarat	Rs. 4,00,000	No	Shree Gujj Vanvasi Kalyan Parishad (CSR00025389)
2.	PM CARES fund	NA	(vii)	Delhi	Rs. 7,50,000/-	Yes	N.A.
3.	Providing free education to children belonging to the weaker sections of the society	Yes	(ii)	Gujarat	Rs. 2,50,000	No	Jivan Jagruti Trust (CSR Reg No.: CSR00008798)
4.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	No	(ii)	Delhi	Rs. 7,50,000	No	Bhagwan Mahaveer Vikalang Sahayata Samiti (CSR00001480)
5.	Projects related to running hospital, gaushala, Agricultural development	Yes	(ii)	Gujarat	Rs. 1,00,000	No	Motiba Memorial Sewa Samaj Trust (CSR Reg No.: CSR00006721)
6.	Projects related to water conservation, swatch bharat, women empowerment	Yes	(x)	Gujarat	Rs. 1,00,000	No	Narmada Rural Development Foundation Kamari (CSR Reg No.: CSR00002813)
Total					23,50,000		

(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 (8a+8b+8c+8e): Rs. 23,50,000/-

(e) CSR amount spent or unspent for the financial year:

Total Amount spent	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 Fund	Amount	Date of Transfer
Rs. 23,50,000/-	Not Applicable		Not Applicable		

(f) Excess amount for set off, if any:

Sr. No.	Particulars	Amount (in Rs.)
i.	Two percent of average net profit of the company as per section 135(5)	Rs. 23,26,137/-
ii.	Total amount spent for the Financial Year	Rs. 23,50,000/-
iii.	Excess amount spent for the financial year [(ii)-(i)]	Rs. 23,863/-
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs. 38,983/-

7. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial year	Amount transferred to Unspent CSR Account under Sec 135 (6) (in Rs.)	Amount spent in the reporting financial year (in Rs.)	Amount transferred to any Fund specified under Schedule VII as per Sec 135 (6), if any			Amount remaining to be spent in succeeding Financial years (in Rs.)
				Name of Fund	Amount (in Rs.)	Date of Transfer	
Not applicable							

8. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): **Not applicable.**

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section135(5): **Not applicable**

Date: June 25, 2024

Place: Ahmedabad

**For and on behalf of the Board of Directors,
Rare Asset Reconstruction Limited**

Sd/-

Anil Kumar Bhandari
Managing Director

DIN: 02718111

Sd/-

Sandeep Vrat
Chairman of CSR
Committee, Director & CEO

DIN: 07271783

Form No. AOC -2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for Disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain Arm's Length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's Length basis:

There were no contracts or arrangements or transactions entered into during the year ended on March 31, 2024, which were not at Arm's Length basis.

2. Details of contracts or arrangements or transactions at Arm's Length basis:

Name of related party	Nature of Contracts/ Arrangements/ Transactions	Nature of relationship	Duration of Contract/ Arrangements/ Transactions	Salient terms of Contracts/ Arrangements/transactions including the value, if any	Amount paid as Advances, if any	Date of approval by the Board	Amount (in Rs.)
Renaissance Fiscal Services Private Limited	Rent for Office premise	Promoter Company of Rare Asset Reconstruction Limited	As per the terms of Original Rent Agreement and amended from time to time	As per Rent Agreement on monthly rent of Rs. 4,24,710/- p.m.(Apr'23 to Jun'23) and Rs. 4,88,417/- (Jul'23 to Mar'24)	Nil	September 04, 2023	Rs. 56,69,883/-

Date: June 25, 2024

Place: Ahmedabad

**For and on behalf of the Board of Directors,
Rare Asset Reconstruction Limited**

Sd/-	Sd/-
Anil Kumar Bhandari	Sandeep Vrat
Managing Director	Director & CEO
DIN: 02718111	DIN: 07271783

Form No. MR- 3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

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

To,
The Members
RARE ASSET RECONSTRUCTION LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **RARE ASSET RECONSTRUCTION LIMITED** (herein after called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

We have verified the soft copies of records maintained by the Company. Based on our online verification of the 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, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 generally 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Rare Asset Reconstruction Limited ("the Company") for the financial year ended on 31st March, 2024 and verified the provisions of the following acts and regulations and also their applicability as far as the Company is concerned during the period under audit:

- 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 there under;
- iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent of their applicability to the Company;
- v) Since the Company is not listed on the stock exchange and does not intend to get its shares listed on the Stock Exchange the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company.
- vi) The Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 and the rules and regulations made there under is specifically applicable to the Company.

Since Company is not listed on the stock exchange, provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable. We have examined compliance with applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India for holding Board and General Meetings.

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

We further report that:

- i) The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. Changes which took place during the year in the composition of the Board of directors of the company during the period under review were in Compliance of the Companies Act, 2013.
- ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.
- iii) All decisions at Board Meetings & Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or the Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place: Ahmedabad
Date: 25th June, 2024

For, Ravi Kapoor & Associates

SD/-

Ravi Kapoor
Company Secretary in practice
FCS No. 2587
C P No.: 2407
UDIN: F002587F001388

This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

Annexure A

To,
The Members

RARE ASSET RECONSTRUCTION LIMITED

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 process 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 process 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. Wherever 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 procedure 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.

Place: Ahmedabad

Date: 25th June 2024

For, Ravi Kapoor & Associates

SD/-

Ravi Kapoor

Company Secretary in practice

FCS No. 2587

C P No.: 2407

UDIN: F002587F001388796



INDEPENDENT AUDITOR'S REPORT

To
The Members of
Rare Asset Reconstruction Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Rare Asset Reconstruction Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us read with the notes to accounts, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its Profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statement.

Emphasis of Matter

We draw attention on Note No 2.38 and 2.39 relating to balance confirmation / reconciliation and grouping of some of the third-party accounts.

Information other than the financial statements and auditor's report thereon

The Company's board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the Financial Statements and our auditor's report thereon.

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 such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Management responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for matter stated in section 134(5) of the Act, with respect to the preparation and presentation of the Financial Statement that gives a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 financial Statement 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 financial statement, including the disclosures, and whether the financial statement represents 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.

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

Report on Other Legal and Regulatory Requirements

- (A) As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable for the year under consideration.
- (B) As required by Section 143(3) of the Act and read with the notes to accounts, based on our audit and the explanations given to us by the company, we broadly 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; except for the matter stated in the paragraph (h)(vi) below on reporting under Rule 11(g);
- (c) The Balance Sheet as at March 31, 2024, the Statement of Profit and Loss and the Cash Flow for the year then ended dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the financial statements comply with the Accounting Standards specified under section 133 read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in '**Annexure B**' to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of sub-section (16) of Section 197 of the Act, as amended, we report that to the best of our information and according to the explanations given to us, remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- (h) With respect to the other matters to be included in the auditors' report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:-
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Please refer Note No. 2.32
 - ii. The Company did not have any long-term contracts including derivative contracts and accordingly no provision is required to be made for any loss from the same;
 - iii. There was no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes 2.45 (vii) to the accounts, during the year no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of it's knowledge and belief, as disclosed in the notes 2.45 (viii) to the accounts, during the year no funds (which are material either individually or in aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014, as provided in (a) and (b) above, contain any material misstatement.

- v. The final dividend paid by the Company during the year ended 31 March 2024 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. Further, as stated in note 2.44 to the accompanying financial statements, the Board of Directors of the Company have proposed dividend for the year ended 31 March, 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has not been operated throughout the year for all relevant transactions recorded in the software.

For, Mehta Lodha & Co
(Firm Regd. No: 106250W)
Chartered Accountants

Place: Ahmedabad
Date: 25th June, 2024
UDIN: 24034363BKCIQD2203

Sd/-
Prakash D Shah
Partner
Membership No. 034363

Annexure A to Independent Auditor's Report of even date on the Financial Statements of Rare Asset Reconstruction Limited for the year ended on 31st March 2024.

(Referred to in paragraph A under 'Report on other legal and regulatory requirements' section of our report of even date to the members of Rare Asset Reconstruction Limited)

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) The company have no intangible assets and accordingly, clause 3(i)(a)(b) of the Order is not applicable.
 - (b) The Company has a regular programme of physical verification of property, plant and equipment and are verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No Material discrepancies were noticed on such verification.
 - (c) According to the information and explanation given to us by the management, and based on the records of the Company, the company does not have any immovable properties and hence clause 3(i)(c) of the Order is not applicable.
 - (d) The company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - (e) According to the information and explanation given to us by the management, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable.
- (b) The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate from banks on the basis of security of current assets and accordingly reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) During the year, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances, which are not in the nature of normal trade practice, in the nature of loans, secured or unsecured, to companies, firms and limited liability partnerships or any other parties. Therefore, the provisions of clause 3(iii) of the said Order is not applicable to the Company.
- (iv) The Company has complied with the provisions of sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Company is not in the business of sale of goods or provisions of such service as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii) In respect of statutory dues:
 - (a) In our opinion, the Company has generally been regular in depositing the undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable, to the appropriate authorities.
 - (b) There are no material undisputed amounts payable in respect of above dues which were in arrears as at March 31, 2024, for a period more than six months from the date they become payable.

- (c) According to the information and explanations given to us and the records of the company examined by us, following are the details of outstanding dues in respect of Income Tax which have not been deposited/adjusted/reversed, on account of dispute: -

Name of the Statute	Nature of Dues	Amount (Rs in Lakhs)	Period to which amount relates	Forum Where Dispute is Pending
Income Tax Act, 1961	Income Tax	1232.83	Asst Year 2020-2021	Commissioner of Income Tax(Appeal)
Income Tax Act, 1961	Income Tax	5684.23	Asst Year 2021-2022	Commissioner of Income Tax(Appeal)
Income Tax Act, 1961	Income Tax	1433.68	Asst Year 2018-2019	Commissioner of Income Tax(Appeal)
Income Tax Act, 1961	Income Tax	568.06	Asst Year 2019-2020	Commissioner of Income Tax(Appeal)
Total		8918.80		

- (viii) According to the information and explanation given to us, no transactions were surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961, (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lenders.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us the Company has not obtained any term loan. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates and joint venture.
- (f) There is no subsidiary Company of the company and therefore reporting under clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and based on our examinations of the records of the Company, the company has made preferential allotment/private placement of fully paid equity shares during the year, the company has complied with the requirements of section 42 of the Companies Act, 2013 and the amount raised have been used for the purpose for the which the funds were raised.
- (xi) (a) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.
- (c) As represented to us by the management of the Company, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

- (xiii) According to the information and explanations given to us, the Company is in compliance with Section 177 and Section 188 of the Act with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) According to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with its directors, and hence, provisions of section 192 of Act are not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial Activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any core investment company. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios disclosed in Note 2.45(i), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the board of directors and management plans, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable 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) In our opinion and according to the information and explanation given to us, there is no unspent amount under section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clause 3(xx) (a) and (b) of the Order is not applicable to the Company.
- (xxi) In our opinion, the clause (xxi) of para 3 of the Order does not apply to Financial Statements.

For, Mehta Lodha & Co
(Firm Regd. No: 106250W)
Chartered Accountants

Sd/-

Prakash D Shah
Partner
Membership No. 034363

Place: Ahmedabad
Date: 25th June, 2024
UDIN: 24034363BKCIQD2203

Annexure B to Independent Auditors Report

Annexure B referred to paragraph B(f) under ‘Report on Other Legal Regulatory Requirements of Independent Auditor's report of even date for year ended March 31, 2024.

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 of **Rare Asset Reconstruction Limited** (“the Company”) as of March 31, 2024 in conjunction with our audit of the financial Statements of the company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management and Board of Directors are responsible for establishing and maintaining internal financial Controls based on the internal 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. 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 these 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 as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 these Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of un-authorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, except otherwise stated or reported to the management, an adequate internal financial controls system over financial reporting with reference to this financial statements and such internal financial controls over financial reporting with reference to these financial statement were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For, Mehta Lodha & Co
(Firm Regd. No: 106250W)
Chartered Accountants**

**Place: Ahmedabad
Date: 25th June, 2024
UDIN: 24034363BKCIQD2203**

Sd/-
**Prakash D Shah
Partner
Membership No. 034363**

RARE ASSET RECONSTRUCTION LIMITED			
Balance Sheet as at 31st March , 2024			
(Rs. In Lakhs)			
Particulars	Note No.	As at 31st March 2024	As at 31st March 2023
I. EQUITY AND LIABILITIES			
1. Share Holder's Fund			
a. Share Capital	2.01	14,265.66	13,765.66
b. Reserve and Surplus	2.02	6,103.69	4,069.76
2. Share Application Money Pending for the Allotments		-	-
		20,369.35	17,835.42
3. Non Current Liabilities			
a. Long Term Borrowings	2.03	27,564.73	35,346.97
b. Deferred Tax Liabilities (Net)	2.04		
c. Long Term Provision	2.05	35.65	34.04
d. Other Long Term Liabilities	2.06	58,937.84	48,470.19
		86,538.22	83,851.20
4. Current Liabilities			
a. Short Term Borrowings	2.07	1,419.07	465.54
b. Trade Payables	2.08		
- total outstanding dues of micro enterprises and small enterprises.			
- total outstanding dues of creditors other than micro enterprises and small enterprises.		10.92	2.42
c. Other Current Liabilities	2.09	6,629.38	3,880.19
d. Short Term Provisions	2.10	233.75	76.13
		8,293.12	4,424.27
TOTAL		115,200.69	106,110.89
II. ASSETS			
1. Non Current Assets			
a. Property, plant and equipments			
(i) Tangible Assets	2.11	79.86	92.81
b. Non-Current Investments	2.12	112,358.44	103,908.95
c. Deferred Tax Asset (Net)	2.04	1.55	1.05
d. Long Term Loans and Advances	2.13	2.02	1.61
e. Other Non- Current Assets	2.14	7.50	15.00
		112,449.37	104,019.41
2. Current Assets			
a. Trade Receivbles	2.15	-	-
b. Cash and Cash Equivalents	2.16	1,151.56	1,672.86
c. Short Term Loans and Advances	2.17	1,598.66	417.92
d. Other Current Assets	2.18	1.10	0.69
		2,751.32	2,091.47
TOTAL		115,200.69	106,110.89
Significant accounting policies		1	
The accompanying notes are an integral part of the financial statements.		2.1 to 2.47	
This is the Balance Sheet referred to in our report of even date			
For, Mehta Lodha & Co.		For and on behalf of the Board of Directors	
Chartered Accountants			
(FRN: 106250W)			
		Sd/-	Sd/-
		Anilkumar Bhandari	Sandeep Vrat
		Managing Director	CEO & Director
		DIN: 02718111	DIN : 07271783
Sd/-		Sd/-	Sd/-
Prakash D Shah		Umesh Bafna	Deepika Agrawal
Partner		Chief Financial Officer	Company Secretary
Membership No.: 034363			
Place: Ahmedabad		Place: Ahmedabad	
Date: 25th June, 2024		Date: 25th June, 2024	
UDIN:24034363BKCIQD2203			

RARE ASSET RECONSTRUCTION LIMITED			
Statement of Profit & Loss for the year ended 31st March, 2024			
(Rs. In Lakhs)			
Particulars	Note No.	For the year ended on March 31st, 2024	For the year ended on March 31st, 2023
I. Revenue from Operations	2.19	6,373.41	6,996.61
II. Other Income	2.20	166.62	184.81
III. Total Income		6,540.03	7,181.43
IV. Expenses			
Employees benefits Expenses	2.21	323.52	324.48
Finance Cost	2.22	2,045.87	3,464.16
Depreciation and Amortization Expenses	2.11	16.27	18.64
Provision/ Write off of Receivables, Loans & Investments	2.23	2,646.29	1,786.00
Other Expenses	2.24	407.44	513.20
Total Expenses		5,439.39	6,106.48
V. Profit before tax (III-IV)		1,100.64	1,074.95
Tax Expense:			
Current tax		287.93	326.34
Earlier year tax adjustments		3.97	-
Deferred tax		(0.50)	-0.54
VI. Profit after tax		809.24	749.14
VII. Earnings per share (Face Value ₹ 10/- per share)	2.28		
Basic / Diluted (In ₹)		0.57	0.54
Significant accounting policies 1 The accompanying notes are an integral part of the financial statements. 2.1 to 2.47 This is the Statement of Profit and Loss referred to in our report of even date			
For, Mehta Lodha & Co. Chartered Accountants (FRN: 106250W)		For and on behalf of the Board of Directors	
Sd/-		Sd/-	
		Anilkumar Bhandari Managing Director DIN: 02718111	
		Sandeep Vrat CEO & Director DIN : 07271783	
Sd/-		Sd/-	
Prakash D Shah Partner Membership No.: 034363 Place: Ahmedabad Date: 25th June, 2024 UDIN:24034363BKCIQD2203		Umesh Bafna Chief Financial Officer Place: Ahmedabad Date: 25th June, 2024	
		Deepika Agrawal Company Secretary	

RARE ASSET RECONSTRUCTION LIMITED

Cash Flow Statement for the Year Ended on 31st March 2024

(Rs. In Lakhs)

Particulars	Year ended 31st March, 2024		Year ended 31st March, 2023	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / (Loss) before extraordinary items and tax		1,100.64		1,074.95
<u>Adjustments for:</u>				
Interest Income	130.59		184.41	
Finance Cost	2,041.23		3,458.00	
Provision for NPA/Write off-On Security Receipt held in trust	(3,679.73)		13.66	
Provision for NPA/Write off -On Financial Asset (Own Books)	5,451.04		1,517.83	
Loss on Transfer of Security Receipt	-		254.51	
Miscellaneous Expenses Write off	7.50		7.50	
Depreciation and Amortisation	16.27	3,966.90	18.64	5,454.55
Operating profit / (loss) before working capital changes		5,067.54		6,529.50
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
(Increase)/Decrease in Long Term Loan and Advances	(0.41)		0.64	
(Increase)/Decrease in Trade Receivables	-		196.56	
(Increase)/Decrease in Other Current Assets	(0.41)		(0.59)	
(Increase)/Decrease in Short Term Loan and Advances	(1,180.73)		209.15	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Increase/(Decrease) in Other Trade Payable	8.50		(27.79)	
Increase/(Decrease) in Other Current Liabilities	2,749.19		1,329.22	
Increase/(Decrease) in Long Term Provisions	1.61		6.66	
Increase/(Decrease) in Short Term Provisions	157.62		67.99	
Increase/(Decrease) in Other Long Term Liabilities	10,467.66	12,203.02	(3,812.99)	-2,031.14
Cash generated from operations		17,270.56		4,498.36
Direct taxes paid (net)		(291.91)		(326.34)
Net cash (used in)/generated from operating activities		16,978.65		4,172.02
B. CASH FLOW FROM INVESTING ACTIVITIES				
Non Current Investment /(Purchased) sold	(10,220.81)		(5,315.27)	
Purchase of Property, Plant and equipment	(3.32)		(2.74)	
Interest Income	(130.59)		(184.41)	
Other Non-Current Asset	(0.00)		201.45	
Net Cash (used in)/generated from Investing activities		(10,354.72)		(5,300.98)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Increase/ (Decrease) in Share Capital	500.00		-	
Increase/ (Decrease) in Security Premium	1,500.00		-	
Receipt of Share Application Money	-		-	
Proceeds /(Repayment) of Long Term Borrowings	(7,782.22)		9,110.72	
Proceeds /(Repayment) of Short Term Borrowings	953.54		(5,299.25)	
Dividend payment	(275.31)		(275.31)	
Finance Cost	(2,041.23)		(3,458.00)	
Net Cash (used in)/generated from financing activities		(7,145.23)		78.15
Net (Decrease)/Increase In Cash and Cash equivalents		(521.29)		(1,050.82)
Cash & Cash equivalent at the beginning of the year		1,672.85		2,723.67
Cash & Cash equivalent at the end of the year		1,151.56		1,672.85

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 "Cash Flow Statement".

As per our even date report attached

For and on behalf of the Board of Directors

For, Mehta Lodha & Co.
Chartered Accountants
(FRN: 106250W)

Sd/-

Sd/-

Anilkumar Bhandari
Managing Director
DIN: 02718111

Sandeep Vrat
CEO & Director
DIN : 07271783

Sd/-

Sd/-

Sd/-

Prakash D Shah
Partner
Membership No.: 034363

Umesh Bafna
Chief Financial Officer

Deepika Agrawal
Company Secretary

Place: Ahmedabad
Date: 25th June, 2024
UDIN:24034363BKCIQD2203

Place: Ahmedabad
Date: 25th June, 2024

RARE ASSET RECONSTRUCTION LIMITED

Notes to Financial Statements for the year ended on 31st March 2024

Note - 1

Corporate information:

Rare Asset Reconstruction Limited (formerly Raytheon Asset Reconstruction Private Limited) (“the Company”) was incorporated on September 16, 2015 with the object of engaging in the business of Asset Reconstruction i.e. to acquire, hold, manage, assign or dispose of non-performing loan assets, with or without the underlying securities, of Banks, Financial Institutions or other lending body corporate, cooperative societies or firms or individuals. Pursuant to necessary approvals from the Central Government and RBI, company has been converted into public company on October 11, 2018.

The Company is registered with Reserve Bank of India (RBI) as an Asset Reconstruction Company pursuant to The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 vide RBI certificate of registration dated September 29, 2016.

Note - 2

Summary of significant accounting policies:

(i) Basis of accounting:

The financial statements are prepared under the historical cost convention on an accrual basis in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and Accounting Standards (AS) under Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, the provisions of the Act (to the extent notified) and the Schedule III to the Act and circulars and guidelines issued by the Reserve Bank of India (‘RBI’).

All the assets and liabilities have been classified as current or non-current as per the company’s normal operating cycle and other criteria set out in the Schedule III of the Act. Based on the nature of the services and the time between the provision of services, and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

(ii) Use of estimates:

The presentation of financial statements in conformity with GAAP requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting year. Differences between the actual results and estimates are recognised in the year in which the results are known / materialized.

(iii) Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(iv) Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(v) Revenue recognition:

Management fee:

RARE ASSET RECONSTRUCTION LIMITED

Notes to Financial Statements for the year ended on 31st March 2024

The Company receives management fee from trusts declared by it for acquisition of financial assets and the same is accounted for on realisation basis (net of Goods & Service Tax/ Service Tax) as per terms of the relevant trust deeds and offer document issued by the Trust. However, in case of high expectation (as assessed by management) of receipt of management fee within a period of 6 months from date of accrual, management fee to the extent expected to be realised, is accrued in books of accounts. In accordance with the Guidelines, unrealized fee is reversed on earlier of the following situations:

- a) If the fee remains unrealized after the expiry of 180 days from the end of planning period, wherever applicable or 180 days from the date of recognition, in other cases.
- b) if Net Assets Value (NAV) of the Security Receipts falls below 50% of the face value of Security Receipts.

Such unrecognized fee is recognised only on realisation.

Upside sharing:

- a) Share in excess realization over acquisition price is accounted for as per terms of the relevant trust deed or offer document. For acquisitions on or after 23rd April, 2014, upside income is recognized only after full redemption of Security Receipts.
- b) Other fee income is recognized on receipt basis as per contractual terms.
- c) Income by way of yield on security receipts is accounted for as and when the same is realised. For acquisitions on or after 23rd April, 2014, yield is recognized only after full redemption of Security Receipts.

Interest Income:

- a) Interest on advances in terms of expenses incurred on behalf of the trusts is accounted for in terms of the provisions of the relevant Trust Deed and Offer Document and is accrued where reasonable certainty exists with respect to its recovery. Interest on advances is reversed on earlier of the following situations:
 - i) If the interest on advance remains unrealized after the expiry of 180 days from the end of planning period, wherever applicable or 180 days from the date of recognition, in other cases.
 - ii) If Net Assets Value (NAV) of the Security Receipts falls below 50% of the face value of Security Receipts.

Such interest income is recognised only on realization.

- b) Interest on bank deposits / permitted investments is accounted for on accrual basis.
- c) Interest income from Security Receipts is accounted for as and when the same is realized.
- d) Interest on loans provided directly to the Investee Companies for the purpose of asset reconstruction and recovery are recognized on an accrual basis in the accounts based on the terms of the loan documents except in case of non-performing assets, wherein it is accounted on realisation.

(vi) Borrowing cost:

There are no Borrowings, except in the nature of Inter corporate borrowings, where interest is paid / payable as per contractual terms.

(vii) Deferred employee stock compensation cost:

There are no such costs.

(viii) Investments/ Valuation of Security Receipts (SRs):

RARE ASSET RECONSTRUCTION LIMITED

Notes to Financial Statements for the year ended on 31st March 2024

Investments in Security Receipts (SR) are accounted in accordance with the guidelines issued by RBI. As per RBI guidelines, initial rating / grading would be assigned within six months of acquisition of assets post 5 August, 2014, and within one year of acquisition of assets, before said date.

a) Investments in Security Receipts (SR) held by the company are treated as "available for sale" category.

b) Investment in Security Receipts (SR) is valued at cost till receipt of Initial Rating and at lower of cost or realizable value thereafter. Latest available Net Asset Value (NAV) as declared by the Trusts, within the Rating Band indicated by Credit Rating Agencies, is considered to be the realizable value. Individual scrip-wise diminution or appreciation is aggregated to arrive at 'net diminution' or 'net appreciation'.

c) Net appreciation, if any, is not accounted for in statement of profit and loss, whereas net diminution is provided for in the statement of profit and loss.

(ix) Valuation of equity shares

The equity shares acquired through conversion of Borrowers debt to equity are valued periodically and marked to market as at the rate prevailing at the close of the financial year.

(x) Rating of Security Receipts:

The Security Receipts issued by the Trusts which are managed by the company as managing trustee are being rated by Credit Rating Agencies in accordance with the guidelines issued by Reserve Bank of India for credit rating of SRs of Trusts.

(xi) Fixed assets and depreciation:

Property, Plant and Equipment- Tangible Assets

Property, Plant and Equipment are considered at cost less accumulated depreciation. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided on Straight Line Method basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal.

As per the requirement of Schedule II to Companies Act, 2013, the company has evaluated the useful lives of respective fixed assets which are as per the provisions of Part C of the Schedule for calculating the depreciation. The useful lives of the fixed assets are as follows:

<i>Nature of Assets</i>	<i>Useful Life</i>
<i>Furniture and Fixture</i>	<i>10 years</i>
<i>Electric Fittings</i>	<i>10 years</i>
<i>Computers & Data processing units</i>	<i>3 years</i>
<i>Office Equipments</i>	<i>5 years</i>

(xii) Expenses incurred by the Company on behalf of the Trust:

Expenses incurred at pre acquisition stage are recognized as expenses for the period in which such cost are incurred. If such expenses are contracted to be recovered from the Trust, the same shall be recognized on realization.

Expenses incurred on behalf of Trust are shown as recoverable from Trust(s)' and grouped under 'Advances Recoverable in Cash or in kind' in Balance Sheet. These expenses are reimbursed to the company in terms of the provisions of relevant Trust Deed and Offer Document. Expenses are reversed on earlier of following situations:

a) If the expenses remain unrealized after expiry of 180 days from the end of planning period, wherever applicable or 180 days from date of recognition in other cases; or

b) If Net Asset Value (NAV) of the Security Receipts falls below 50% of Face Value of the Security Receipts.

RARE ASSET RECONSTRUCTION LIMITED

Notes to Financial Statements for the year ended on 31st March 2024

Such unrealized expenses incurred by the Company and due from the Trusts are recognised only on realisation.

(xiii) Taxation

Tax expense comprises income tax (i.e. amount of tax for the period determined in accordance with the income-tax law), deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

Income Tax

Provision for income tax is recognised based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the Income Tax Act, 1961.

Deferred taxation

The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

(xiv) Preliminary expenses:

Preliminary expenses are being amortized over a period of five years as per the provisions of Sec 35 D as per Income Tax Act 1961. The unamortized amount is shown in the balance sheet as non current assets.

(xv) Provisions, contingent liabilities and contingent assets:

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. There are no contingent liabilities and assets except stated otherwise.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that outflow of resources would be required to settle the obligation, the provision is reversed.

(xvi) Earnings per share:

The company reports Basic and diluted earning per share in accordance with Accounting Standard 20- Earning per Share notified under section 133 of the Act. Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity and dilutive potential equity shares outstanding during the year except where the results would be anti-dilutive.

(xvii) Cash and cash equivalents:

Cash and cash equivalents includes cash in hand, demand deposits with Banks and other fixed deposits with Bank with original maturities of 12 months or less.

(xviii) Employee Benefits:

a) **Short Term Employee Benefits:** All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, bonus, allowance and contribution to ESIC etc. are recognized as actual amounts due in the period in which the employee renders services.

b) **Defined Benefit Plan:** Provision for gratuity is provided for the year as per actuarial valuation as of the balance sheet date carried out by an independent actuary. Actuarial gains or losses are recognized in full in the income and expenditure account of the respective financial year and are not deferred.

RARE ASSET RECONSTRUCTION LIMITED

Notes to Financial Statements for the year ended on 31st March 2024

The Previous year's figures have been regrouped / reclassified, whenever necessary to confirm to the current year presentation.

Note No. 2.01 Share Capital

(Rs. In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Authorised		
20,00,00,000 (Previous Year 20,00,00,000) Equity Share of Rs. 10.00/- Per Share	20,000.00	20,000.00
Issued		
14,26,56,556 (Previous Year 13,76,56,556) Equity Share of Rs. 10.00/- Per Share	14,265.66	13,765.66
Subscribed and Paid up		
14,26,56,556 (Previous Year 13,76,56,556) Equity Share of Rs. 10.00/- Per Share	14,265.66	13,765.66
Total	14,265.66	13,765.66

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares

Particulars	As at 31st March 2024		As at 31st March 2023	
	No. of Shares	Amount (In Lakhs)	No. of Shares	Amount (In Lakhs)
At the beginning of the period	137,656,556	13,765.66	137,656,556	13,765.66
Issued during the period	5,000,000	500.00	-	-
Redeemed or brought back during the period	-	-	-	-
Outstanding at the end of Period	142,656,556	14,265.66	137,656,556	13,765.66

Right, Preferences and Restriction attached to shares

Equity Shares

The Company has only one class of Equity Shares having a face value Rs. 10.00 per Share. Each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors is subject to approval of the shareholders in ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholdings.

Share Holder's Holding more than 5% of Shares

Particulars	As at 31st March 2024		As at 31st March 2023	
	No. of Shares	% of Holding	No. of Shares	% of Holding
- Renaissance Fiscal Services Pvt Ltd	64,595,453	45.28%	58,686,362	42.63%
- Praveen K. Jain	26,057,220	18.27%	26,057,220	18.93%
- Sunita Jain	13,110,000	9.19%	13,110,000	9.52%
- Vardhaman Investment PTE Ltd	13,110,000	9.19%	13,110,000	9.52%
- Priyanka Jain	13,103,883	9.19%	13,103,883	9.52%
- Sweta Jain	8,280,000	5.80%	8,280,000	6.01%

Disclosures of Shareholding of Promoters

Shares held by promoters as at 31st March, 2024			% Change during the year
Promoter Name	No. of Shares	% of total shares	
- Renaissance Fiscal Services Pvt. Ltd.	64,595,453	45.28%	10.07%
- Praveen K. Jain	26,057,220	18.27%	0.00%
- Anil Kumar Bhandari	3,340,000	2.34%	0.00%
- Sweta Bhandari	9,000	0.01%	0.00%

Shares held by promoters as at 31st March, 2023			% Change during the year
Promoter Name	No. of Shares	% of total shares	
- Renaissance Fiscal Services Pvt. Ltd.	58,686,362	42.63%	0.00%
- Praveen K. Jain	26,057,220	18.93%	0.00%
- Anil Kumar Bhandari	3,340,000	2.43%	0.00%
- Sweta Bhandari	9,000	0.01%	0.00%

Note 2.02 Reserves & Surplus

(Rs. In Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
A) Surplus/(Deficit) in profit and loss account		
Opening Balance	2,024.31	1,550.47
Add: Profit during the year	809.24	749.14
Less: Dividend Paid	275.31	275.31
Closing Balance (I)	2,558.23	2,024.31
B) Securities Premium		
Opening Balance	2,045.45	2,045.45
Add: Premium received during the year	1,500.00	-
Closing Balance (II)	3,545.45	2,045.45
Total (I+II)	6,103.69	4,069.76

RARE ASSET RECONSTRUCTION LIMITED
Notes to Financial Statements for the year ended on 31st March 2024

Note 2.03 Long Term Borrowings (Rs in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
(Secured)		
-Vehicle Loan (Refer Note 1)	19.51	36.21
	19.51	36.21
(Unsecured and considered good)		
-Inter Corporate Unsecured Borrowing (Refer Note 2)		
(a) From Related Party	5,021.16	3,954.52
(b) From Others	16,124.06	30,256.24
	21,145.22	34,210.76
(Unsecured and considered good)		
-Non-Convertible Debenture @ 8% (Refer Note 3)	6,400.00	1,100.00
	6,400.00	1,100.00
Total	27,564.73	35,346.97

Note

- 1) Vehicle loan is secured against hypothecation of vehicle.
- 2) Inter Corporate Deposit taken from related party are repayable on resolution/ recovery of the connected account and balance amount is repayable on call. With respect to other parties the said Inter Corporate Deposit are repayable on resolution/ recovery of the connected account and balance amount is renewable in 5 Years from the date of receipt of the said deposit.

3) Maturity Profile and rate of Interest on Debenture

Particulars	As at March 31st, 2024	As at March 31st, 2023
8% Rare ARC NCDs (Series I) Redeemable in the Year 2025-2026	1,100	1,100
8% Rare ARC NCDs (Series II) Redeemable in the Year 2028-2029	5,300	-

Note 2.04 Deferred Tax Liabilities /(Asset) (Rs in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
Deferred tax Liability/(Asset)		
- On carry forward losses	-	-
- On other timing differences	-	-
- On difference between tax and book depreciation on	(1.55)	(1.05)
Total	(1.55)	(1.05)

Note 2.05 Long Term Provision (Rs in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
Provision for Employee benefit expense-Grauity	35.65	34.04
Total	35.65	34.04

Note 2.06 Other Long Term Liabilities (Rs in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
Unsecured and considered good:		
(a) Security Deposit		
- Due to Associate Concern	4,281.99	3,376.99
- Others	54,558.85	44,896.20
Total (a)	58,840.84	48,273.19
(b) Advance-Other	97.00	197.00
Total (a+b)	58,937.84	48,470.19

RARE ASSET RECONSTRUCTION LIMITED

Notes to Financial Statements for the year ended on 31st March 2024

Note 2.07 Short Term Borrowings

(Rs in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
Secured		
Current Maturity of Long Term Borrowings	16.70	15.54
Bank Overdraft (Refer Note 1)	1,402.37	450.00
Total	1,419.07	465.54

Note

- 1) Bank Overdraft availed is secured against 100% fixed deposit held by the Company /Trusts with IDBI Bank.

Note 2.08 Trade Payable

(Rs in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
Total Outstanding dues of Micro and Small Enterprises	-	-
Total Outstanding dues of creditors other than Micro and		
- Dues to Others	10.77	2.42
- Dues to Key Managerial Personnel	0.15	-
Total	10.92	2.42

Trade Payables ageing

As at March 31st, 2024	Outstanding for following periods from due date of payment.		
Particulars	Less than 1 Year	1-2 years	2-3 Years
(i) Undisputed Trade Payable- MSME	-	-	-
(ii) Undisputed Trade Payable -Others	10.54	0.38	-
As at March 31st, 2023	Outstanding for following periods from due date of payment.		
Particulars	Less than 1 Year	1-2 years	2-3 Years
(i) Undisputed Trade Payable- MSME	-	-	-
(ii) Undisputed Trade Payable -Others	2.05	0.38	-

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

Note 2.09 Other Current Liabilities

(Rs in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
Unsecured and considered good:		
(a) Advance from Trust	-	1,974.24
(b) Statutory Dues Payable	379.38	453.39
(c) Advance for Resolution	6,250.00	1,450.40
(d) Unpaid Dividend	-	2.16
Total	6,629.38	3,880.19

Note 2.10 Short Term Provision

(Rs in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
Provision For Current Tax (Net of Advance Tax & TDS)	223.45	64.04
Provision For Expenses	3.43	4.71
Provision for Employee benefit expense-Grautity	6.87	7.38
Total	233.75	76.13

RARE ASSET RECONSTRUCTION LIMITED

Notes forming part of the Financial Statements

Note No. 2.11
Property, Plant and equipment as at 31st March, 2024

Particulars	Gross Block			Depreciation				(Rs in Lakhs)	
	Balance as at 01st April, 2023	Additions during the year	Deletion During The Year	Balance as at 31st March, 2024	Balance as at 01st April, 2023	Addition during the year	Deletion/Adjustments during the year	Balance as at 31st March, 2024	Balance as at 31st March, 2023
Tangible Assets									
Own Assets									
Office Equipment	28.61	2.75	-	31.36	23.18	2.35	-	5.84	5.43
Computer	7.58	0.56	-	8.14	5.42	1.39	-	1.33	2.16
Electric Fittings	1.88	-	-	1.88	0.89	0.18	-	0.81	0.99
Furniture & Fixture	36.53	-	-	36.53	18.07	3.48	-	14.99	18.46
Vehicle	74.71	-	-	74.71	8.94	8.87	-	56.89	65.76
Total (A)	149.31	3.32	-	152.63	56.50	16.27	-	72.77	92.81
P.Y. Total	146.57	2.74	-	149.31	37.87	18.64	-	92.81	108.71

General Notes:

1. No Depreciation if remaining useful life is negative or zero.
2. If asset is used less than 365 days during current financial year than depreciation is equals to w.d.v. as on 31.03.2023 less residual value.
3. Depreciation is calculated on pro-rata basis in case asset is purchased/sold during current F.Y.

RARE ASSET RECONSTRUCTION LIMITED

Notes to Financial Statements for the year ended on 31st March 2024

Note 2.12 Non Current Investments

(Rs in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
Unquoted:		
Security receipts of Trusts (Refer Note 1 & 2)	73,200.87	66,095.67
Less: Provision (Net of recovery)/ Reversal of provision	3,679.73	(13.66)
Total (a)	76,880.60	66,082.01
Financial Asset (Own Books)	40,928.89	39,344.77
Less: Provision for NPA	(3,573.37)	-136.50
Less: Loss	(1,877.68)	-1,381.33
Total (b)	35,477.84	37,826.94
Total (a+b)	112,358.44	103,908.95

Note

- 1) During the year, the company has written-off investments in security receipts amounting to Rs 874.98 Lakh (PY Rs 254.51 lakh) on account of lower/ no recovery in those investments.
- 2) There is difference in the number of security receipts between book of accounts and NSDL records due to non up-dation in NSDL records.

Note 2.13 Long Term Loans & Advances

(Rs in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
Security Deposit	2.02	1.61
Total	2.02	1.61

Note 2.14 Other Non Current Assets

(Rs in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
Misc. Exp. Not Written Off	7.50	15.00
Total	7.50	15.00

Note 2.15 Trade Receivables

(Rs in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
<u>Unsecured and considered good</u>		
- Outstanding for less than six months	-	-
- Outstanding for more than six months	-	-
<u>Unsecured and considered doubtful</u>		
- Outstanding for more than six months	-	-
Less: Reversal as per RBI guidelines	-	-
Total	-	-

RARE ASSET RECONSTRUCTION LIMITED

Notes to Financial Statements for the year ended on 31st March 2024

Trade receivables Ageing Schedule

As at March 31st, 2024	Outstanding for following periods from due date of payment.		
Particulars	Less than 6 months	6 months-1 year	1-2 years
(i) Undisputed Trade Receivables - considered good	-	-	-
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-
(iii) Disputed Trade Receivables - considered good	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-
(v) Trade Receivable-Not Due	-	-	-

As at March 31st, 2023	Outstanding for following periods from due date of payment.		
Particulars	Less than 6 months	6 months-1 year	1-2 years
(i) Undisputed Trade Receivables - considered good	-	-	-
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-
(iii) Disputed Trade Receivables - considered good	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-
(v) Trade Receivable-Not Due	-	-	-

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms

There are no trade receivables which are outstanding for period from 2-3 Years and above and hence are not disclosed.

Note 2.16 Cash and cash equivalents

(Rs in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
Cash in hand	0.06	0.16
Bank Balance with schedule bank	286.82	495.20
Unpaid Dividend Bank Account	-	2.16
Fixed Deposit with Bank (Maturity Period less than 3	112.50	159.81
Other Bank Balances		
Fixed Deposit with Banks (Maturity Period more than 3	752.18	1,015.53
Total	1,151.56	1,672.86

Note 2.17 Short term Loans & Advances

(Rs in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
Balance with Revenue Authorities (Net of Provision)		
Advance-Other	1,060.55	3.28
Earnest Money Deposit	325.00	276.00
Advance to Trusts	213.11	138.64
Total	1,598.66	417.92

Note 2.18 Other Current Asset

(Rs in Lakhs)

Particulars	As at March 31st, 2024	As at March 31st, 2023
Prepaid Expense	1.10	0.69
Total	1.10	0.69

RARE ASSET RECONSTRUCTION LIMITED

Notes to Financial Statements for the year ended on 31st March 2024

Note 2.19 Revenue from Operation

(Rs in Lakhs)

Particulars	For the year ended on March 31st, 2024	For the year ended on March 31st, 2023
Operating Revenues (a)		
(i) Management and advisory fees	2,796.30	4,550.26
Less: Reversal as per RBI Guidelines	-	-
	2,796.30	4,550.26
(ii) Recovery of Incentive Fees	2,130.76	978.27
	2,130.76	978.27
Total (a)	4,927.06	5,528.53
Other Operational Revenue (b)	-	
(i) Upside Sharing/ Surplus Recovery	1,410.19	1,468.08
(ii) Professional Fees Income	36.16	-
(iii) Restructuring and Consultancy Fees	-	-
Total (b)	1,446.35	1,468.08
Total (a+b)	6,373.41	6,996.61

Note 2.20 Other Income

(Rs in Lakhs)

Particulars	For the year ended on March 31st, 2024	For the year ended on March 31st, 2023
Interest Income		
- Fixed Deposit	68.81	159.10
- Other	61.79	25.31
Misc Income	36.02	0.40
Total	166.62	184.81

Note 2.21 Employee benefits expense

(Rs in Lakhs)

Particulars	For the year ended on March 31st, 2024	For the year ended on March 31st, 2023
Salaries, bonus and allowances	321.21	315.88
Contribution to provident fund and other funds	-	0.15
Gratuity Expense	2.31	8.45
Total	323.52	324.48

Note 2.22 Finance Cost

(Rs in Lakhs)

Particulars	For the year ended on March 31st, 2024	For the year ended on March 31st, 2023
Interest on Inter Unsecured borrowing	1,617.20	3,248.54
Interest Expenses to Bank/FI	56.88	121.47
Interest on Debentures	367.15	88.00
Other Borrowing Cost	4.64	6.16
Total	2,045.87	3,464.16

RARE ASSET RECONSTRUCTION LIMITED

Notes to Financial Statements for the year ended on 31st March 2024

Note 2.23 Provision/Write off for Receivables, Loans & Investments

(Rs in Lakhs)

Particulars	For the year ended on March 31st, 2024	For the year ended on March 31st, 2023
Provision for Security Receipt (held in Trust) & Financial Asset held in Own Books (Net off reversals)	(106.37)	150.16
Own books financial asset and SR- write off	2,752.66	1,635.84
Total	2,646.29	1,786.00

Note 2.24 Other Expenses

(Rs in Lakhs)

Particulars	For the year ended on March 31st, 2024	For the year ended on March 31st, 2023
Auditor's Remuneration *	3.70	3.80
Advances- Write Off	-	2.60
Contribution to CSR	23.50	24.75
Director's Sitting Fees	8.45	5.85
Electricity Exp	2.17	1.91
Insurance Expenses	0.67	2.96
Legal & Professional Expenses	70.78	126.83
Membership Fees & Subscription	2.15	2.15
Miscellaneous Expenses Written Off	7.50	7.50
Office Expenses	5.05	4.65
Operational Expenses	1.87	2.42
Rates & Taxes	11.61	8.36
Rating Fees	1.19	1.43
Rent	56.70	49.81
Repair & Maintenance	4.71	2.66
Resolution Agency Fees	90.65	296.99
Reversal of Expenses as per RBI Guidelines	98.90	-63.97
Security Services Expenses	6.84	15.08
Statutory & Other Compliance Fees	1.99	1.60
Tours & Travelling Expenses	9.00	15.82
Total	407.44	513.20

* Auditor Remuneration

Particulars	For the year ended on March 31st, 2024	For the year ended on March 31st, 2023
- Statutory Audit Fees	2.00	2.00
- Tax Audit / IT return filing Fees	0.60	1.20
- Certification & other fee	1.10	0.60
Total	3.70	3.80

RARE ASSET RECONSTRUCTION LIMITED

Notes to Financial Statements for the year ended on 31st March 2024

Note – 2.25

As per the best estimate of the management, no provision is required to be made as per Accounting Standard 29 (AS 29) -- specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.

Note – 2.26

In the opinion of the Board of Directors, all current assets, loans and advances appearing in the balance sheet as at March 31, 2024 have a value on realization in the ordinary course of the Company's business at least equal to the amount at which they are stated in the balance sheet and no provision is required to be made against the recoverability of these balances.

Note – 2.27

The company has not entered into any derivative instruments during the year. The Company does not have any foreign currency exposures as at March 31, 2024.

Note – 2.28

Earnings per Share

Basic earnings per share is computed by dividing the net profit/(loss) attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share are computed using the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The number of equity shares and potential diluted equity shares are adjusted for stock split and bonus shares as appropriate.

Particulars	Year ended	Year ended
	31-Mar-24	31-Mar-23
Net Profit available for equity shareholders (₹.)	80,923,511	74,914,399
Weighted average number of equity shares used for computing Basic and Diluted earnings per share	142,478,960	137,656,556
Nominal value of equity shares – (₹. Per Share)	10	10
Earnings per share – Basic and Diluted (₹. Per Share)	0.57	0.54

Note – 2.29

There are no borrowing costs to be capitalized as at March 31, 2024.

Note – 2.30

The provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952, are not applicable to the Company and accordingly, there is no dues payable in respect of the said statutes as at the March 31, 2024.

Note – 2.31

Segment Reporting:

Considering the nature of Company's business and operations and based on the information available with the management, there are no reportable segments (business and/or geographical) in accordance with the requirements of Accounting Standard (AS) – 17 on Segment Reporting specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended. Hence, no further disclosures are required in respect of reportable segments, under AS 17, other than those already provided in the financial statements.

Note – 2.32

Company is Contingently liable for:-

(a)

The Company has extended Bank Guarantees of Rs. 900.55 Lakh (Previous Year: 1000 Lakh) in favour of the resolution professional / corporate debtor, issued by IDBI Bank and backed by 100% Term/ Fixed Deposits. The Bank Guarantees are issued pursuant to stipulations of Request for Resolution Plan (RFRP) issued in respective case admitted for Insolvency Proceedings.

(b)

Income Tax of Rs 8918.80 Lakhs (Previous Year Rs 6917.06 Lakhs).

Note – 2.33

As on 31st March 2024, total Capital commitments is Rs. 1000 Lakhs (Previous Year is NIL).

Note – 2.34

Disclosures in respect of AS - 18 'Related Party Disclosures' specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended:

(A) Name and relationship with related parties:

Sr. No	Name of related parties
	Promoter
	-Renaissance Fiscal Services Pvt Ltd

Key Managerial Personnel & Directors:

- (i) Anil Kumar Bhandari
- (ii) Sandeep Vrat
- (iii) Umesh Bafna
- (iv) Deepak Narang*
- (v) Ramaswamy Venkatraman Iyer
- (vi) Shikha Bhandari
- (vii) Dilip Kumar Daga
- (viii) Deepika Agarwal

*ceased on 04/01/2024

Managing Director
Director & CEO
CFO
Director
Director
Director
Director
Company Secretary

RARE ASSET RECONSTRUCTION LIMITED

Notes to Financial Statements for the year ended on 31st March 2024

(B) Trusts managed by the company as a Trustee (Where it holds substantial interest) :

- (i) Raytheon ARC 008 Trust
- (ii) Rare ARC 024 Trust
- (iii) Rare ARC 026 Trust
- (iv) Rare ARC 036 Trust
- (v) Rare ARC 037 Trust
- (vi) Rare ARC 041 Trust
- (vii) Rare ARC 042 Trust
- (viii) Rare ARC 043 Trust
- (ix) Rare ARC 044 Trust
- (x) Rare ARC 045 Trust
- (xi) Rare ARC 048 Trust
- (xii) Rare ARC 052 Trust
- (xiii) Rare ARC 053 Trust
- (xiv) Rare ARC 062 Trust

(C) During the year the following transactions were carried out with the related parties in the ordinary course of business:

Name of the Related Party	Nature of Relationship	From April 1, 2023 to March, 2024	From April 1, 2022 to March, 2023
Renaissance Fiscal Services Pvt Ltd Share Issued and Alloted (50,00,000 Shares @ Rs.10.00 FV)	(A)	500.00	-
Security Premium Received (50,00,000 Shares @ Rs.30.00 Premium)		1,500.00	-
Security Deposit / Inter Corporate Unsecured Borrowing taken from		5,970.00	4,625.00
Security Deposit / Inter Corporate Unsecured Borrowing paid to		4,260.00	6,070.00
Rent Paid		56.70	49.81
Interest on Inter Corporate Deposit Paid		290.71	353.54
Dividend paid		117.37	117.37
Trusts managed by the company as a Trustee (Where it holds substantial interest) :	(B)		
Redemption/ Sale of Security Receipts			
Rare ARC 036 Trust		-	66.99
Rare ARC 042 Trust		1,917.34	-
Rare ARC 044 Trust		4.01	203.62
Rare ARC 045 Trust		332.41	858.17
Rare ARC 048 Trust		185.60	217.68
Rare ARC 053 Trust		318.95	-
Rare ARC 062 Trust		268.41	-
Investment in Security Receipts			
Rare ARC 062 Trust		349.69	-
Provision/ (Reversal) and Write off for Receivables, Loans & Investments (net)			
Rare ARC 008 Trust		(118)	
Rare ARC 041 Trust		-	(19.30)
Rare ARC 043 Trust		(16.94)	16.94
Rare ARC 045 Trust		(3.41)	103.87
Rare ARC 048 Trust		(8.07)	(9.60)
Rare ARC 053 Trust		(940.30)	
Mangement fees and incentives:			
Rare ARC 036 Trust		-	9.72
Rare ARC 042 Trust		19.43	-
Rare ARC 043 Trust		-	49.57
Rare ARC 044 Trust		0.43	34.95
Rare ARC 045 Trust		175.30	1,127.50
Rare ARC 048 Trust		198.42	211.23
Rare ARC 053 Trust		90.01	-
Rare ARC 062 Trust		16.36	-
Interest Income:			
Rare ARC 036 Trust		-	0.13
Rare ARC 042 Trust		0.47	-
Rare ARC 043 Trust		-	0.53
Rare ARC 044 Trust		0.01	0.10
Rare ARC 045 Trust		0.02	9.27
Rare ARC 048 Trust		0.18	-
Rare ARC 053 Trust		0.11	-
Rare ARC 062 Trust		0.03	-
Upside Sharing:			
Rare ARC 044 Trust		6.26	
Key Managerial Personnel & Directors	(A)		
Loan taken /(Repaid)		-	(30.51)
Remuneration		168.00	168.00
Sitting Fees Paid		8.45	5.85
Dividend Paid		6.68	6.68
Salary Paid		25.68	15.71

RARE ASSET RECONSTRUCTION LIMITED

Notes to Financial Statements for the year ended on 31st March 2024

(E) Closing Balances:

Name of the Related Party	Nature of Relationship	As at 31st March 2024	As at 31st March 2023
Security Deposit and Inter Corporate Deposit Payable Renaissance Fiscal Services Pvt Ltd	(A)	9,303.16	7,331.51
Trade Payable Renaissance Fiscal Services Pvt Ltd	(A)	-	-
Non-Current Investment	(B)		
Raytheon ARC 008 Trust		353.81	235.88
Rare ARC 024 Trust		1,707.72	1,707.72
Rare ARC 026 Trust		5,747.50	5,747.50
Rare ARC 036 Trust		173.27	173.27
Rare ARC 037 Trust		172.13	172.13
Rare ARC 041 Trust		965.00	965.00
Rare ARC 042 Trust		25.25	1,942.59
Rare ARC 043 Trust		847.00	830.06
Rare ARC 044 Trust		-	4.01
Rare ARC 045 Trust		9,945.46	10,274.46
Rare ARC 048 Trust		5,936.15	6,104.08
Rare ARC 052 Trust		3,920.00	3,920.00
Rare ARC 053 Trust		940.30	2,199.56
Rare ARC 062 Trust		81.28	-
Key Managerial Personnel	(A)	0.15	-

(F) The transactions disclosed above are exclusive of GST.

Note

In accordance with AS 18, disclosures in respect of transactions with identified related parties are given only for such period during which such relationships existed. Related Party relationships are given above as identified by the Company.

Note – 2.35

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	Amount (₹.)	Amount (₹.)
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note – 2.36

In respect of amounts as mentioned under Section 125(2) of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as on March 31, 2024 (Previous year ₹. Nil).

Note – 2.37

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosures.

Note – 2.38

Balances with respect to "Long Term Borrowings", "Other Long Term Liabilities" and "Short Term Loans & advances" are subject to balance confirmations, reconciliation.

Note No. 2.39

The classification/ grouping of items are made by the management, on the basis of the available data with the company.

RARE ASSET RECONSTRUCTION LIMITED

Notes to Financial Statements for the year ended on 31st March 2024

Note No. 2.40

Employee Benefits:

The expense recognized for Gratuity for the year has been determined by an actuary in conformity with the principle set out in Accounting Standard 15 (Revised), the details of which are as under:

Statement Showing Change in the Present Value of Projected Benefit Obligation.

	(Rs. In Lakh)	
Particulars	As on March 31, 2024	As on March 31, 2023
Present Value of benefit Obligation at the beginning of the Period	41.42	32.97
Interest Cost	3.02	2.11
Current Service Cost	5.01	3.48
Past Service Cost- Non Vested Benefit Incurred during the period	-	-
Past Service Cost- Vested Benefit Incurred during the period	-	-
Liability Transferred In/Acquisition	-	-
(Liability Transferred Out/ Divestment)	-	-
(Liability Extinguished on Settlement)	-	-
(Benefit paid Directly by Employer)	(1.21)	-
(Benefit Paid from the Fund)	-	-
The effect of change in Foreign Exchange Rates	-	-
Actuarial (Gains)/ Losses on Obligation -Due to Change in Demographic Assumption	-	-
Actuarial (Gains)/ Losses on Obligation -Due to Change in Financial Assumption	0.20	2.42
Actuarial (Gains)/ Losses on Obligation -Due to Change in Experience	(5.93)	0.43
Present Value of Benefit at the End of the Period	42.51	41.42

Statement showing Change in the Fair Value of Plan Assets

Fair Value of Plan Assets at the Beginning of the Period	-	-
Expected Return on Plan Assets	-	-
Contribution by the Employer	-	-
Expected Contribution by the Employer	-	-
Asset Transferred In/Acquisition	-	-
(Asset Transferred Out/ Divestment)	-	-
(Benefit paid from the Fund)	-	-
(Asset Distributed on Settlements)	-	-
(Expenses and Tax for managing the Benefits Obligation -Paid from the fund)	-	-
Effects of Asset Ceiling	-	-
The Effect of Change in Foreign Exchange Rates	-	-
Actuarial Gains/(Losses) on Plan Assets-Due to Experience	-	-
Fair Value of Plan Assets at the End of the Period	-	-

Actuarial (Gains)/Losses recognized in the statement of Profit or Losses for Current Period

Actuarial (Gains)/Losses on Obligation for the Period	5.73	2.85
Actuarial (Gains)/Losses on Plan Assets For the Period	-	-
Subtotal	5.73	2.85
Actuarial (Gains)/Losses recognized in the statement of Profit or Losses	5.73	2.85

Actual Return of Plan Assets

Expected Return on Plan Assets	-	-
Actuarial Gains/(Losses) on Plan Assets -Due to Experience	-	-
Actual Return on Plan Assets	-	-

Amount Recognized in the Balance Sheet

(Present Value of Benefit Obligation at the end of the Period)	(42.51)	(41.42)
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status (Surplus /(Deficit))	(42.51)	(41.42)
Unrecognized Past Service Cost at the end of the Period	-	-
Net (Liability)/ Assets Recognized in the Balance Sheet	(42.51)	(41.42)

Net Interest Cost for the Current Period

Present Value of Benefit Obligation at the beging of the Period	41.42	32.97
(Fair Value of Plan Assets at the Beginning of the Period)	-	-
Net Liability /(Assets) at the Beginning	41.42	32.97
Interest Cost	3.02	2.11
(Expected Return on Plan Assets)	-	-
Net Interest Cost for Current Period	3.02	2.11

Expenses Recognized in the Statement of Profit and Loss for the Current Period

Current Services Cost	5.01	3.48
Net Interest Cost	3.02	2.11
Actuarial (Gains)/Losses	(5.73)	2.85
Past Services Cost-Non Vested Benefit Recognized during the period	-	-
Past Services Cost-Vested Benefit Recognized during the period	-	-
(Expected Contribution by the Employees)	-	-
(Gains)/Losses on Curtailment And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Change in Asset Ceiling	-	-
Expenses Recognized in the Statement of Profit and Loss	2.31	8.45

Balance Sheet Reconciliation

Opening Net Liability	41.42	32.97
Expenses Recognized in the Statement of Profit or Loss	2.31	8.45
Net Liability /(Asset) transfer In	-	-
Net Liability /(Asset) transfer Out	-	-
(Benefit Directly by the Employer)	(1.21)	-
(Employer's Contribution)	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	42.51	41.42

Experience Adjustment

Actuarial (Gains)/Losses on Obligations -Due to Experience	(5.93)	0.43
Actuarial (Gains)/Losses on Plan Assets -Due to Experience	-	-

RARE ASSET RECONSTRUCTION LIMITED

Notes to Financial Statements for the year ended on 31st March 2024

Actuarial Assumptions:

Particulars	Gratuity	
	As at March 31, 2024	As at March 31, 2023
Discount Rate	7.17%	7.30%
Expected rate of Increase in Salary	10%	10%
Rate of Employee Turnover	15%	15%
Retirement Age	60 & 65 Years	60 & 65 Years
Mortality	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban

Note No. 2.41

Capital Management

The Company's objective when managing capital is to safeguard continuity, maintaining a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

Note No. 2.42

Capital Risk Adequacy Ratio (CRAR)

The capital adequacy ratio as at the year end is as given below:

Particulars	As at March 31, 2024	As at March 31, 2023
Net Owned Fund	20,360.30	17,820.42
Risk Weighted Assets	116,716.49	111,647.81
Capital Adequacy Ratio	17.44%	15.96%

Note No. 2.43

Expenditure on Corporate Social Responsibility (CSR)

The Company has spent an amount of Rs. 23.50 Lakhs (Previous Year Rs 24.75 Lakhs) towards Corporate Social Responsibility (CSR) activities as per the provision of Section 135 of Companies Act, 2013 and rules made thereunder (as amended from time to time), and the same has been recognized as a separate line item as "Corporate Social Responsibility Expenditure" in the statement of Profit and Loss Account.

The details of CSR Expenditure are as under:

Particulars	As at March 31, 2024	As at March 31, 2023
Gross amount required to be spent by the company during the year	23.50	24.75

Amount spent during the Financial Year ended on March 31, 2024

Particulars	Paid in Cash	Yet to be paid in cash
Construction /Acquisition of any asset	-	-
On Purpose other than above	23.50	-

Amount spent during the Financial Year ended on March 31, 2023

Particulars	Paid in Cash	Yet to be paid in cash
Construction /Acquisition of any asset	-	-
On Purpose other than above	24.75	-

Note No. 2.44

Dividend

Dividend not recognised at the end of the reporting period is as follow:

(Rs in Lakhs)		
Particulars	As at March 31, 2024	As at March 31, 2023
At the end of FY, directors have recommended the payment of a final dividend of Re. 0.20 per fully paid equity share (March 31, 2023 -Rs 0.20). The said proposed dividend is subject to the approval of shareholders in ensuing annual general meeting	285.31	275.31

Note No. 2.45 Additional Regulatory Information

(i) Ratio

Particulars	NUMERATOR	DENOMINATOR	As at March 31, 2024	As at March 31, 2023	% Change	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	0.33	0.47	-29.82%	NA
Debt-Equity Ratio	Total Debt	Shareholder's Equity	1.42	2.01	-29.17%	Improvement is due to repayment of debt.
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating	Debt service = Interest & Lease Payments + Principal Repayments	0.20	0.27	-27.04%	Improvement is due to repayment of debt.
Return on Equity Ratio	Net Profit after taxes	Average Shareholder's Equity	0.042	0.043	-0.53%	NA
Inventory Turnover	Cost of Good Sold	Average Inventory	-	-	-	NA
Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivable	-	-	-	NA
Trade Payables Turnover Ratio	Net Purchase and Services Utilised	Average Trade Payables	109.55	51.34	113.40%	The variance is due to reduced average trade payables
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	-	-	-	NA
Net Profit Ratio	Net Profit after tax	Net sales = Total sales - sales return	0.13	0.11	18.58%	NA
Return on Capital Employed (%)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	6.38	8.46	-24.66%	NA
Return on Investment (%)	Interest Income	Average investment in Fixed Income investments	6.75	7.78	-13.33%	NA

RARE ASSET RECONSTRUCTION LIMITED

Notes to Financial Statements for the year ended on 31st March 2024

- (ii) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Ground for holding any Benami property.
- (iii) The Company does not have any transactions with companies struck off.
- (iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (v) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (vi) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (vii) 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
 - a) directly/indirectly lend/invest in other persons/entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries). Or
 - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (viii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (FundingParty) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - a) directly/indirectly lend/invest in other person/entities identified in any manner whatsoever by/on behalf of the FundingParty(Ultimate beneficiaries). Or
 - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ix) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the IncomeTax Act, 1961.)

Note No. 2.46

The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has not been operated throughout the year for all relevant transactions recorded in the software.

RARE ASSET RECONSTRUCTION LIMITED

Notes to Financial Statements for the year ended on 31st March 2024

Note – 2.47 Additional Disclosures

Additional disclosure pertaining to The Securitisation and Asset Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 issued vide circular number RBI / 2007-08/09 DNBS (PD) CC No. 7/ SCRC/ 10.30.000/ 2007-2008 dated July 02, 2007 and vide notification number DNBS. PD (SC/RC)/8/ CGM/ (ASR)- 2010 dated April 21, 2010. Disclosures made in para (a) to (e) 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.

The following disclosures have been made taking into account RBI guidelines.

a) Names and addresses of the banks / financial institutions from whom financial assets were acquired (since inception) and the values at which such assets were acquired from each such bank/financial institution:

(Rs. In Lakhs)

Name	Address	As at March, 2024		As at March, 2023	
		Acquisition Price	% to Total acquisition price	Acquisition Price	% to Total acquisition price
Sponsors					
None	-	Nil			Nil
Sub Total (A)	-	Nil			Nil
Non Sponsors					
IFCI Ltd.	IFCI Tower, 61 Nehru Place, New Delhi – 110 019.	2,000.00	0.35%	2,000.00	0.44%
IFCI Factors Ltd.	Earnest House, 9th Floor, NCPA Marg, 194 Nariman Point, Mumbai - 400 021	790.00	0.14%	790.00	0.17%
Indian Bank	2, N. S. Road, Kolkata -700 001	19,785.00	3.43%	16,844.00	3.72%
Indian Overseas Bank	763, Anna Salai, Chennai-600002	28,036.66	4.86%	24,666.00	5.44%
Punjab National Bank	Dwarka, Sector 10, New Delhi	34,112.55	5.91%	33,229.55	7.34%
Federal Bank	Federal Towers, Alwaye, Ernakulam, Kerala - 683 101	745.51	0.13%	295.00	0.07%
SBM (Mauritius) Ltd.	101 Raheja Centre, Free Press Journal Marg,	300.00	0.05%	300.00	0.07%
Kotak Mahindra Bank Ltd.	6 th Floor, 12 BKC, C 12 G Block, Bandra Kurla Complex, Bandra East, Mumbai- 400051	78.00	0.01%	78.00	0.02%
UCO Bank	Head Office, BTM Sarani, Kolkatta- 700001	1,740.00	0.30%	1,740.00	0.38%
Canara Bank	112, J C Road, Bangalore 560002	5,300.00	0.92%	5,300.00	1.17%
State Bank of India	21st Floor, Maker Tower, 'E', Cuffe Parade, Colaba, Mumbai-400 005	49,317.87	8.55%	47,016.94	10.38%
Axis Bank	Trishul, Third Floor, Opp. Samaratheshwar Temple, Near Law Garden, Ellisbridge, Ahmedabad	3,826.00	0.66%	3,721.00	0.82%
Union Bank of India	Union Bank Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai	29,007.00	5.03%	24,617.00	5.43%
Bank of Baroda	Baroda Corporate Centre, C-26, G Block, Bandra Kurla Complex, Bandra (E), Mumbai	43,646.05	7.57%	41,776.05	9.22%
Corporation Bank	Head Office, 88, Mangala Devi Temple Road, Pandeshwar, Mangalore-575001	1,628.00	0.28%	1,628.00	0.36%
J & K Bank	4th Floor, Prestige Terrace, 51, Union Street off Infantry Road, Bangalore.	3,979.00	0.69%	3,979.00	0.88%
SICOM Limited	Solitaire Corporate Park, Building No 4, 6th Floor, Guru Hargovindji Road, Andheri, Mumbai-400093.	4,000.00	0.69%	4,000.00	0.88%
Bank of India	Star House 1, G Block, Plot No. C-5, Bandra Kurla Complex, Bandra East, Mumbai -400 051	13,713.56	2.38%	10,244.00	2.26%
Abyudaya Co op Bank	K.K. Tower, G.D. Ambekar Marg, Parel Village, Mumbai- 400 012.	1,890.00	0.33%	1,890.00	0.42%
Bank of Maharashtra	Lok Mangal, 1501, Shivaji Nagar, Pune -05.	5,818.78	1.01%	5,800.00	1.28%
Central Bank of India	Chandramukhi Building, Nariman Point, Mumbai -400 021	15,330.96	2.66%	15,330.96	3.38%
ECL Finance Limited	Edelweiss House, Off. CST Road, Kalina, Mumbai -400 098	87,635.36	15.19%	87,635.36	19.35%
Edelweiss Finvest Pvt Ltd	Edelweiss House, Off. CST Road, Kalina, Mumbai -400 098	38,284.65	6.64%	38,284.65	8.45%
Srei Infrastructure Finance Ltd.	“Vishwakarma”, 86C, Topsia Road (South), Kolkata -700 046	100.00	0.02%	100.00	0.02%
Srei Equipment Finance Ltd.	“Vishwakarma”, 86C, Topsia Road (South), Kolkata -700 046	29,300.00	5.08%	29,300.00	6.47%
Edelweiss Asset Reconstruction Company Limited	Edelweiss House, Off CST Road, Kalina, Mumbai – 400 098	925.00	0.16%	925.00	0.20%
Religare Finvest Limited	1st Floor, P-14, 45/90, P Block, Connaught Place, New Delhi-110001	3,920.00	0.68%	3,920.00	0.87%
Phoenix ARC Private Limited	Dani Corporate Park, 5th Floor, 158, CST Road, Kalina, Santacruz (E), Mumbai 400098	2,107.00	0.37%	2,107.00	0.47%
Invent ARC	Bakhtawar, Suite B, Ground Floor, Backbay Reclamation Scheme III, 229, Nariman Point, Mumbai- 400 021	3,763.00	0.65%	3,763.00	0.83%
ICICI Bank	Plot No.: 12, Financial Dist. Nanakramguda, Gachibowli, Hyderabad 500 032	1,300.00	0.23%	1,300.00	0.29%
Muthoot Microfin Limited	13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai MH 400051	9,000.00	1.56%	9,000.00	1.99%
Loknete Dattaji Patil Sahakari Bank Limited	Yashashri, Station Road, Lasalgaon , Nashik -422 306	350.00	0.06%	350.00	0.08%
Omkara Assets Reconstruction Pvt. Ltd.	C-515, Kanakia Zillion, Junction of LBS Road and CST Road, Kurla (West)400070	6,507.86	1.13%	6,240.00	1.38%
Life Insurance Corporation of India	Yogashema, Jeevan Bima Marg, Mumbai-400021	18,518.00	3.21%	18,518.00	4.09%
IREP Credit Capital Pvt Ltd.	22nd Floor, Sunshine Tower, S.B Road, Dadar (W), Mumbai 400013	1,300.00	0.23%	1,300.00	0.29%
Aditya Birla Finance Limited	10th Floor, R Tech Park, Nirlon Complex, Off. Western Express Highway, Goregaon East, Mumbai, 400063.	4,400.00	0.76%	4,400.00	0.97%
PHF Leasing Limited	923, G.T. Road, Jalandhar – 144001, Punjab, India	545.00	0.09%	545.00	0.12%
Saraswat Co-operative Bank Ltd.	74-C, Samadhan Building, 2nd floor, Senapati Bapat Marg (Tulsi Pipe Road), Dadar (West), Mumbai- 400 028	73.00	0.01%	73.00	0.02%
RBL Bank Limited	1st Lane, Shahupuri, Kolhapur 416 001	6,800.00	1.18%	-	0.00%
Tumkur Grain Merchants' Co operative Bank Ltd.	22, Old No 235, 9th main, 3rd Block, Jayanagar, Bengaluru- 560011	1,600.00	0.28%	-	0.00%
Ambit Finvest Pvt. Ltd.	A506 – A510, Kanakia Wall Street, Andheri-Kurla Road, Chakala, Andheri East, Mumbai – 400 093, Maharashtra	349.69	0.06%	-	0.00%
Karnataka Bank Limited	PB NO.599, Mahaveer Circle, Kankanady Post, Mangaluru-575002.	3,912.00	0.68%	-	0.00%
Piramal Capital and Housing Finance Limited	Unit No- 601, 1st Floor, Amiti Building, Agastya Corporate Park, Kamani Junction, Opp. Fire Station, LBS Marg, Kurla (West), Mumbai- 400070	552.04	0.10%	-	0.00%
HDFC Bank	3rd Floor, Shivalik-III, Opp. Reliance Mall, Besides Drive-in-Cinema, Ahmedabad-380054	4.46	0.00%	-	0.00%
Unity Small Finance Bank Limited	40, Basant - Corporate Office Centrum House, CST Road , Vidyanagari Marg, Kalina, Santacruz (E), Mumbai -400098	1,071.43	0.19%	-	0.00%
Apex Urban Co-op Bank of Maharashtra & Goa Ltd.	Sharda Sadan, 2nd Floor, S. A. Brelvi Road, Opposite Fort Fire Brigade, Fort, Mumbai – 400 001	1,189.29	0.21%	-	0.00%
Osmanabad Janata Sahakari Bank Ltd.	24/28-30,24/33-38, Solapur Road, Osmanabad, Maharashtra	428.57	0.07%	-	0.00%
The Raigad District Central Co-op. Bank Ltd.	Chendhare Near Nilima Hotel, Taluka – Alibag, District – Alibag – 402 201, Maharashtra	214.29	0.04%	-	0.00%
Janalaxmi Co-op. Bank Ltd.	Samruddi, Gadkari Chowk, Old Agra Road, Nasik – 422002	428.57	0.07%	-	0.00%
Netafim Agricultural Financing Agency Private Limited	Unit No.308, 3rd Floor, Windfall, Sahar Plaza Complex, Andheri Kurla Road, JB Nagar, Andheri East, Mumbai, Maharashtra, India. 400059	5,310.00	0.92%	-	0.00%
Small Industries Development Bank of India	Navjeevan Amrit Jayanti Bhavan, 1st Floor, Behind Gujarat Vidhyapith, Off. Ashram Road, Ahmedabad - 380014	650.00	0.11%	-	0.00%
Assets Care & Reconstruction Enterprise Ltd	14th Floor, EROS Corporate Tower, Nehru Place, New Delhi- 110019	1,100.00	0.19%	-	0.00%
IIFL Finance Ltd.	802, 8th Floor, Hubtown Solaris, N.S. Phadke Marg, Vijay Nagar, Andheri East, Mumbai - 400 069	67,500.00	11.70%	-	0.00%
IIFL Home Finance Ltd.	IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagale Estate, Thane 400604, Maharashtra	12,600.00	2.18%	-	0.00%
North Eastern Development Finance Corporation Limited	NEDFI House, G.S. Road, Dispur, Guwahati, Assam, Pin-781006	0.62	0.00%	-	0.00%
CFM Asset Reconstruction (P) Limited	1st Floor, Wakefield House, Sprott Road, Ballard Estate, Mumbai 400038	0.75	0.00%	-	0.00%
Rare ARC 035 Trust	104-106, Gala Argos, Nr. Harikrupa Tower, Ellisbridge Gymkhana, Gujarat College Road, Ahmedabad- 380006	0.95	0.00%	-	0.00%
Sub Total (B)		576,786.48	100.00%	453,006.51	100.00%
Grand Total (A+B)		576,786.48	100.00%	453,006.51	100.00%

RARE ASSET RECONSTRUCTION LIMITED

Notes to Financial Statements for the year ended on 31st March 2024

b) Dispersion of various financial assets industry-wise and sponsor-wise:

Industry	As at March, 2024		As at March, 2023	
	Acquisition Price	% to total acquisition price	Acquisition Price	% to total acquisition
Sponsors				
None	-	-	-	-
Sub Total (A)	-	-	-	-
Non Sponsors				
Gems and Jewellery	54,425.00	9.44%	54,425.00	12.01%
Real Estate and Construction (residential and commercial)	208,570.01	36.16%	128,470.01	28.36%
Engineering - Electronics/ Electricals	47,015.36	8.15%	46,996.58	10.37%
Basic Metal and Metal Products - Iron and Steel	76,545.00	13.27%	75,622.00	16.69%
Hospital Industry- Hotels	45,715.00	7.93%	45,710.00	10.09%
Infrastructure - Educational Institution	8,218.00	1.42%	8,218.00	1.81%
Trading/ Rolling and re rolling	9,240.00	1.60%	9,240.00	2.04%
Agriculture & Allied	34,766.00	6.03%	14,494.00	3.20%
Manufacture of polyester yarn/ fabric/ strap/ readymade garments	6,663.67	1.16%	6,663.67	1.47%
Construction- cement, ceramics, bricks and tiles	11,215.51	1.94%	6,759.01	1.49%
Hospital and Medical equipments	4,824.00	0.84%	4,824.00	1.06%
Coal and Energy	28,518.00	4.94%	28,518.00	6.30%
Automobile & Ancillary	4,883.00	0.85%	4,883.00	1.08%
Paper manufacturing, Printing and publishing	18,130.00	3.14%	475.00	0.10%
Trading and Others	18,057.93	3.13%	17,708.24	3.91%
Sub Total (B)	576,786.48	100.00%	453,006.51	100.00%
Grand Total (A+B)	576,786.48	100.00%	453,006.51	100.00%

(c) Migration of financial assets from standard to non-performing:

Accounts in Own Books	When Account was standard		When account shifted to non-performing			Position as on March 31, 2024	
	Year of Acquisition	O/s SRs (face value)	Year of Downgrade	O/s SRs (face value)	NAV (Net of Provisions/ Downgrade)	O/s SRs (face value)	NAV (Net of Provisions/ Downgrade)
Saha & Sarkar Group account	FY 2018-19	2139.00	FY 2023-24	628.00	565.20	628.00	565.20
Soma Alloys Pvt. Ltd.	FY 2019-20	950.00	FY 2023-24	813.28	731.95	813.28	731.95
Impex Ferrotech Ltd.	FY 2019-20	1215.00	FY 2023-24	1215.00	607.50	1215.00	607.50
Impex Ferro Tech Ltd	FY 2021-22	6941.00	FY 2023-24	5834.85	5251.37	5834.85	5251.37
Royal Energy Ltd.	FY 2020-21	150.00	FY 2023-24	150.00	75.00	150.00	75.00
Bafna Hosp & Orthopaedic Research Centre Pvt. Ltd.	FY 2020-21	2632.00	FY 2023-24	2632.00	2368.80	2632.00	2368.80
Bafna Hosp & Orthopaedic Research Centre Pvt. Ltd.	FY 2020-21	1041.00	FY 2023-24	1041.00	936.90	1041.00	936.90
Sagar Alloy & Metal Industry	FY 2020-21	313.00	FY 2023-24	113.00	101.70	113.00	101.70
Kohinoor Steel Pvt. Ltd.	FY 2020-21	2107.00	FY 2023-24	2107.00	1896.30	2107.00	1896.30
Kohinoor Steel Pvt. Ltd.	FY 2020-21	870.00	FY 2023-24	870.00	783.00	870.00	783.00
Kohinoor Steel Pvt. Ltd.	FY 2020-21	265.00	FY 2023-24	265.00	238.50	265.00	238.50
Jyoti Ltd.	FY 2021-22	3600.00	FY 2023-24	2404.55	2164.10	2404.55	2164.10
C M Smith & Sons Ltd.	FY 2022-23	2713.00	FY 2023-24	2713.00	0.00	2713.00	0.00
Genelec Limited	FY 2022-23	1050.00	FY 2023-24	521.18	0.00	521.18	0.00

d) Other additional disclosures:

Particulars	As at March, 2024	As at March, 2023
Value of financial assets acquired during the year	123,779.97	48,679.00
Value of financial assets realised during the year	60,091.61	46,311.98
Value of financial assets outstanding for realisation at the end of the year	385,658.35	321,970.01
Value of Security Receipts redeemed partially during the year	47,507.72	39,694.33
Value of Security Receipts redeemed fully during the year	5,833.13	1,696.67
Value of Security Receipts pending for redemption at the end of the year	342,597.48	282,366.64
Value of Security Receipts not redeemed as a result of non-realisation of the financial asset	-	-
Value of land and/or building acquired in ordinary course of business of reconstruction of assets	Nil	Nil

e) In terms of the requirements of RBI circular no. DNBS (PD) CC. No. 41/ SCRC / 26.03.001/ 2014-2015, w.e.f. 5 August 2014,

i). With respect to financial assets acquired, where acquisition price is more than book value outstanding as on the date of acquisition.

- During the year ending March 31, 2024, the company has not acquired any financial assets, acquisition cost of which is above book value.

ii). With respect to financial assets acquired, where the Company has disposed off assets (either by write off or by realisation) out of acquisitions made on or after 5th August 2014, during the year at substantial discount (more than 20% of valuation as on the previous year end)-

(Rs. In Lakhs)					
Trust / Own books	Location of security	Valuation of security sold (realisable value)	Selling price	Discount on sale	Major Reasons for sale below Valuation
Nil.					

iii). With respect to financial assets acquired, the following are the assets out of acquisitions made on or after 5th August 2014, where the value of the SRs has declined substantially (20% or more) below the acquisition value:

Pursuant to the review rating valid as on March 31, 2024, the value of SRs of the following assets has declined substantially.

(Rs. In Lakhs)			
Trust	Year of acquisition	Acquisition Value and Outstanding Total SRs	NAV as on March 31, 2024
Rare ARC 022 Trust	FY 2017-18	703.00	344.47
Rare ARC 026 Trust	FY 2018-19	9,850.00	5,747.50
Rare ARC 027 Trust	FY 2018-19	18,714.55	13,848.77
Rare ARC 032 Trust	FY 2018-19	3,798.69	2,811.03
Rare ARC 039 Trust	FY 2018-19	723.58	188.13
TOTAL		33,789.82	22,939.90

iv). Information about outsourced agency, if owned/ controlled by a director of the ARC

- During the year ending March 31, 2024, the company does not have any outsourced agency which is owned/ controlled by a director of the ARC

v). With respect to financial assets acquired, under IBC including the type and value of assets acquired, the sector-wise distribution based on business of the corporate Debtors.

- During the year ending March 31, 2024, the company has not acquired any financial assets under IBC, though it has acquired the underlying debt of companies under IBC.

vi). Implementation status of the resolution plans approved by the Adjudicating Authority on a quarterly basis

- Not applicable, as ARC has not become the Acquirer of equity in Corporate Debtors under IBC

As per our even date report attached

For, Mehta Lodha & Co.
Chartered Accountants
(FRN: 106250W)

For and on behalf of the Board of Directors

Sd/-

Sd/-

Anil Kumar Bhandari
Managing Director
DIN: 02718111

Sandeep Vrat
CEO & Director
DIN : 07271783

Sd/-

Sd/-

Sd/-

Prakash D Shah
Partner
Membership No.: 034363

Umesh Bafna
Chief Financial Officer

Deepika Agrawal
Company Secretary

Place: Ahmedabad
Date: 25th June, 2024
UDIN:24034363BKCIOD2203

Place: Ahmedabad
Date: 25th June, 2024