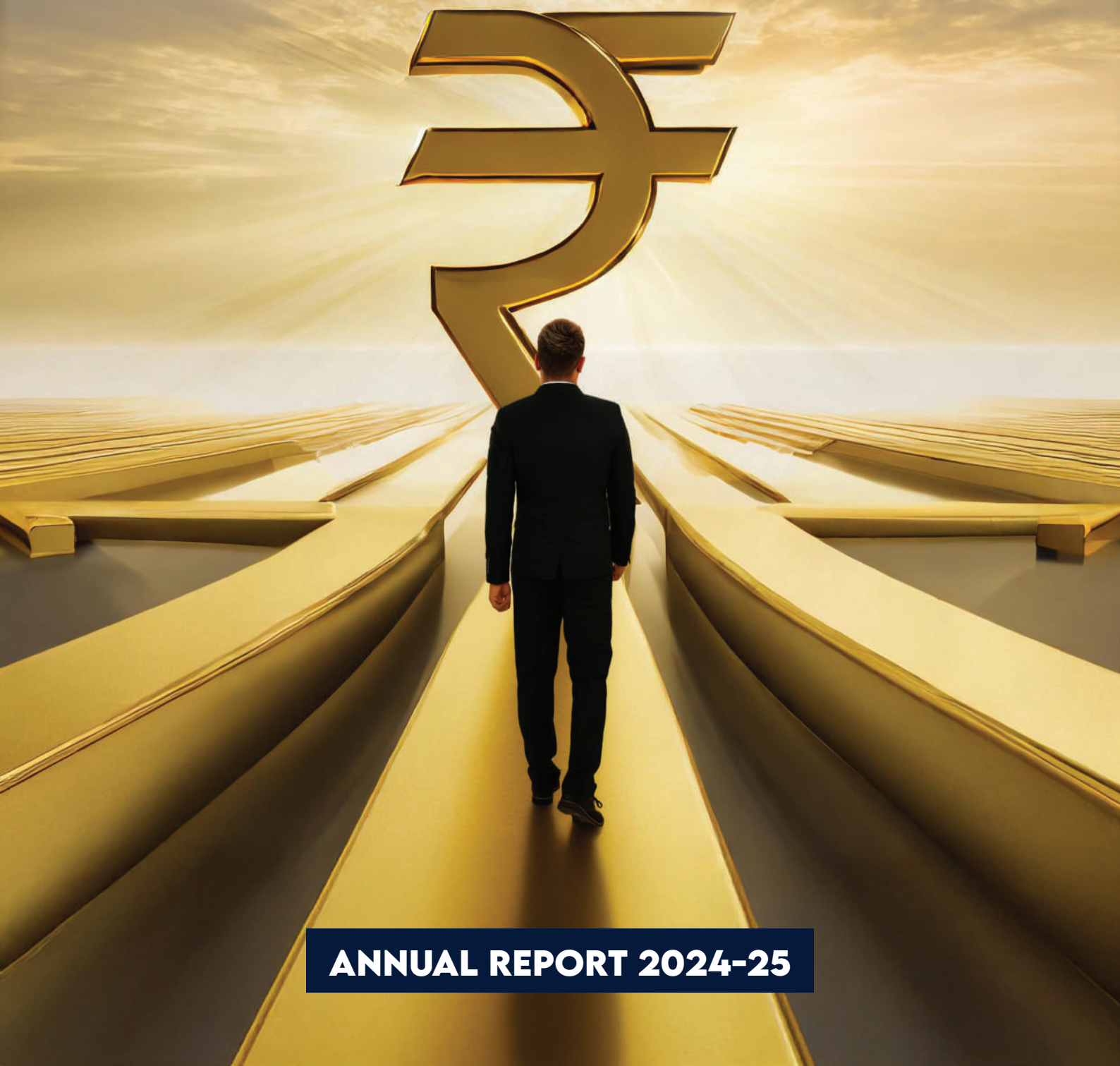


NAVIGATING COMPLEXITY

DELIVERING OPPORTUNITY



ANNUAL REPORT 2024-25



NOTICE OF 10TH ANNUAL GENERAL MEETING

Notice is hereby given that the 10th Annual General Meeting (AGM) of the Members of Rare Asset Reconstruction Limited will be held on Monday, September 29, 2025 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, 2025 and the reports of the Board of Directors and the Auditor's Report thereon.
2. To declare final dividend of Rs. 0.30 per Equity share i.e. (3%) for the financial year ended March 31, 2025.
3. To appoint Director in the place of Mr. Anil Kumar Bhandari (DIN: 02718111), who retires by rotation, and being eligible, offers himself for re-appointment as a director liable to retire by rotation.

SPECIAL BUSINESS:

4. TO RE-APPOINT MRS. SHIKHA BHANDARI, NON- EXECUTIVE DIRECTOR, (DIN: 02620265) OF THE COMPANY:

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions if any of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules 2014, in pursuance to recommendation of Nomination and Remuneration Committee, the consent of the members be and is hereby accorded to re-appoint Mrs. Shikha Bhandari (DIN: 02620265), as, Non-Executive Director, with effect from the date of RBI approval i.e. August 07, 2025 for a period of three years on such terms and conditions as embodied in the terms of appointment.

RESOLVED FURTHER THAT Mr. Anil Kumar Bhandari, Managing Director, Mr. Sandeep Vrat, Director & CEO and Ms. Deepika Agrawal Company Secretary of the Company be and are hereby authorised to do all such acts, deeds and things as may be required in order to give effect to the above resolution and to submit the necessary documents including certified true copy of this resolution with RBI as and when required.”

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

Sd/-

Deepika Agrawal

Company Secretary

ACS 55217

Date: September 06, 2025

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 Record Date which is fixed as September 26, 2025; 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 10th Annual General Meeting of the members of the Company:

Item No. 4:

The Members were aware that Mrs. Shikha Bhandari was appointed as Non- Executive Director of the Company w.e.f. April 08, 2019. The Members further noted that it is required to seek approval for re-appointment of Mrs. Shikha Bhandari, Non-Executive Director of the Company. She has furnished requisite declaration and undertaking confirming her interest in continuing with her role. In terms of the provisions of the Act and the Articles of Association of the Company, the Nomination and Remuneration Committee and Board of Directors of the Company in its meeting held on May 28, 2025, re-appointed her as Non-Executive Director of the Company for a further period of Five (5) years with effect from the date of approval of RBI and shareholder's approval on such terms and conditions as embodied in the terms of appointment. Further, RBI in their letter dated August 07, 2025, has approved the appointment for period of three years effective from August 07, 2025.

Mrs. Shikha Bhandari is a post graduate with M. Sc (Mathematics), who has vast experience in the field of administration and human resources.

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-2”.

In terms of Section 152 and other applicable provisions if any of the Companies Act, 2013, Mrs. Shikha Bhandari is eligible to be re-appointed as a Non- Executive Director of the Company and has given a declaration to the Board that she meets the criteria of under Section 152(5) of the Act. Mrs. Shikha Bhandari is liable to retire by rotation in accordance with the provisions of Section 152 of the Act.

In compliance with the provisions of 152 (5) read with rule 8 of Companies (Appointment and Qualification of Directors) Rules, the re-appointment of Mrs. Shikha Bhandari as a Non-Executive 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, Mrs. Shikha Bhandari and Mr. Anil Kumar Bhandari, none of the other Directors and except Mr. Umesh Bafna none of the other Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution 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

Sd/-

Deepika Agrawal

Company Secretary

ACS 55217

Date: September 06, 2025

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	Mr. Anil Kumar Bhandari
Director Identification Number (DIN)	02718111
Date of Birth	February 24, 1968
Age	57 years
Date of Appointment	September 16, 2015
Qualifications	B.Sc., LLB.
Experience:	More than 30 years of experience practicing and advising Large and Mid-Corporates and Asset Reconstruction and Securitisation (ARC) Business Specialisation in debt restructuring and ARC related activities including resolution of Stress and NPA assets, Investment banking, legal/ financial advisory services etc. His focus areas include debt syndication, raising of additional finance for borrower companies through structured arrangements to facilitate their revival.
Directorships held in other companies	1. Renaissance Fiscal Services Private Limited 2. 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	- Corporate Social Responsibility Committee- Member - Risk Management Committee- Member
₹Number of shares held in the Company	33,40,000 Equity Shares
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 Mrs. Shikha Bhandari
Terms and Conditions of appointment/ reappointment along with remuneration to be paid and last drawn	Re-appointment as Director of the Company liable to retire by rotation in accordance with the provisions of Section 152 of the Act.

2. 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	56 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
Number of shares held in the Company	None
Number of Board Meetings attended during the year	Three Board Meetings attended during the financial year 2024-2025
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 and liable to retire by rotation in accordance with the provisions of Section 152 of the Act. Last sitting Fees paid in FY 2024-25 was Rs. 1,35,000/-

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 10th Annual General Meeting of the Company to be held on Monday, September 29, 2025 at 3:00 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 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, 2025
2.	To declare final dividend of Rs. 0.30 per equity share for the financial year ended on March 31, 2025.
3.	To appoint a Director in the place of Mr. Anil Kumar Bhandari (DIN: 02718111), who retires by rotation, and being eligible, offers himself for re-appointment as a director liable to retire by rotation.
SPECIAL BUSINESS:	
4.	To re-appoint Mrs. Shikha Bhandari, Non- Executive Director, (DIN: 02620265) of the Company

Signed this _____ day of _____, 2025

Affix
Revenue
Stamp

Signature of the shareholder

(Please sign across the Stamp)

Instructions:

- 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.
- 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 10th 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 29, 2025 at 3:00 P.M. (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)



RARE ASSET RECONSTRUCTION LIMITED

Directors

Mr. Ramaswamy V. Iyer : Chairman and Independent Director
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: Non-Executive Director and Independent 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

Internal Auditors

M/s J Prajapati & Co.

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
ICICI Bank

Debenture Trustee:

Catalyst Trusteeship Limited

Unit No- 901, 9th Floor,
Tower - B, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel (W),

Mumbai - 400013.

L: +91 022 - 49220555

Email: ComplianceCTL-Mumbai@ctltrustee.com

IDBI Trusteeship Services Limited

Universal Insurance Building,

Ground Floor, Sir P.M. Road,

Fort, Mumbai - 400001

L: +91 022 - 40807000

Email: itslcompliance@idbitrustee.com

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

E-mail: srinivassudheer.venkatapuram@kfintech.com

DIRECTORS' REPORT

To,
The Members,
Rare Asset Reconstruction Limited

The Directors are pleased to present the 10th 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, 2025.

Financial highlights:

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

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
Total Income	8441.59	6540.02	8065.46	6518.02
Total Expenditure	7144.75	5437.61	5482.58	5535.87
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	5,128.08	3,164.55	2582.88	982.15
Less: Depreciation/ Amortisation/ Impairment	15.75	16.27	15.75	16.27
Less: Finance Costs	3815.49	2045.87	3906.61	2045.87
Profit/ loss before Exceptional items and Tax Expense	1296.84	1102.41	(1339.48)	(1079.99)
Profit Before Tax	1296.83	1102.41	(1339.48)	(1079.99)
Provision for tax (including Deferred Tax)	344.42	289.96	344.42	289.96
Profit After Tax	952.41	812.45	(1683.90)	(1369.95)
Other Comprehensive Income (Net of Tax)	1.13	(4.29)	1.13	(4.29)
Total Comprehensive Income	951.28	816.74	(1685.03)	(1365.67)
Balance in Profit & Loss Account brought forward	3216.70	2550.73	-	-
Balance carried to Balance Sheet	6762.15	6096.18	-	-
Net Profit / (Loss) attributable to:				
Owners of the Parent	-	-	(1509.88)	(1395.31)
Non- Controlling Interest	-	-	(174.02)	25.36
Other Comprehensive Income Attributable to owners of the parent	-	-	1.13	(4.29)
Total Comprehensive Income / (Loss) attributable to:				
i. Owners of the Parent	-	-	(1511.01)	(1391.02)
ii. Non- Controlling Interest	-	-	(174.02)	25.36

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

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

Standalone Financial Statements

During the year ended on March 31, 2025, the Company generated total income of Rs. 8441.59 lakh as compared to Rs. 6540.02 lakh in the previous year. The profit after tax for the year ended March 31, 2025 is Rs. 952.41 lakh as compared to Rs. 812.45 lakh in the previous year.

Consolidated Financial Statements

During the year ended on March 31, 2025, the Company generated total income of Rs. 8065.46 lakh as compared to Rs. 6518.02 lakh in the previous year. The total comprehensive Income / (Loss) attributable to is Rs (1511.01) as compared to Rs (1391.02) in the previous year.

Net Owned funds stood at Rs. 21,027.47 lakh as compared to Rs. 20361.84 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. 0.30 per fully paid-up equity share i.e. (3%) on face value of Rs. 10/- each, for financial year ended on March 31, 2025 subject to approval of the members at the ensuing Annual General Meeting, which will be paid to all those equity shareholders whose names are appearing in the register of member as on the record date and shall be subject to deduction of income tax at source.

Transfer to Reserves:

The Company has transferred the amount of Rs. 951.28 Lakhs to Reserves during the year and details of the reserves are given in the financial statements.

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).

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 strategies and smooth resolution processes.

Our long-term strategy is to introduce unique and innovative approaches of raising fresh capital/ funds 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.

Your company has prioritised KYC activities in line with regulatory guidelines which has also enabled enhanced efficiency and facilitated scalability more specifically in retail asset operations.

Acquisitions:

During the year under review, your Company acquired debts/ Loan Portfolios with aggregate principal outstanding dues of about Rs. 2,64,588.77 lakh from Banks/ FIs for a total consideration of about Rs. 49,314.45 lakh. The AUM as on March 31, 2025 stood at Rs. 3,83,121.06 Lakhs.

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, 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.52,056.75 lakh as compared to Rs. 60,091.61 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 latest one being the Master Direction for ARCs dated April 24, 2024.

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

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, as also within 6 months of every new acquisition in a Trust by an accredited rating agency i.e. Infomerics Ratings, in our case.

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.

Credit Rating:

The credit ratings obtained by the Company during the year 2024-25 are as under:

Means of Borrowings	Quantum (Rs cr)	Date of Rating	Rating Agency	Rating assigned	Outlook
Non-Convertible Debentures	120 Cr	June 28, 2024	CRISIL	BBB	Stable
Non-Convertible Debentures	90 Cr	February 20, 2025	Brickwork	BBB+	Stable

The above credit ratings indicate a stable and good credit quality of safety with regards to timely payment of financial obligations, with the credit risk profile expected to remain unchanged in the near future.

Capital Adequacy Ratio:

Your Company's Capital to Risk Assets Ratio (CRAR) stood at 17.34% (previous year 17.77%) 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.

ARC Performance:

The ARC Sector has been showing significant growth, 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- Figures in the first 3 rows of the table are cumulative figures):

(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

* On reconciliation, the SRs issued upto FY2024 were Rs 2,84,155 cr

Acquisitions by ARCs as on March 2025 (Cumulative Position)

	SRs issued	Mar-2024	Mar-2025	Growth
1	Corporate	2,44,992	2,76,867	31,876
2	Retail-(Secured)	29,656	32,736	3,080
3	Retail (Unsecured) & MFI	9,508	12,061	2,553
4	Total	2,84,155	3,21,665	37,509

While the quantum of SRs issued for retail did not show substantial increase, the actual debt acquired was significantly higher, as the pricing for retail portfolio is at a significant discount to the Principal Outstanding of the underlying borrowers. This trend (increase in retail acquisitions) is expected to continue during the ensuing year as there is significant stress faced by the lenders in this portfolio. Corporate acquisitions will also continue to grow, in line with the growth in NPAs in the economy.

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. Equity of NARCL is majority owned by Public Sector Banks, and balance by Private banks. 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. It is learnt that RBI has informed selling banks that other ARCs cash bids need to be evaluated against SR bids by NARCL, which is not equitable. Rare ARC has excellent relationships with industry leaders in various sectors of the economy, as also with investors, which enables Rare ARC to make competitive offers even for cases where NARCL may be interested.

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

Share Capital:

There was no change in the Authorised Share Capital of the Company i.e. Rs. 200,00,00,000/- (Rupees Two Hundred Crores).

The Paid-up capital of the Company i.e. Rs. 142,65,65,560/- (Rupees One Hundred Forty-Two Crores Sixty-Five Lakhs Sixty-Five Thousand Five Hundred Sixty only) is the same as in the previous financial year.

During the year, the Board of the Company issued additional equity share capital of Rs 35,00,00,000/- (face value Rs 10; share premium of Rs 25) and as approved by the members in their meeting held on March 24, 2025. Further, during the year, there is no change in Paid up capital of the Company.

During the year under review, there were no such Issue of equity shares with differential rights as to dividend, voting or otherwise and also no Issue of shares (including sweat equity shares and ESOS) to the employees of the Company under any scheme.

Debentures:

During the year under review, the Company issued and allotted Secured, Rated, Listed, Redeemable Non-Convertible Debentures (NCDs) amounting to Rs. 210,00,00,000/- (Rupees Two Hundred and Ten Crores only), (comprising Rs 120 cr of 16.50% NCDs with term of 3 years, allotted during July-September 2024, and Rs 90 cr of 14.00% NCDs with a term of 5 years allotted during March 2025) and listed on National Stock Exchange of India Ltd. (NSE). Consequently, the total NCDs (listed/unlisted) issued and allotted as on March 31, 2025, amounted to Rs. 274,00,00,000/- (Rupees Two Hundred and Seventy-four Crores only).

The interest and/or redemption amount on the NCDs, has been timely paid by the Company on their respective due dates.

Debenture Redemption Reserve:

Pursuant to Section 71 of the Act and Rules made thereunder, Debenture Redemption Reserve is not required to be created for debentures issued by the Company during the year under review.

Recovery Expense Fund:

The Company has created and maintained Recovery Expense Fund in terms of Regulation 11 of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, with respect to the NCDs issued by the Company.

Directors and Key Managerial Personnel:

As on March 31, 2025, the Board of the Company comprises 6 (Six) Directors including 3 (Three) Independent Directors, 2 (Two) Executive Directors and 1 (One) Non- Executive Non-Independent(woman) Director. Your Directors on the Board possess experience and competency and are renowned in their respective fields. The Board is a blend of professionals having diverse skills, experience, knowledge, capabilities, expertise, attributes and educational qualifications, amongst

others. It has a diverse mix of non-executive and independent directors representing an optimal mix of professionalism, knowledge and experience required for the financial services industry.

The brief profile of all the directors on the Board is available on the Company's website at <http://www.rarearc.com/about.php>

All the Directors are liable to retire by rotation except Independent Directors. In terms of the provisions of the Act, **Mr. Anil Kumar Bhandari** (DIN: 02718111), Managing Director of the Company, retires by rotation and being eligible, offers himself for re- appointment at the ensuing Annual General Meeting. The information pertaining to Mr. Anil Kumar Bhandari as required to be disclosed under the Act, has been provided in the notice convening the AGM of the Company. Further, during the year RBI had approved the re-appointment of Mr. Anil Kumar Bhandari, (DIN: 02718111) as a Managing Director of the Company for a period of three years up to June 19, 2026.

- Pursuant to recommendation of Nomination and Remuneration Committee and Board of the Company, **Mr. Ramaswamy Venkatraman Iyer**, (DIN: 00561569) has been appointed as Chairman of the Board of the Company and his appointment will be valid upto the expiry of his current term.
- Pursuant to the recommendation of Nomination and Remuneration Committee and approval by the Board and Shareholders of the Company, and RBI had also approved the appointment of **Mr. Prashant Prabhat Chakravorty**, (DIN: 10172007) as Non-Executive & Independent Director on the Board of the Company with effect from June 25, 2024, to hold office till June 24, 2029, for first term of 5 consecutive years and his appointment was regularised by the members in the Annual General Meeting held on September 30, 2024.

Other Directors on Board of the Company:

- **Mrs. Shikha Bhandari** (DIN: 02620265), Non-Executive Director of the Company, based on the recommendation of Nomination and Remuneration Committee, the Board approved re-appointment of Mrs. Shikha Bhandari as Non- Executive Director of the Company, subject to approval of RBI and shareholders of the Company in ensuing General meeting, with effect from the date of RBI approval.
- **Mr. Dilip Kumar Daga** (DIN: 02918995), Non-Executive Director and Independent Director of the Company.
- **Mr. Sandeep Vrat** (DIN: 07271783), Director & Chief Executive Officer of the Company, based on the recommendation of Nomination and Remuneration Committee, the Board approved re-appointment of Mr. Sandeep Vrat as Chief Executive Officer (CEO) of the Company, subject to the RBI approval with effect from August 06, 2025.

None of the directors are disqualified from being appointed as 'Director', pursuant to Section 164 of the Act or under any other applicable laws.

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.

Fit and Proper declarations given by the Sponsors, Directors and the CEO

In accordance with the RBI Master Direction for Asset Reconstruction Companies, the Company has received the requisite annual declarations and undertaking from the sponsors, directors and the CEO 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 committees.

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 directors 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 stakeholders. 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 on March 31, 2025, the Board of Directors of the Company met four (4) times: June 25, 2024, September 23, 2024, November 14, 2024 and February 11, 2025.

Details of attendance of directors at the Board Meetings during the year 2024-25:

Name of the Director	Designation	No of Board Meetings			% of Attendance
		Held	Entitled	Attended	
Mr. Ramaswamy V. Iyer	Chairman & Non-Executive and Independent Director	4	4	4	100%

Mr. Prashant Chakravorty	Non-Executive and Independent Director	3	3	3	100%
#Mrs. Shikha Bhandari	Non-Executive Director	4	4	3	75%
Mr. Sandeep Vrat	Director & CEO	4	4	4	100%
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, Mrs. Shikha Bhandari 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, 2025:

Sr. No.	Name	Designation
1	Mr. Dilip Kumar Daga	Chairman- Non-Executive and Independent Director
2	Mr. Prashant Chakravorty	Member- Non-Executive and Independent Director (appointed as member w.e.f. November 05, 2024)
3	Mr. Ramaswamy Iyer	Member- Non-Executive and Independent Director (ceased to be the member w.e.f. November 05, 2024)
4	Mrs. Shikha Bhandari	Member- Non-Executive Director

The Audit Committee met five (5) times during the financial year 2024-25 on June 25, 2024, September 23, 2024, November 14, 2024, January 10, 2025 and February 11, 2025.

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

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee consists of three (3) members, and all the three (3) members are Independent Directors as on March 31, 2025:

Sr. No.	Name	Designation
1	Mr. Prashant Chakravorty	Chairman- Non-Executive and Independent Director (appointed as member w.e.f November 05, 2024)
2	Mr. Dilip Kumar Daga	Member- Non-Executive and Independent Director
3	Mr. Ramaswamy V. Iyer	Member- Non-Executive and Independent Director
4	Mrs. Shikha Bhandari	Member- Non-Executive (ceased to be the member w.e.f November 05, 2024)

The Nomination and Remuneration Committee met three (3) times during the financial year 2024-25 on June 25, 2024, September 23, 2024, and February 11, 2025.

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

The Nomination and Remuneration Committee Policy is placed on the Company's website viz. <http://rarearc.com/compliances.php>.

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, 2025:

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 Corporate Social Responsibility Committee met two (2) times during the financial year 2024-25 on June 25, 2024 and February 11, 2025.

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.

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

Secretarial Auditor and Secretarial Audit Report:

The Board appointed M/s. Ravi Kapoor & Associates, Company Secretaries, as Secretarial Auditor of the Company for the Financial Year 2024-25 in their meeting held on June 25, 2024. Pursuant to Section 204 of the Companies Act 2013, the Secretarial Audit Report for the Financial Year ended March 31, 2025 given by M/s. Ravi Kapoor & Associates, Practicing Company Secretary, is annexed to this Report as an **Annexure – III**.

Explanation or comments by the Board of Directors on every qualification, reservation or adverse remark or disclaimer made by the Auditors in their Audit reports:

The Statutory Auditors have issued their unmodified opinion, on financial statements for the year ended March 31, 2025 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 2024-25. The notes to the Accounts referred to in the Auditors' Report are self-explanatory.

The Secretarial Auditor has also not raised any qualification in their Secretarial Audit Report therefore no need to give any explanation by the Board in its report.

Internal Auditor:

M/s. J. Prajapati & Co., Chartered Accountants were appointed as an Internal Auditors of the Company for the Financial Year 2024-25. There were no material adverse observations in its Report for FY 2024-25. 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 2025-26. 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.

Debenture Trustee:

Catalyst Trusteeship Limited and IDBI Trusteeship Services Limited are the Debenture Trustees for the Non-Convertible Debentures issued by the Company.

Registrar and Share Transfer Agents:

KFin Technologies Limited acts as the Registrar and Share Transfer Agent of the Company

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 Public 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 a 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 ("POSH Act") 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.

During the financial year under review, the Company has complied with all the provisions of the POSH Act and the rules framed thereunder. Further details are as follows:

A	Number of complaints of Sexual harassment received in the year	0
B	Number of Complaints disposed off during the year	0
C	Number of Cases pending for more than ninety days	0

Maternity Benefit

The Company affirms that it has duly complied all provisions of the Maternity Benefit Act, 1961, and has extended all statutory benefits to eligible women employees during the year.

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 the 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.

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.

The internal financial control system of the Company is supplemented with internal audits, regular reviews by the management and checks by external auditors. It provides reasonable assurance in respect of financial and operational information, compliance with applicable statutes, safeguarding of assets of the Company, prevention and detection of frauds, accuracy and completeness of accounting records and also ensuring compliance with the Company's policies. The Audit Committee of the Board actively reviews the adequacy and effectiveness of the internal control systems and are also apprised of the internal audit findings and corrective actions. The Statutory Auditors and the Internal Auditors of the Company also provide their confirmation that the internal financial controls framework is operating effectively.

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, 2025 is placed on the website of the Company and the same can be accessed through the web-link <http://rarearc.com/compliances.php>

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

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

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. The Risk Management Committee of the Board has been entrusted with the responsibility of reviewing the risk management process in the Company. The Committee also reviews the cyber security function, assesses various risks and ensures that the risks are brought within acceptable limits. The Audit Committee has an additional oversight in the area of financial risks and controls.

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.

Other Disclosures:

There are no material orders passed by the Regulators, Courts, and tribunals impacting going concern status and the Company's operations in future. There are no proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016. There was no instance of one-time settlement by the Company with any bank or financial institution.

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 of India, SEBI, MCA, NSE, all other governmental & regulatory authorities and all other stakeholders of the Company. Your directors place on record their gratitude for the continued support extended by Credit Rating Agencies, Stock

Exchanges, Association of ARCs in India, from time to time and by the bankers, financial institutions, lenders and stakeholders and the trust reposed by them in 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: May 28, 2025

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, 2025

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. Anil Kumar Bhandari	Member-Promoter Director-Executive	2	2
3.	Mr. Dilip Kumar Daga	Member-Independent Director-Non-Executive	2	2

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. 9,93,89,076/-

(b) Two percent of average net profit of the company as per section 135(5): Rs. 19,87,782/-

(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. 38,983/-

(f) Total CSR obligation for the financial year (5b+5c-5d): Rs. 19,48,799/-

6. (a) (i) 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) (ii) 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	Yes	(ii)	Gujarat	Rs. 3,00,000	No	Shree Gujj Vanvasi Kalyan Parishad (CSR00025389)

	development.						
2.	PM CARES fund	NA	(vii)	Delhi	Rs. 5,00,000/-	Yes	N.A.
3.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	(ii)	Gujarat	Rs. 2,00,000	No	Blind Peoples Association, India (CSR00000936)
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)	Jaipur	Rs. 10,00,000	No	Prakrit Bharti Academy (CSR00007883)
Total					20,00,000		

(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 (a+b+c): Rs. 20,00,000/-

(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. 20,00,000/-	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 section135(5)	Rs. 19,87,782/-
ii.	Total amount spent for the Financial Year	Rs. 20,00,000/-
iii.	Excess amount spent for the financial year [(ii)-(i)]	Rs. 12,218/-
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.51201/-

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.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (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.)	Deficiency, if any
						Amount (in Rs.)	Date of Transfer		
Not applicable									

- 8 Whether any capital assets have been created or acquired through Corporate Social Responsibility amount: **No**

If Yes, enter the number of Capital Assets created/ acquired: NA

Furnish the details relating to such assets so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: NA

- 9 Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not applicable**

Date: May 28, 2025

Place: Ahmedabad

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

Sd/-

Anil Kumar Bhandari

Managing Director

CSR Member

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, 2025, 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 as amended time to time	As per Rent Agreement, monthly rent of Rs. 4,88,417/- p.m. (Apr'24 and May'24) and Rs. 5,37,250/- p.m. (Jun'24 to Mar'25)	Nil	June 25, 2024	Rs. 63,49,334/-

Date: May 28, 2025

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- III

Form No. MR- 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

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

To,
The Members
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, 2025 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, 2025 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 Equity Shares of the Company are not listed on the stock exchange, provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding applicability of specified securities are not applicable to the Company. However, during the year, debt securities i.e. (Non-Convertible Debentures) issued by the Company were listed on Stock Exchange and to that extent the said provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for debt securities were applicable to the Company. 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: 28th May, 2025

For, Ravi Kapoor & Associates
Sd/-
Ravi Kapoor
Company Secretary in practice
FCS No. 2587
C P No.: 2407
UDIN: F002587G000471913

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: 28th May, 2025

For, Ravi Kapoor & Associates

Sd/-
Ravi Kapoor
Company Secretary in practice
FCS No. 2587
C P No.: 2407
UDIN: F002587G000471913

Annexure IV

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

(a)	Conservation of Energy:	
	(i) the steps taken or impact on conservation of energy	The operations of your Company are not energy intensive. However, adequate measures have been initiated for conservation of energy wherever possible.
	(ii) the steps taken by the Company for utilizing alternate sources of energy	Though the operations of your Company are not energy intensive, the Company explores alternative source of energy, as and when the necessity arises.
	(iii) the capital investment on energy conservation equipments	Nil
(b)	Technology Absorption:	
	(i) the efforts made towards technology absorption	The Company uses latest technology and equipment for its business and operations
	(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	
	(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	N.A.
	(iv) the expenditure incurred on Research and Development	Nil
(c)	Foreign exchange earnings and outgo	
	(i) Total Foreign Exchange earned	Nil
	(ii) Total Foreign Exchange outgo	Rs. 22,28,700

Date: May 28, 2025

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



INDEPENDENT AUDITOR'S REPORT

To
The Members of
Rare Asset Reconstruction Limited

Report on the audit of the Standalone 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, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Cash Flow Statement for the year then ended, and notes to the Standalone Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required, and give a true and fair view in conformity with the Accounting Standards) Rules, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its Standalone Profit including other comprehensive income, the standalone changes in equity and its standalone cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing (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 Standalone financial statement.

Emphasis of Matter

We draw attention to Note No. 46 relating to balance confirmation / reconciliation and grouping of some of the third-party accounts.

Key Audit Matters

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

Fair Valuation of Investments in Security Receipts: The valuation of the investments in security receipts in Trusts formed under distressed credit business is based on a recovery range provided by the External Rating Agency and other unobservable inputs (i.e. projection of future cash flows and expenses etc.). These assets are classified as level 3 in the valuation hierarchy and the same are not actively traded. The independent committee finalizes the resolution -strategy for each trust, which may involve actions such as settling dues, selling assets through legal action or other means like Debt Recovery Tribunal, Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act” Act, 2002, and Insolvency Bankruptcy Code , 2016, restructuring, The fair value of the investment is estimated based on the resolution strategy adopted, expected cash flows, recovery ranges provided by the external rating agency, collateral values, discount rates, and other relevant assumptions. The Company has made investments in security receipts in Trusts formed and financial assets acquired under distressed credit business aggregating to Rs 119,794.43 lakh as at March 31, 2025 carried at fair value. (Refer Note 8 of the Standalone Financial Statements). In view of the complexities and significant judgements involved, we have considered the valuation of these investments as a key audit matter.	Auditor’s Response Principal Audit Procedures Performed: - We have tested the design and effectiveness of internal controls implemented by the management in respect to the valuation of the investments, including those relating to the assessment of the recovery plan by the Acquisition Committee, for the determination of the appropriate recovery rate based on the range provided by the External Rating Agency, independent verification of the valuation inputs viz. estimated cash flows, collateral values and discount rates etc. We have selected the sample and performed the following audit procedures: - Analysed reasonableness of the determination of the appropriate recovery rate and estimated cash flows and the other relevant judgements and estimates, if any; and we assessed the information used to determine the key assumptions; - Compared the estimates of the cash flows with the actual recoveries and obtained explanations for the variations, if any; - Compared the management’s assumption of discount rate with the supporting internal/ external evidence; - We assessed the reasonableness of the judgements in estimating the cash flows in response to corroborating the assumptions based on the information used by the Company, adopted/ change in resolution strategy; and verified the accounting treatment applied pertaining to Fair Value of Financial Assets. - Read and assessed the disclosure made in the standalone financial statements for assessing compliance with respect to the disclosure requirements.
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Information other than the standalone 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 Board’s Report including annexures to Board’s Report, but does not include the Standalone Financial Statements and our auditor’s report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance opinion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone 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’s & Board of Director’s responsibility for the Standalone 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 Standalone Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 standalone 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 standalone financial statement, including the disclosures, and whether the standalone financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a statement 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 standalone 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, 2025, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity 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 aforesaid standalone 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, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company 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(16) 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 Standalone financial statements. Please refer Note No. 39(b) of the Standalone financial statements.
 - 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 42 (ix) (A) 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 its knowledge and belief, as disclosed in the notes 42 (ix) (B) 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 2025 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 44 to the accompanying financial statements, the Board of Directors of the Company have proposed dividend for the year ended 31 March, 2025 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 an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Moreover, the feature of the recording audit trail (edit log) facility is enabled at the database level to log any direct data changes pertaining to the accounting software used for maintaining books of account. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

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

Place: Ahmedabad
Date: 28th May, 2025
UDIN: 25034363BMOCFL6982

Prakash D Shah
Partner
Membership No. 034363

Annexure A to Independent Auditor's Report of even date on the Standalone Financial Statements of Rare Asset Reconstruction Limited for the year ended on 31st March 2025.

(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, 2025 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, 2025, 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 standalone 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 & f) There is no subsidiary Company of the company and therefore reporting under these 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 not made preferential allotment/private placement of fully paid equity shares during the year.

(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 Ind AS.
- (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 Company being Securitisation and Asset Reconstruction Company under Securitisation and Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002, it is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is registered under Section 3 of SARFAESI Act, 2002 and is regulated by Reserve Bank of India. Accordingly, the requirement to report on clause 3 (xvi) of the Order is not applicable to the Company.
- (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 company does not have any core investment company within the Group. 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 36, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone 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 sub-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 Standalone Financial Statements.

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

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, 2025.

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, 2025 in conjunction with our audit of the standalone financial Statements of the company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management and Board of Directors are responsible for establishing and maintaining internal financial Controls based on the internal 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 standalone 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 standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone 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 standalone 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 standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, except otherwise stated or reported to the management, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, 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
Dated : 28th May, 2025
UDIN : 25034363BMOCFL6982

Prakash D Shah
Partner
Membership No. 034363

RARE ASSET RECONSTRUCTION LIMITED

Standalone Balance Sheet as at March 31, 2025

(Rs. In Lakhs)

Sr. NO.	Particulars	Note No.	As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
			Audited	Audited	Audited
1	ASSETS				
a	Financial Assets				
a	Cash and Cash Equivalents	6	18.16	399.38	657.33
b	Bank Balances Other Than (a) above	7	16,354.48	752.18	1,015.53
c	Investments	8	119,794.43	112,358.44	103,908.95
d	Other Financial Assets	9	2,178.39	1,600.56	417.63
	Sub total		138,345.46	115,110.56	105,999.44
2	Non- Financial Assets				
a	Current Tax Assets (Net)	10	-	-	-
b	Deferred Tax Assets	11	0.33	1.55	1.05
c	Property, Plant and equipments	12	71.59	79.86	92.81
d	Other Non- Financial Assets	13	1.44	1.22	2.59
	Sub total		73.36	82.63	96.45
	Total Assets		138,418.82	115,193.19	106,095.89
1	LIABILITIES AND EQUITY				
a	LIABILITIES				
a	Financial Liabilities				
	Payables				
	Trade Payables	14			
	(i) total outstanding dues of micro enterprises and small enterprises.		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises.		6.72	10.92	2.42
b	Debt Securities	15	27,090.39	6,400.00	1,100.00
c	Borrowings (other than debt securities)	16	31,154.47	22,583.82	34,712.51
d	Other financial Liabilities	17	58,433.00	65,191.27	51,901.69
	Sub total		116,684.58	94,186.01	87,716.63
2	Non-Financial Liabilities				
a	Current Tax Liabilities(Net)	18	83.45	223.45	64.04
b	Provisions	19	49.82	42.51	41.42
c	Other non-financial Liabilities	20	573.16	379.38	453.39
	Sub total		706.43	645.34	558.85
3	EQUITY				
a	Equity Share Capital	21	14,265.66	14,265.66	13,765.66
b	Other Equity	22	6,762.15	6,096.18	4,054.76
	Sub total		21,027.81	20,361.84	17,820.42
	Total Liabilities and Equity		138,418.82	115,193.19	106,095.89

The accompanying notes form an intergral part of the standalone financial statements : 1 to 47

As per our report of even date

For **Mehta Lodha & Co.**

Chartered Accountants

Firm Reg No - 106250W

Prakash D. Shah

Partner

Membership No - 034363

For and on behalf of the Board of Directors of

Rare Asset Reconstruction Limited

Anilkumar Bhandari

Managing Director

DIN: 02718111

Sandeep Vrat

Director & CEO

DIN : 07271783

Place: Ahmedabad

Date: May 28, 2025

UDIN : 25034363BMOCFL6982

Umesh Bafna

Chief Financial Officer

Date: May 28, 2025

Deepika Agrawal

Company Secretary

RARE ASSET RECONSTRUCTION LIMITED

Standalone Statement of Profit and Loss for the period ended March 31, 2025

(Rs. In Lakhs)

S.No.	Particulars	Note No.	Year ended	Year ended
			March 31, 2025	March 31, 2024
I.	Revenue from Operations	23	7,603.53	6,373.40
II.	Other Income	24	838.06	166.62
III.	Total Income		8,441.59	6,540.02
IV.	Expenses			
	Finance Cost	25	3,815.49	2,045.87
	Net (Gain)/Loss on fair value changes	26	2,114.36	2,646.29
	Employee benefits Expenses	27	350.83	329.25
	Depreciation and Amortization expense	12	15.75	16.27
	Other Expenses	28	840.13	399.94
	Impairment of Financial Instruments	29	8.19	-
	Total Expenses		7,144.75	5,437.61
V.	Profit/(Loss) before tax (III-IV)		1,296.84	1,102.41
VI.	Tax Expense:			
	Current tax		343.20	290.46
	Deferred tax		1.22	(0.50)
	Total Tax Expenses (VI)	30	344.43	289.96
VII.	Profit/(Loss) after tax		952.41	812.45
	Other Comprehensive Income			
	Items That will not be reclassified to profit or Loss			-
	(i) Remeasurements of the defined benefits plans		1.51	(5.73)
	Sub Total		1.51	(5.73)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.38)	1.44
VIII.	Other Comprehensive (Income)/Loss for the period, net of tax		1.13	(4.29)
IX.	Total Comprehensive Income for the period		951.28	816.74
X.	Earnings per share			
	Basic / Diluted (In ₹)	31	0.67	0.57

The accompanying notes form an integral part of the standalone financial statements : 1 to 47

As per our report of even date

For Mehta Lodha & Co.

Chartered Accountants

Firm Reg No - 106250W

Prakash D. Shah

Partner

Membership No - 034363

Place: Ahmedabad

Date: May 28, 2025

UDIN : 25034363BMOCFL6982

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

Anilkumar Bhandari Sandeep Vrat

Managing Director Director & CEO

DIN: 02718111 DIN : 07271783

Umesh Bafna

Chief Financial Officer

Deepika Agrawal

Company Secretary

RARE ASSET RECONSTRUCTION LIMITED		
Standalone Statement of Cash Flow for the Year Ended March 31, 2025		
(Rs. In Lakhs)		
Particulars	Year ended	
	March 31, 2025 (Audited)	March 31, 2024 (Audited)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax	1,296.84	1,102.41
Adjustments to reconcile profit before tax to net cash generated from/(used in) operating activities		
Interest income on fixed deposits	(609.98)	(68.81)
Interest expenses	3,786.78	2,041.23
Net Loss/(Gain) on fair value changes	289.25	(106.37)
Write off of Investment in security receipts & Other investments	1,825.11	2,752.66
Impairment of Financial instruments	8.19	-
Depreciation and amortisation of expenses	15.75	16.27
Operating profit / (loss) before working capital changes	6,611.93	5,737.39
Working capital Adjustments:		
Adjustments for (increase) / decrease in financial & non financial assets:		
Other financial assets	(586.03)	(1,182.92)
Other non financial assets	(0.22)	1.36
Adjustments for increase / (decrease) in financial & non financial liabilities:		
Trade Payable	(4.20)	8.50
Other financial liability	(6,758.28)	13,289.58
Other non financial liability	193.78	(74.01)
Provisions	6.18	5.38
Cash from operations	(536.83)	17,785.29
Income taxes paid (net)	(483.21)	(131.05)
Net cash from operating activities	(1,020.04)	17,654.24
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/Sale of Investment in Security receipts and Investments	(9,550.34)	(11,095.79)
Purchase of Property, Plant and Equipment	(7.48)	(3.32)
Interest Income	609.98	68.81
Bank deposits with original maturity greater than three months	(15,602.30)	263.34
Net Cash (used in)/generated from Investing activities	(24,550.14)	(10,766.95)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	-	500.00
Proceeds of security premium from issuance of share capital	-	1,500.00
Proceeds from issue of non convertible debenture (net of issue expenses)	20,690.39	5,300.00
Proceeds /(Repayment) of Borrowings	8,570.65	(12,128.69)
Dividend Paid	(285.31)	(275.31)
Interest paid on debt securities and other borrowing	(3,786.78)	(2,041.23)
Net Cash (used in)/generated from financing activities	25,188.96	(7,145.24)
Net (Decrease)/Increase in Cash and Cash equivalents	(381.22)	(257.95)
Cash & Cash equivalent at the beginning of the year	399.38	657.33
Cash & Cash equivalent at the end of the year	18.16	399.38
Reconciliation of Cash and Cash Equivalent with the balance sheet		
Cash and cash equivalents as per balance sheet		
Cash on hand	0.03	0.06
Balances with banks in current account	18.13	286.82
Balance in term deposit < 3 months	-	112.50
Cash and cash equivalents as restated as at the year end	18.16	399.38
The accompanying notes form an integral part of the standalone financial statements : 1 to 47 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS -7 "Cash Flow Statements".		
As per our report of even date For Mehta Lodha & Co. Chartered Accountants Firm Reg No - 106250W		
For and on behalf of the Board of Directors of Rare Asset Reconstruction Limited		
Prakash D. Shah Partner Membership No - 034363		
Anilkumar Bhandari Managing Director DIN: 02718111		
Sandeep Vrat Director & CEO DIN : 07271783		
Place: Ahmedabad Date: May 28, 2025 UDIN : 25034363BMOCFL6982		
Umesh Bafna Chief Financial Officer		
Deepika Agrawal Company Secretary		

RARE ASSET RECONSTRUCTION LIMITED**Standalone Statement of Changes in Equity for the year ended March 31, 2025****A. Equity Share Capital****(Rs. In Lakhs)**

Particulars	As at	As at	As at
	March 31, 2025	March 31, 2024	April 1, 2023
At the beginning of the period	14,265.66	13,765.66	13,765.66
Changes in equity share capital during the year	-	500.00	-
Outstndng at the end of Period	14,265.66	14,265.66	13,765.66

B. Other Equity**(Rs. In Lakhs)**

Particulars	Reserves and Surplus		Total Other Equity
	Retained Earnings	Securities Premium	
As at April 1, 2023	2,009.31	2,045.45	4,054.76
Addition during the year	-	1,500.00	1,500.00
Profit for the year	812.45	-	812.45
Re-measurement of defined benefit plan	4.29	-	4.29
Dividend Paid	(275.31)	-	(275.31)
As at March 31, 2024	2,550.73	3,545.45	6,096.18
As at April 1, 2024	2,550.73	3,545.45	6,096.18
Profit for the year	952.41	-	952.41
Re-measurement of defined benefit plan	(1.13)	-	(1.13)
Dividend Paid	(285.31)	-	(285.31)
As at March 31, 2025	3,216.70	3,545.45	6,762.15

The accompanying notes form an integral part of the standalone financial statements : 1 to 47

As per our report of even date
For **Mehta Lodha & Co.**
Chartered Accountants
Firm Reg No - 106250W

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

Prakash D. Shah
Partner
Membership No - 034363

Anilkumar Bhandari
Managing Director
DIN: 02718111

Sandeep Vrat
Director & CEO
DIN : 07271783

Place: Ahmedabad
Date: May 28, 2025
UDIN : 25034363BMOCFL6982

Umesh Bafna
Chief Financial Officer

Deepika Agrawal
Company Secretary

RARE ASSET RECONSTRUCTION LIMITED

Notes to Standalone Financial Statements

1. Corporate Information

Rare Asset Reconstruction Limited (formerly Raytheon Asset Reconstruction Private Limited) (“the Company”) was incorporated in the year 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.

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

2. Statement of compliance and basis of preparation and presentation

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Companies Act, 2013 (The Act). The Company presents its financial statements in compliance with the Division III of the Schedule III of the Act. Any application guidance/ clarification/ directions issued by the Reserve Bank of India or other regulators are implemented as and when they are issued/ applicable.

Effective April 01, 2024, the company has adopted all Ind AS and the adoption was carried out in accordance with Ind AS 101; first time adoption of (Indian Accounting Standards) with April 01, 2023 as the transition date. The transition was carried out from Indian Accounting principles generally accepted in India as prescribed under section 133 of the Act, read with rule 7 of the Companies (Account) Rules, 2014 (IGAAP), which was the previous GAAP.

These financial statement for the year ended 31 March 2025 are approved by the Board of Director at its meeting held on May 28, 2025.

2.2 Basis of preparation and measurement:

The financial statements have been prepared on an accrual basis and under historical cost convention except for certain financial instruments that are measured at fair values.

Measurement of fair value:

The Company measures investments in credit impaired financial assets as well as investment in security receipts of securitization trusts, at fair value at each reporting date.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statement are categorized within the fair value hierarchy, described as follows, based on the lowest level inputs that is significant to the fair value measurement as a whole:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

At each reporting date, the Management analyses the movement in the values of assets and liabilities which are required to be remeasured or re-assessed as per the company's accounting policies.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of nature, characteristics and risk of the assets or liabilities and the level of the fair value hierarchy as explained above.

2.3 Basis of presentation:

The company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 40.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognized amounts without it being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the company and or its counterparties.

The financial statements are presented in Indian Rupees (INR), which is also the company's functional currency. All amount have been rounded – off to the nearest lakhs, unless otherwise indicated.

2.4 Significant accounting judgements, estimates and assumptions:

In the application of the Company's accounting policies, the management is required to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities, about the carrying amounts of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations, that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

➤ ***Fair value of financial instruments:***

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

For Investments made into Security receipts (SRs) and purchased impaired financial assets, Company uses discounted cash flow model. Expected cash flow levels including timing of cash flows are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including default rates, nature & value of collaterals, manner of resolution and other economic drivers. Further, the Management also involves credit rating agencies for valuation of SRs.

➤ ***Provisions and other contingent liabilities:***

When the company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the company takes into account number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

2.5 Recent pronouncement:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

Material accounting policies Information

A. Revenue recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) shall be measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

- i. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

- ii. Revenue in the form of management fees for providing services to the Trust may be recognised on realisation basis over the life of the contract as per terms of the relevant Trust Deed/ Offer Document. The fees are recognized on realisation basis till the NAV of the Trust is recoverable and not wholly impaired.

In the event company recognizes Management Fee on accrual basis and while preparing financial statements as per Ind AS, the following amounts shall be reduced from NOF while calculating the capital adequacy ratio and the amount available for payment of dividend:

- (i) Management fee recognised during the planning period that remains unrealised beyond 180 days from the date of expiry of the planning period.
- (ii) Management fee recognised after the expiry of the planning period that remains unrealised beyond 180 days of such recognition.
- (iii) Any unrealised management fee, notwithstanding the period for which it has remained unrealised, where the NAV of the SRs has fallen below 50% of the face value.

The amount reduced from NOF and amount available for payment of dividend shall be net of any specific expected credit loss allowances held on unrealised management fee referred to in sub-paragraphs (i), (ii) and (iii) above and the tax implications thereon, if any. The Audit Committee of the Board shall review the extent of unrealised management fee and satisfy itself on the recoverability of the same while finalising the financial statements. It shall be ensured that the management fee is computed strictly in accordance with extant regulations.

- iii. Recovery incentive is accounted over the period on realisation basis, i.e. as and when received by the Company, based on terms of the relevant trust deeds and offer document issued by the Trust.
- iv. The Company shall recognise following income/(loss) pertaining to security receipts under the heading Net gain/(loss) on fair value changes on financial instruments at FVTPL
 - Additional realisation of assets over the Net Asset Value of security receipt is accounted as per the terms of the relevant Trust Deed / Offer Document on actual distribution from the Trust after full redemption of the Net Asset Value of security receipts in the trust.
 - Net appreciation/ depreciation in Net Asset Value of security receipts is considered as fair value gain/(loss) on change in investment and credit-impaired financial assets.

B. Expenses incurred by the Company on behalf of the trust

Expenses incurred at pre-acquisition stage are recognised as expenses for the period in which such costs are incurred. If such expenses are contracted to be recovered from the trusts the same are shown as other receivables from trust in the Balance Sheet and grouped under other receivable from Trust. These expenses are reimbursed to the Company in terms of the provisions of relevant trust deed and offer document of the trusts.

C. Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Current tax

Current tax shall be measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961.

Current tax assets and liabilities for the current and prior years shall be measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount shall be those that are enacted, or substantively enacted, by the reporting date.

Current income tax relating to items recognised outside profit or loss shall be recognised outside profit or loss either in other comprehensive income or in equity.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

D. Property, plant and equipment and Intangible Assets

Property, plant and equipment (PPE) is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/ duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. PPE not ready for the intended use on the date of the Balance Sheet is disclosed as "capital work-in-progress".

Depreciation/amortization is recognised on a straight-line basis over the estimated useful lives of respective assets as under:

<i>Tangible Assets-Property, Plant and Equipment</i>	<i>Useful Life</i>
<i>Furniture and Fixture</i>	<i>10 years</i>
<i>Motor Vehicles</i>	<i>8 years</i>
<i>Computers & Data processing units</i>	<i>3 years</i>
<i>Office Equipments</i>	<i>5 years</i>
<i>Intangible Assets-Property, Plant and Equipment</i>	<i>Useful Life</i>
<i>Computer Software</i>	<i>5 years</i>

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

E. Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at the original cost net of tax/duty credits availed if any, less accumulated amortization and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to the acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as “Intangible assets under development”. Intangible assets are amortized on a straight-line basis over the estimated useful life of 5 years. The method of amortization and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortization on impaired assets is provided by adjusting the amortisation charge in the remaining periods to allocate the asset’s revised carrying amount over its remaining useful life. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from the de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized as profit or loss when the asset is derecognised.

F. Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

- an entity has a present obligation (legal or constructive) as a result of a past event; and
- an outflow of resources embodying economic benefits will probably be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Contingent Assets:

Contingent assets are not recognised in the financial statements.

G. Impairment losses of non-financial assets

The carrying values of assets at each balance sheet date shall be reviewed for impairment if any indication of impairment exists based on internal/ external factors. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment shall be recognised for such excess amount in the Statement of Profit and Loss.

The recoverable amount is the greater of the net selling price and their value in use. Value in use shall be arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss may be recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to profit or loss. In case of revalued assets, such reversal may not be recognized.

H. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

All regular way purchase or sale of financial instruments shall be recognised and derecognised on a trade date basis. Purchase or sale of unquoted instruments shall be recognised on the closing date or as and when the transaction is completed as per terms mentioned in relevant transaction agreement /document.

Recognition, Initial measurement and derecognition

Financial assets and financial liabilities shall be initially measured at fair value on initial recognition, except for trade receivables which shall be initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) shall be added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss shall be recognised immediately in profit or loss.

Classification

The Company may classify its financial assets as subsequently measured at either amortized cost or fair value based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

1. Financial asset at Fair Value through Other Comprehensive Income (FVOCI)

Financial asset with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets shall be classified to be measured at FVOCI. The interest income, impairment losses & reversal, if any, shall be recognized through the statement of profit and loss. The loss is recognized in other comprehensive income and does not reduce the carrying value of the financial asset.

2. Financial asset at Fair Value Through Profit and Loss (FVTPL)

Any financial asset which does not meet the criteria for categorization as at amortized cost or as FVOCI, shall be classified to be measured at FVTPL.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Financial assets at amortised cost

The financial assets which are classified at amortized cost, subsequently measured at amortized cost through effective interest rate method.

Financial liabilities and equity instruments:

Classification as debt or equity

Debt and equity instruments issued by the Company shall be classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company shall be recognised at the proceeds received. Transaction costs of an equity transaction shall be recognised as a deduction from equity.

Financial liabilities

All financial liabilities shall be subsequently measured at amortised cost, except when designated to be measured at FVTPL. Liabilities shall be classified at fair value through profit or loss. Other financial liabilities subsequently shall be measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses shall be recognised in the statement of profit and loss. Any gain or loss on derecognition shall be also recognised in Statement of profit and loss.

I. Impairment of Financial Assets

Methodology for computation of Expected Credit Losses (ECL)

The financial instruments covered within the scope of ECL include financial assets measured at amortised cost and FVOCI, such as trade receivables, loans, advances recoverable from trust, security deposit, balances with banks and other financial assets. ECL has not been determined on financial assets measured at FVTPL.

The loss allowance shall be measured using lifetime ECL except for financial assets on which there has been no significant increase in credit risk since initial recognition. In such cases, loss allowance shall be measured at 12-month ECL.

At each reporting date, the Company shall assess whether financial assets carried at amortised cost and FVOCI are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred since initial recognition. Evidence that a financial asset is credit-impaired includes the observable data such as Days Past Due ('DPD') or default event.

ECL is a probability weighted estimate of credit losses, measured as follows:

- Financial assets that are not credit impaired at the reporting date –
ECL has been estimated by determining the probability of default ('PD'), Exposure at Default ('EAD') and Loss Given Default ('LGD'). PD has been computed using observed history of default and converted into forward looking PD's using suitable macro-economic variable data.
- Financial assets that are credit impaired at the reporting date –
ECL shall be estimated as the difference between the gross carrying amount and the present value of estimated future cash flows.

For trade receivables, the Company shall apply a simplified approach. It shall recognize impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Criteria may be used for determination of movement from stage 1 (12-month ECL) to stage 2 (lifetime ECL) and stage 3 (lifetime ECL)

The Company shall apply a three-stage approach to measure ECL on financial assets measured at amortised cost and FVOCI. The assets shall migrate through the following three stages based on an assessment of qualitative and quantitative considerations:

- Stage 1: 12-month ECL
For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Interest income is accrued using the effective interest rate on the gross carrying amount.
- Stage 2: Lifetime ECL (not credit impaired):
At each reporting date, the Company shall assess whether there has been a significant increase in credit risk for financial assets since initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Company shall use days

past due (DPD) information and other qualitative factors to assess deterioration in credit quality of a financial asset.

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL shall be recognised. Interest income shall be accrued using the effective interest rate on the gross carrying amount.

- Stage 3: Lifetime ECL (credit impaired):

Financial assets shall be assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the asset have occurred. For financial assets that have become credit impaired, a lifetime ECL shall be recognised and interest revenue shall be calculated by applying the effective interest rate to the amortized cost (net of loss allowance).

If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the Expected Credit Loss reverts from lifetime ECL to 12-months ECL.

Further, where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs/ARCs shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. The balance in the 'Impairment Reserve' shall not be reckoned for regulatory capital. The Impairment Allowance at end of any particular FY may be decided in consultation with the auditors and be duly approved by the ACB and Board thereafter.

Financial assets that are Purchased or Originated Credit Impaired ('POCI'):

On initial recognition, POCI assets do not carry any impairment allowance. Lifetime ECL are incorporated in the calculation of effective interest rate. The cash flows shall be estimated on annual basis. Any changes in expected cash flows shall be discounted using the original credit-adjusted effective interest rate and the resulting changes shall be recognised as impairment gains or losses. Favourable changes in lifetime ECL shall be recognised as an impairment gain, even if the favourable changes are more than the amount, if any, previously recognised in profit or loss account as impairment losses.

Manner in which forward looking assumptions may be incorporated in ECL estimates:

The Company shall consider its historical loss experience and adjust it for current observable data. In addition, the Company shall use reasonable forecasts of future economic conditions including expert judgement to estimate the amount of expected credit losses. The methodology and assumptions including any forecasts of future economic conditions are periodically reviewed and changes, if any, shall be accounted for prospectively. The Company's ECL calculations shall be output of number of underlying assumptions regarding the choice of variable inputs and their interdependencies such as macroeconomic scenarios and collateral values.

J. Derecognition of financial assets and financial liabilities

Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) shall be primarily derecognised when:

The rights to receive cash flows from the financial asset have expired, or

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

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in the statement of profit and loss.

Financial Liabilities

The Company shall derecognise financial liability when its contractual obligations are discharged or cancelled or expire.

The difference between the carrying value of the original financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, is recognised in the statement of profit and loss.

K. Financial risk management

The company's main business is of acquisition of financial assets (NPA's), resolution thereof and investment of its surplus funds. The company has well defined Board approved acquisition, resolution and investment policies along with delegation of powers encompassing various risk mitigation measures.

L. Employee benefits

Retirement benefit costs and termination benefits:

Defined Benefit Obligation:

The Company's liabilities under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. The Company net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The Company recognizes current service cost, past service cost, if any and interest cost in the Statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustments and changes in actual assumptions are recognized in the period in which they occur in the OCI.

Short- term benefits:

Short term employee benefits including accumulating compensated absences are recognised at an undiscounted amount in the statement of profit and Loss for the year in which the related services are rendered.

Long term benefits:

Other long-term employee benefits comprise of leave encashment and are provided for based on the independent actuarial valuation. The classifications between current and non-current liabilities are based on actuarial valuation. The actuarial valuation is done as per the projected unit credit method as at the reporting date.

M. Borrowing cost

Borrowing costs other than those directly attributable to qualifying assets are recognised as expenses in the statement of profit and loss in the period in which they are incurred. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of the asset, except for financial assets acquired from banks and financial institutions where such expenses are charged to Profit and Loss Account, in line with RBI guidelines.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalisation, except in cases mentioned earlier (financial assets acquired from banks and financial institutions) where such income will be considered as income in the Profit and Loss Account..

N. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The company shall apply Ind AS 116 using the modified retrospective approach as and when applicable. As there is no asset taken on lease as on the date, the detailed note on Lease is not being produced.

Short-term leases and leases of low-value assets. The company has chosen not to recognise right-of-use assets and lease liabilities for short term leases of properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

O. Cash and cash equivalents

The Company considers all highly liquid financial instruments which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of 3 months or less from the date of purchase to be cash equivalents. Cash and cash equivalents consist of bank balances which are unrestricted for withdrawal and usage.

P. 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.

Q. Earning per share

Basic earnings per share is computed by dividing the net profit or loss after tax for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

R. Measurement of fair values

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

The Company's accounting policies and disclosures require fair value measurement of investment in Security Receipts (SR's).

Management uses its judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market participants shall are applied.

Investments in Security Receipts (SRs) held by the Company are classified as FVTPL and are recorded at Net Asset Value (NAV), which may not reflect the recoverability / true value for those cases where the period of realisation as permitted by RBI has elapsed, and NAV is required to be maintained as Nil, despite future recovery prospects.

Computation of Regulatory Capital and Regulatory Ratios

(A) In determining 'owned funds', 'net owned funds' and 'regulatory capital', NBFCs and ARCs shall be guided by the following:

i) Any net unrealised gains arising on fair valuation of financial instruments, including such gains arising on transition to Ind AS, should not be included in owned funds whereas all such net losses should be considered. In determining the net unrealised gains for reduction from owned funds, NBFCs should categorise financial assets measured at fair value into two categories viz.

A. Investments in shares of other NBFCs and in shares, debentures, bonds, etc. in Group companies that are required to be reduced while determining Tier I Capital as defined in paragraph 2(xxxii) of the Non-Banking Financial Company-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016; and

B. Others

While netting may be done within the aforementioned categories, net gains from one category should not be offset against losses in the other category.

ii) Any unrealised gains or losses recognised in equity due to (a) own credit risk and (b) cash flow hedge reserve shall be derecognised while determining owned funds.

iii) Since unrealised gains on category A have been excluded in computation of owned fund, NBFCs shall reduce the lower of acquisition cost or fair value of investments/advances in subsidiaries/other group companies and other NBFCs while determining Tier I capital as specified in paragraph 2(xxxii) of the aforementioned Master Directions. Net unrealised gains on Category B (i.e. 'Others') to the extent they have been excluded in regulatory capital, shall also be reduced from risk weighted assets.

iv) 12 month expected credit loss (ECL) allowances for financial instruments i.e. where the credit risk has not increased significantly since initial recognition, shall be included under general provisions and loss reserves in Tier II capital within the limits specified by extant regulations. Lifetime ECL shall not be reckoned for regulatory capital (numerator) while it shall be reduced from the risk weighted assets.

(B) Regulatory ratios, limits and disclosures shall be based on Ind AS figures. Impaired and restructured financial assets acquired from banks and financial institutions, shall be considered as non-performing assets (NPA) for calculation of NPA ratios.

3. Critical accounting judgments and key sources of estimation uncertainty

The preparation of standalone financial statements in conformity with Ind AS requires the Company's Management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognized in the standalone financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates (accounted on a prospective basis) and recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods of the revision affects both current and future periods.

Information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed in note 37.

4. Transition to Ind AS

Overall principle:

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2025, the comparative information presented in these financial statements for the year ended March 31, 2024 and in the preparation of an opening Ind AS transition balance sheet as at April 1, 2023 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance

with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the notes 45.

Exemptions and Exceptions availed:

We have set out below the applicable Ind AS 101 optional and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Deemed cost for property, plant and equipment and other intangible assets:

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

Estimates:

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2023 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date.

5. Amendments to existing Ind AS

Accounting shall be consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

RARE ASSET RECONSTRUCTION LIMITED
Notes to Standalone Financial Statements

6 Cash and Cash Equivalents

(Rs. In Lakhs)

Particulars	As at	As at	As at
	March 31, 2025	March 31, 2024	April 1, 2023
Cash on Hand	0.03	0.06	0.16
Balances with Bank			
-In Current Account	18.13	286.82	497.36
-In Fixed Deposit with original maturity less than 3 month (Including interest accrued)	-	112.50	159.81
Total	18.16	399.38	657.33

7 Bank balances other than cash and cash equivalents

(Rs. In Lakhs)

Particulars	As at	As at	As at
	March 31, 2025	March 31, 2024	April 1, 2023
Fixed Deposit with original maturity more than 3 month	16,354.48	752.18	1,015.53
Total	16,354.48	752.18	1,015.53

8 Investment

(Rs. In Lakhs)

Particulars	As at	As at	As at
	March 31, 2025	March 31, 2024	April 1, 2023
	Measured at fair value through Profit and Loss	Measured at fair value through Profit and Loss	Measured at fair value through Profit and Loss
Unquoted			
Investments in Security Receipts			
- Investment in Subsidiary Trust	43,826.17	20,024.12	16,098.64
- Investment in other than Subsidiary Trust	44,410.07	56,856.49	49,983.37
Other investments			
- Financial assets acquired from banks and financial institutions	31,558.19	35,477.84	37,826.94
Total	1,19,794.43	1,12,358.44	1,03,908.95

a) There are no investments made by the company outside India.

b) Company has pledged Security Receipts of Rs. 23,644.42/- Lakhs (Previous Year 2023-24 Rs. Nil & Previous Year 2022-23 Rs. Nil) in favour of Debenture Trustees appointed for NCDs issued.

9 Other Financial Assets

(Rs. In Lakhs)

Particulars	As at	As at	As at
	March 31, 2025	March 31, 2024	April 1, 2023
Advance to trusts	147.14	1,213.11	138.64
Advance to others	1,855.48	60.55	1.44
Earnest money deposit	180.00	325.00	276.00
Security deposit:			
To Related Parties	-	-	-
To Others	3.96	1.90	1.55
Total	2,186.58	1,600.56	417.64
Less: Impairment loss allowance on Advance to trusts (refer note 38)	(8.19)	-	-
Net Total	2,178.39	1,600.56	417.64

10 Current Tax Assets (Net)

(Rs. In Lakhs)

Particulars	As at	As at	As at
	March 31, 2025	March 31, 2024	April 1, 2023
Advance tax paid (net of provision)	-	-	-
Total	-	-	-

11 Deferred Tax Assets

(Rs. In Lakhs)

Particulars	As at	As at	As at
	March 31, 2025	March 31, 2024	April 1, 2023
Measurement of financial instruments at fair value	72.80	-	-
Impairment of financial instruments	2.06	-	-
Difference between books and tax written down value of Property, Plant and Equipment	1.93	1.55	1.05
Others (43B, 35D, etc. allowances under Income Tax Act, 1961)	(76.47)	-	-
Total	0.33	1.55	1.05

RARE ASSET RECONSTRUCTION LIMITED
Notes to Standalone Financial Statements

12 Property, Plant and equipment as at 31st March 2025

(Rs. In Lakhs)

Particulars	Office Equipment	Computer	Electric Fittings	Furniture & Fixture	Vehicle	Total
Cost						
As at April 1,2023	28.61	7.58	1.88	36.53	74.71	149.31
Addition	2.75	0.56	-	-	-	3.32
Disposal/ Adjustment	-	-	-	-	-	-
As at March 31, 2024	31.36	8.14	1.88	36.53	74.71	152.63
Addition	1.23	6.07	0.18	-	-	7.48
Disposal/ Adjustment	-	-	-	-	-	-
As at March 31, 2025	32.59	14.22	2.06	36.53	74.71	160.11
Depreciation & Impairment						
As at April 1,2023	23.18	5.42	0.89	18.07	8.94	56.50
Depreciation & Impairment for the Year	2.35	1.39	0.18	3.48	8.87	16.27
As at March 31, 2024	25.53	6.82	1.07	21.54	17.82	72.77
Depreciation & Impairment for the Year	2.06	1.15	0.19	3.47	8.87	15.75
As at March 31, 2025	27.59	7.96	1.26	25.01	26.69	88.52
Net Block						
As at April 1,2023	5.43	2.16	0.99	18.46	65.76	92.81
As at March 31, 2024	5.84	1.33	0.81	14.99	56.89	79.86
As at March 31, 2025	5.00	6.25	0.80	11.52	48.02	71.59

RARE ASSET RECONSTRUCTION LIMITED
Notes to Standalone Financial Statements

13 Other Non- Financial Assets

(Rs. In Lakhs)

Particulars	As at	As at	As at
	March 31, 2025	March 31, 2024	April 1, 2023
Prepaid expenses	1.33	1.10	0.69
Balances with Revenue Authorities	0.11	0.12	1.90
Total	1.44	1.22	2.59

14 Trade Payables

(Rs. In Lakhs)

Particulars	As at	As at	As at
	March 31, 2025	March 31, 2024	April 1, 2023
Total outstanding dues of micro enterprises and small enterprises.	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises.	6.72	10.92	2.42
Total	6.72	10.92	2.42

14.1 Trade Payables Ageing

(Rs. In Lakhs)

As at March 31, 2025		Outstanding for following periods from due date of payment			Total
Particulars		Less than 1 Year	1-2 years	2-3 Years	
(i) Undisputed Trade Payable- MSME	-	-	-	-	-
(ii) Undisputed Trade Payable -Others	6.34	-	-	0.38	6.72

As at March 31, 2024		Outstanding for following periods from due date of payment			Total
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	10.92

As at April 1, 2023		Outstanding for following periods from due date of payment			Total
Particulars		Less than 1 Year	1-2 years	2-3 Years	
(i) Undisputed Trade Payable- MSME	-	-	-	-	-
(ii) Undisputed Trade Payable -Others	2.04	-	0.38	-	2.42

14.2 There are no dues payable to Micro and Small enterprises, based on information available with the Company and therefore, disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are not applicable.

(Rs. In Lakhs)

Particulars	As at	As at	As at
	March 31, 2025	March 31, 2024	April 1, 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end - Trade Payable	-	-	-
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end - Creditors for Capital Goods	-	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-	-
Total	-	-	-

15 Debt Securities (Within India)

(Rs. In Lakhs)

Particulars	As at	As at	As at
	March 31, 2025	March 31, 2024	April 1, 2023
At amortised cost			
Secured			
Non Convertible Debentures (Refer Note 15.1, 15.2 and 15.3)	20,690.39	-	-
Total Secured	20,690.39	-	-
Unsecured			
Non Convertible Debentures	6,400.00	6,400.00	1,100.00
Total Unsecured	6,400.00	6,400.00	1,100.00
Total	27,090.39	6,400.00	1,100.00

15.1 Non-Convertible Debentures secured by way of hypothecation of the following assets and securities:-

- 1.) 16.50% Non Convertible Debentures are secured against pledge of Security Receipts having NAV of Rs. 13,144.42 Lakhs.
- 2.) 14.00% Non Convertible Debentures are secured against pledge of Security Receipts having NAV of Rs. 10,500 Lakhs.

15.2 Maturity profile and rate of interest of NCDs:

(Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Secured, listed and rated NCDs-Private Placement - Face value of 1,00,000 each			
16.50% Rare ARC NCDs (Series III) redeemable in the year 2027-28	12,000.00	-	-
14.00% Rare ARC NCDs (Series IV) redeemable in the year 2029-30	9,000.00	-	-
Unsecured, unlisted and unrated NCDs-Private Placement - Face value of 50,00,000 each			
8% Rare ARC NCDs (Series I) redeemable in the Year 2025-2026	1,100.00	1,100.00	1,100.00
8% Rare ARC NCDs (Series II) redeemable in the Year 2028-2029	5,300.00	5,300.00	-
Total	27,400.00	6,400.00	1,100.00

Maturity profile above is disclosed at face value and cumulative impact of effective interest rate adjustment amounting to Rs. 309.61 Lakh (Previous Year is Rs. NIL).

15.3 The Company has utilized fund raised by way of Non-convertible debentures for the purpose mentioned in documents.

15.4 Additional disclosure pursuant to Ind AS 7 (Debt Securities Movement during the year)

(Rs. In Lakhs)

Particulars	For the year March 31, 2025	For the year March 31, 2024
Opening Balance	6,400.00	1,100.00
Cash flows	20,690.39	5,300.00
Non-cash changes	-	-
Closing balance	27,090.39	6,400.00

16 Borrowings (other than debt securities)

(Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
At amortised cost			
Secured			
Term loans from (Refer note 16.1, 16.2 and 16.5)			
a) Banks	19.51	36.21	51.75
	19.51	36.21	51.75
Other laons from banks (Refer note 16.3)			
a) Cash Credit facilities	10,988.87	1,402.37	450.00
	10,988.87	1,402.37	450.00
Unsecured			
Inter corporate deposits (Refer note 16.4)			
(a) From related party (Refer note. 35)	4,026.74	5,021.16	3,954.52
(b) From others	16,119.36	16,124.07	30,256.24
	20,146.09	21,145.23	34,210.76
Total	31,154.47	22,583.82	34,712.51

16.1 Term loan is secured against hypothecation of vehicle.

16.2 Maturity profile and rate of interest of Term Loans:

(Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Term Loan			
ICICI bank Term Loan (Fixed Interest Rate @ 7.25%)			
Up to one year	19.51	16.70	15.54
Up to 1-3 years	-	19.51	36.21
3 years and above	-	-	-
Total	19.51	36.21	51.75

16.3 Cash Credit Facilities availed is secured against 100% fixed deposit held by the Company /Trusts with IDBI Bank.

16.4 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 repayable in 5 Years from the date of receipt of the said deposit.

16.5 The company has utilized money obtained by way of Term loans for the purpose for which they were obtained.

16.6 All borrowings are made within India.

16.7 Additional disclosure pursuant to Ind AS 7 (Borrowing Movement during the year).

Particulars	(Rs. In Lakhs)	
	For the year March 31, 2025	For the year March 31, 2024
Opening Balance	36.21	51.75
Cash flows	(16.70)	(15.54)
Non-cash changes	-	-
Closing balance	19.51	36.21

17 Other Financial Liabilities

Particulars	(Rs. In Lakhs)		
	As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
Advance from trusts	-	97.00	2,171.24
Security deposits :			
To Related Parties (Refer note. 35)	3,150.00	4,281.99	3,376.99
To Others	50,015.27	54,558.85	44,896.20
Others	5.42	3.43	4.71
Unpaid Dividend	-	-	2.16
Advance for Resolution (Refer note 17.1)	5,162.30	6,250.00	1,450.40
Advance Recovery (Refer note 17.2)	100.00	-	-
Total	58,433.00	65,191.27	51,901.69

17.1 Advance for Resolution includes advance received for sale of SRs held by Rare ARC and EMD received for resolution of Financial Assets. SRs since sold, and EMD since adjusted.

17.2 Advance Recovery pertains to recovery pending appropriation during the financial year. Since appropriated.

18 Current Tax Liabilities

Particulars	(Rs. In Lakhs)		
	As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
Provision for Income Tax (Net of Advance Tax and Tax Deducted at Source)	83.45	223.45	64.04
Total	83.45	223.45	64.04

19 Provisions

Particulars	(Rs. In Lakhs)		
	As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
Provision for Gratuity (Refer note 34)	49.82	42.51	41.42
Total	49.82	42.51	41.42

20 Other Non-Financial Liabilities

Particulars	(Rs. In Lakhs)		
	As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
Statutory Dues	573.16	379.38	453.39
Total	573.16	379.38	453.39

RARE ASSET RECONSTRUCTION LIMITED
Notes to Standalone Financial Statements

Note No.

21 Equity Share Capital

(Rs. In Lakhs)

Particulars	As at	As at	As at
	March 31, 2025	March 31, 2024	April 1, 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	20,000.00
	20,000.00	20,000.00	20,000.00
Issued			
15,26,56,556 (Previous Year 14,26,56,556) Equity Share of Rs. 10.00/- Per Share	15,265.66	14,265.66	13,765.66
	15,265.66	14,265.66	13,765.66
Subscribed and Paid up			
14,26,56,556 (Previous Year 14,26,56,556) Equity Share of Rs. 10.00/- Per Share	14,265.66	14,265.66	13,765.66
Total	14,265.66	14,265.66	13,765.66

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

Equity Shares

(Rs. In Lakhs)

Particulars	As at 31st March 2025		As at 31st March 2024		As at April 1, 2023	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	142,656,556	14,265.66	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	-	-	-	-	-	-
Outstndng at the end of Period	142,656,556	14,265.66	142,656,556	14,265.66	137,656,556	13,765.66

21.2 Right, Preferences and Restriction attached to 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.

21.3 Shareholders Holding more than 5% of Shares

Equity Shares

Particulars	As at 31st March 2025		As at 31st March 2024		As at April 1, 2023	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
- Renaissance Fiscal Services Pvt Ltd	65,045,453	45.60%	64,595,453	45.28%	58,686,362	42.63%
- Praveen K. Jain	26,057,220	18.27%	26,057,220	18.27%	26,057,220	18.93%
- Sunita Jain	13,110,000	9.19%	13,110,000	9.19%	13,110,000	9.52%
- Vardhaman Investment PTE Ltd	13,110,000	9.19%	13,110,000	9.19%	13,110,000	9.52%
- Priyanka Jain	13,103,883	9.19%	13,103,883	9.19%	13,103,883	9.52%
- Sweta Jain	8,280,000	5.80%	8,280,000	5.80%	8,280,000	6.01%

21.4 Disclosures of Shareholding of Promoters

Shares held by promoters as at March 31 , 2025			% Change during the year
Promoter Name	No. of Shares	% of total shares	
- Renaissance Fiscal Services Pvt. Ltd.	65,045,453	45.60%	0.70%
- 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%

RARE ASSET RECONSTRUCTION LIMITED
Notes to Standalone Financial Statements

Shares held by promoters as at 31st March, 2024			
Promoter Name	No. of Shares	% of total shares	% Change during the year
- 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 1st April, 2023			
Promoter Name	No. of Shares	% of total shares	% Change during the year
- 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%

22 Other Equity

(Rs. In Lakhs)

Particulars	As at	As at	As at
	March 31, 2025	March 31, 2024	April 1, 2023
Retained Earnings	3,216.70	2,550.73	2,009.31
Securities Premium	3,545.45	3,545.45	2,045.45
Total	6,762.15	6,096.18	4,054.76

Refer Statement of Changes In Equity for movement in each reserve and surplus.

22.1 Nature of each reserves:

- a) Retained earnings are the profits that the company has earned till date less any transfers to general reserve, statutory reserve, impairment reserve, dividends or other distributions to the shareholders
- b) Securities premium reserve represents premium received on equity shares issued which can be used in accordance with the provisions of the Companies Act, 2013 for specified purposes.

RARE ASSET RECONSTRUCTION LIMITED

Notes to Standalone Financial Statements

Note No.

23 Revenue from Operation

(Rs. In Lakhs)

Particulars	Year ended	Year ended
	March 31, 2025	March 31, 2024
a) Fees and Incentives		
- Management fees	4,381.19	2,796.30
- Incentive Fees	85.46	2,130.76
b) Income From Investments in Security Receipts	1,105.01	11.75
c) Income From Investment In financial Asset	1,979.43	1,398.44
d) Other Operational Revenue	52.44	36.16
Total	7,603.53	6,373.40

23.1 Revenue from Contracts with customers

a) The Company has recognised following amounts relating to revenue in the Statement of Profit and Loss:

Particulars	Year ended	Year ended
	March 31, 2025	March 31, 2024
Revenue from contracts with customers	7,603.53	6,373.40
Total	7,603.53	6,373.40

a) Disaggregation of revenue from contracts with customers

Particulars	Year ended	Year ended
	March 31, 2025	March 31, 2024
Primary geographical market		
India	7,603.53	6,373.40
Total	7,603.53	6,373.40
Major service lines		
Management and Incentive Fees	4,466.65	4,927.05
Other Operational Revenue	3,136.88	1,446.35
Total	7,603.53	6,373.40

24 Other Income

(Rs. In Lakhs)

Particulars	Year ended	Year ended
	March 31, 2025	March 31, 2024
Interest Income		
- Fixed Deposit (at amortized cost)	609.98	68.81
- Other	131.08	61.79
Miscellaneous Income	97.00	36.02
Total	838.06	166.62

25 Finance Cost

(Rs. In Lakhs)

Particulars	Year ended	Year ended
	March 31, 2025	March 31, 2024
At Amortised Cost:		
Interest on Borrowings (Other than Debt Securities)	1,726.60	1,648.58
Interest on Debt Securities	1,894.93	367.15
Other Borrowing Cost	193.96	30.14
Total	3,815.49	2,045.87

RARE ASSET RECONSTRUCTION LIMITED

Notes to Standalone Financial Statements

26 Net Loss/ (Gain) on Fair Value changes

(Rs. In Lakhs)

Particulars	Year ended	Year ended
	March 31, 2025	March 31, 2024
On financial instruments designated at FVTPL :		
-Security Receipts	5,601.07	(2,804.75)
-Financial Assets	(3,486.71)	5,451.04
Total	2,114.36	2,646.29

26.1 Net Loss/ (Gain) on Fair Value changes

(Rs. In Lakhs)

Particulars	Year ended	Year ended
	March 31, 2025	March 31, 2024
Realised Loss / (Gain)	-	-
Unrealised Loss / (Gain)	289.26	(106.36)
Total	289.26	(106.36)

27 Employee Benefits Expense

(Rs. In Lakhs)

Particulars	Year ended	Year ended
	March 31, 2025	March 31, 2024
Salaries, bonus, other allowances and benefits	345.03	321.21
Gratuity Expense (Refer note 34)	5.80	8.04
Total	350.83	329.25

28 Other Expenses

(Rs. In Lakhs)

Particulars	Year ended	Year ended
	March 31, 2025	March 31, 2024
Payment to Auditors (Refer Note 28.1)	3.65	3.70
Advances- Written Off	200.00	-
Business Promotion Expenses	5.00	-
Corporate Social Responsibility (Refer Note 33)	20.00	23.50
CIRP Cost	20.91	-
Director's Sitting Fees	9.90	8.45
Electricity Expenses	2.61	2.17
Insurance Expenses	1.06	0.67
Legal & Professional Expenses	105.70	70.78
Membership Fees & Subscription	2.15	2.15
Office Expenses	4.51	5.05
Office Rent	63.49	56.70
Operational Expenses	2.19	1.87
Rates & Taxes	122.12	11.61
Rating Fees	1.00	1.19
Repair & Maintenance	9.42	4.71
Resolution Agency Fees	-	90.65
Reversal of Expenses as per RBI Guidelines	250.52	98.90
Security Services Expenses	5.01	6.84
Statutory & Other Compliance Fees	2.99	1.99
Tours & Travelling Expenses	7.90	9.00
Total	840.13	399.94

RARE ASSET RECONSTRUCTION LIMITED**Notes to Standalone Financial Statements****28.1 Details of payment to auditors (Excluding Goods and Service Tax)****(Rs. In Lakhs)**

Particulars	Year ended	Year ended
	March 31, 2025	March 31, 2024
- Audit Fees	2.00	2.00
- Other Services	1.65	1.70
Total	3.65	3.70

29 Impairment on Other Financial Assets**(Rs. In Lakhs)**

Particulars	Year ended	Year ended
	March 31, 2025	March 31, 2024
At Amortised Cost		
Other financial assets	8.19	-
Total	8.19	-

RARE ASSET RECONSTRUCTION LIMITED
Notes to Standalone Financial Statements

Note

30 Income Tax Expense

(a) Amounts recognised in profit and loss

Particulars	(Rs. In Lakhs)	
	Year ended March 31, 2025	Year ended March 31, 2024
Current Tax	343.20	290.46
Deferred Tax	1.22	(0.50)
Total income tax expenses recognised in the current year	344.43	289.96
Income tax expense recognised in other comprehensive income	(0.38)	1.44
Total tax expenses for the year	344.05	291.40

(b) Reconciliation of the total tax expense

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2025 and 2024 is, as follows:

Particulars	(Rs. In Lakhs)	
	2024-25	2023-24
Profit/ (loss) for the year	1,296.84	1,102.41
Income tax rate	25.17%	25.17%
Income tax expense	326.39	277.45
Tax effect of :		
Effect of non-deductible expenses/Allowable expenses	6.80	(6.23)
Re-measurement of employee defined benefit obligation	(0.38)	1.44
CSR Expenditure Disallowance	5.03	5.91
Other	6.20	12.82
Total tax expense recognised in profit and loss	344.05	291.40
Effective Income Tax Rate	26.53%	26.43%

(c) Deferred tax recorded in the income tax expenses :

Year ended March 31,2025

Particulars	Opening deferred tax asset/(liability)	Recognised in profit or loss	Recognised in Other Equity	Recognised in Other Comprehensive Income	Closing deferred tax asset/(liability)
Measurement of financial instruments at fair value	-	72.80	-	-	72.80
Impairment of financial instruments	-	2.06	-	-	2.06
Difference between books and tax written down value of Property, Plant and Equipment	1.55	0.38	-	-	1.93
Others (43B, 35D, etc. allowances under Income Tax Act, 1961)	-	(76.47)	-	-	(76.47)
Total	1.55	(1.22)	-	-	0.33

Year ended March 31,2024

Particulars	Opening deferred tax asset/(liability)	Recognised in profit or loss	Recognised in Other Equity	Recognised in Other Comprehensive Income	Closing deferred tax asset/(liability)
Measurement of financial instruments at fair value	-	-	-	-	-
Impairment of financial instruments	-	-	-	-	-
Difference between books and tax written down value of Property, Plant and Equipment	1.05	0.50	-	-	1.55
Others (43B, 35D, etc. allowances under Income Tax Act, 1961)	-	-	-	-	-
Total	1.05	0.50	-	-	1.55

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

RARE ASSET RECONSTRUCTION LIMITED
Notes to Standalone Financial Statements

Notes -31
Earning per Share

Particulars	(Rs. In Lakhs)	
	Year ended 31-Mar-25	Year ended 31-Mar-24
Profit/(Loss) for the year attributable to equity shareholders - Basic EPS	952.41	812.45
Profit/(Loss) for the year attributable to equity shareholders - Diluted EPS	952.41	812.45
Weighted average number of equity shares outstanding during the year for calculating basic	142,656,556	142,478,960
Weighted average number of equity shares outstanding during the year for calculating diluted	142,656,556	142,478,960
Basic earnings per share	0.67	0.57
Diluted earning per share	0.67	0.57
Nominal value of equity shares – (Rs. Per Share)	10	10

Notes -32
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 Ind AS- 108 on Operating Segment. Hence, no further disclosures are required in respect of reportable segments, under Ind AS- 108, other than those already provided in the financial statements.

Note -33
Corporate Social Responsibility (CSR)

Details of CSR expenditure:

Particulars	(Rs. In Lakhs)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
a) Gross amount required to be spent by the Group during the year	19.87	23.26
b) Amount spent during the year		
- Yet to be Paid in Cash		
- In Cash	20.00	23.50
Total	20.00	23.50
c) Short fall at the end of the year	-	-
d) Total Previous years shortfall	-	-
e) Reason for shortfall	-	-
f) Amount contributed to a trust controlled by the Group	-	-
g) Nature of CSR Activities		
(i) Construction / acquisition of any asset		
(ii) On purposes other than (i) above	20.00	23.50
Total	20.00	23.50

Note -34
Employee Benefits

Defined benefit obligation

The Company's liabilities under the Payment of Gratuity Act, 1972 are determined on the basis of independent actuarial valuation made at the end of each financial year using the projected unit credit method. The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. The actuarial risks associated are:

Interest Rate Risk:

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

RARE ASSET RECONSTRUCTION LIMITED

Notes to Standalone Financial Statements

Salary Risks:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk:

The plan faces the ALM risk as to the matching cash flow. entity has to manage pay-out based on pay as you go basis from own funds.

Mortality risk:

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

The expense recognized for Gratuity for the year has been determined by an actuary in conformity with the principle set out in Ind AS 19, the details of which are as under:

(Rs. In Lakhs)

	As on March 31, 2025	As on March 31,2024
Assumptions (Current Period)		
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	6.59%	7.17%
Rate of Salary Increase	10.00%	10.00%
Rate of Employee Turnover	15.00%	15.00%
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Table Showing Change in the Present Value of Defined Benefit Obligation		
Present Value of Benefit Obligation at the Beginning of the Period	42.51	41.42
Interest Cost	3.05	3.02
Current Service Cost	2.75	5.01
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	-	-
(Liability Transferred Out/ Divestments)	-	-
(Gains)/ Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	-	(1.21)
(Benefit Paid From the Fund)	-	-
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in	1.18	0.20
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.33	(5.93)
Present Value of Benefit Obligation at the End of the Period	49.82	42.51
Table Showing Change in the Fair Value of Plan Assets		
Fair Value of Plan Assets at the Beginning of the Period	-	-
Interest Income	-	-
Contributions by the Employer	-	-
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid from the Fund)	-	-
(Assets Distributed on Settlements)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	-	-
Fair Value of Plan Assets at the End of the Period	-	-

RARE ASSET RECONSTRUCTION LIMITED

Notes to Standalone Financial Statements

Assets Transferred In/Acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid from the Fund)	-	-
(Assets Distributed on Settlements)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	-	-
Fair Value of Plan Assets at the End of the Period	-	-
Amount Recognized in the Balance Sheet		
(Present Value of Benefit Obligation at the end of the Period)	(49.82)	(42.51)
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status (Surplus/ (Deficit))	(49.82)	(42.51)
Net (Liability)/Asset Recognized in the Balance Sheet	(49.82)	(42.51)
Net Interest Cost for Current Period		
Present Value of Benefit Obligation at the Beginning of the Period	42.51	41.42
(Fair Value of Plan Assets at the Beginning of the Period)	-	-
Net Liability/(Asset) at the Beginning	42.51	41.42
Interest Cost	3.05	3.02
(Interest Income)	-	-
Net Interest Cost for Current Period	3.05	3.02
Expenses Recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	2.75	5.01
Net Interest Cost	3.05	3.02
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses Recognized	5.80	8.04
Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/Losses on Obligation For the Period	1.51	(5.73)
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	1.51	(5.73)
Balance Sheet Reconciliation		
Opening Net Liability	42.51	41.42
Expenses Recognized in Statement of Profit or Loss	5.80	8.04
Expenses Recognized in OCI	1.51	(5.73)
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	-	(1.21)
(Employer's Contribution)	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	49.82	42.51
Category of Assets		
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-

RARE ASSET RECONSTRUCTION LIMITED
Notes to Standalone Financial Statements

Cash And Cash Equivalents	-	-
Insurance fund	-	-
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
Total	-	-
Other Details		
No of Members in Service	18	16
Per Month Salary For Members in Service	15.62	14.36
Weighted Average Duration of the Defined Benefit Obligation	5	5
Average Expected Future Service	5	5
Defined Benefit Obligation (DBO) - Total	49.82	42.51
Defined Benefit Obligation (DBO) - Due but Not Paid	-	-
Expected Contribution in the Next Year	-	-
Net Interest Cost for Next Year		
Present Value of Benefit Obligation at the End of the Period	49.82	42.51
(Fair Value of Plan Assets at the End of the Period)	-	-
Net Liability/(Asset) at the End of the Period	49.82	42.51
Interest Cost	3.28	3.05
(Interest Income)	-	-
Net Interest Cost for Next Year	3.28	3.05
Expenses Recognized in the Statement of Profit or Loss for Next Year		
Current Service Cost	3.79	2.75
Net Interest Cost	3.28	3.05
(Expected Contributions by the Employees)	-	-
Expenses Recognized	7.07	5.80
Maturity Analysis of the Benefit Payments		
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	7.78	6.87
2nd Following Year	7.53	6.17
3rd Following Year	6.66	5.71
4th Following Year	6.06	5.09
5th Following Year	5.35	12.80
Sum of Years 6 To 10	22.70	14.45
Sum of Years 11 and above	13.33	6.87
Sensitivity Analysis		
Defined Benefit Obligation on Current Assumptions	49.82	42.51
Delta Effect of +1% Change in Rate of Discounting	(1.99)	(1.47)
Delta Effect of -1% Change in Rate of Discounting	2.19	1.59
Delta Effect of +1% Change in Rate of Salary Increase	0.84	0.61
Delta Effect of -1% Change in Rate of Salary Increase	(0.81)	(0.59)
Delta Effect of +1% Change in Rate of Employee Turnover	0.16	0.08
Delta Effect of -1% Change in Rate of Employee Turnover	(0.17)	(0.08)
The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.		

RARE ASSET RECONSTRUCTION LIMITED
Notes to Standalone Financial Statements

Notes -35

Disclosures in respect of related parties pursuant to Ind AS - 24 'Related Party Disclosures'

(A) Name and relationship with related parties:

Sr. No	Name of related parties
	Promoter
	-Renaissance Fiscal Services Private Limited

Key Managerial Personnel & Directors:

(i)	Mr. Anil Kumar Bhandari	Managing Director
(ii)	Mr. Sandeep Vrat	Director & Chief Executive Officer
(iii)	Mr. Umesh Bafna	Chief Financial Officer
		Independent Director (w.e.f June 25, 2024)
(iv)	Mr. Prashant Chakravorty	
(v)	Mr. Ramaswamy Venkatraman Iyer	Independent Director
(vi)	Ms. Shikha Bhandari	Non Executive Director
(vii)	Mr. Dilip Kumar Daga	Independent Director
(viii)	Ms. Deepika Agrawal	Company Secretary

(B) Trusts over which the Company has Control:

	Name of the Trust	Proportion of ownership interest		
		As at March 31 , 2025	As at March 31, 2024	As at April 01, 2023
(i)	Raytheon ARC 008 Trust	51%	51%	51%
(ii)	Rare ARC 016 Trust	100%	100%	-
(iii)	Rare ARC 024 Trust	56%	56%	56%
(iv)	Rare ARC 026 Trust	100%	100%	100%
(v)	Rare ARC 033 Trust	100%	100%	-
(vi)	Rare ARC 036 Trust	51%	51%	51%
(vii)	Rare ARC 037 Trust	51%	51%	51%
(viii)	Rare ARC 042 Trust	-	-	100%
(ix)	Rare ARC 052 Trust	100%	100%	100%
(x)	Rare ARC 053 Trust	100%	100%	100%
(xi)	Rare ARC 061 Trust @	77%	-	-
(xii)	Rare ARC 062 Trust @	-	57%	-
(xiii)	Rare ARC 064 Trust *	100%	-	-
(xiv)	Rare ARC 066 Trust *	69%	-	-
(xv)	Rare ARC 069 Trust *	75%	-	-
(xvi)	Rare ARC 070 Trust *	99%	-	-
(xvii)	Rare ARC 073 Trust *	100%	-	-
(xviii)	Rare ARC 074 Trust *	100%	-	-

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

(Rs. In Lakhs)			
Name of the Related Party	Nature of Relationship	From April 1, 2024 to March, 2025	From April 1, 2023 to March, 2024
Renaissance Fiscal Services Pvt Ltd	(A)		
Share Issued and Alloted (50,00,000 Shares @ Rs.10.00 FV)		-	500.00
Security Premium Received (50,00,000 Shares @ Rs.30.00 Premium)		-	1,500.00
Security Deposit / Inter Corporate Unsecured Borrowing		10,145.00	5,970.00
Security Deposit / Inter Corporate Unsecured Borrowing		12,493.16	4,260.00
Rent Paid		63.49	56.70
Interest on Inter Corporate Deposit Paid		221.73	290.71
Dividend paid		117.37	117.37
Trusts managed by the company as a Trustee (Where	(B)		
Redemption/ Sale of Security Receipts			
Raytheon ARC 008 Trust		161.54	-
Rare ARC 024 Trust		206.63	-
Rare ARC 053 Trust		853.39	318.95
Rare ARC 062 Trust		-	268.41
Rare ARC 066 Trust		2,500.00	-

RARE ASSET RECONSTRUCTION LIMITED

Notes to Standalone Financial Statements

Rare ARC 069 Trust		2,103.10	-
Rare ARC 073 Trust		2.43	-
Investment in/ Purchase of Security Receipts			
Rare ARC 016 Trust		-	167
Rare ARC 033 Trust		-	2,100
Rare ARC 061 Trust		9,900.80	-
Rare ARC 062 Trust		-	349.69
Rare ARC 064 Trust		1,400.00	1,100.00
Rare ARC 066 Trust		8,156.00	-
Rare ARC 069 Trust		3,571.10	-
Rare ARC 070 Trust		345.00	-
Rare ARC 073 Trust		196.61	-
Rare ARC 074 Trust		2,600.00	-
Provision/ (Reversal) and Write off for Receivables, Loans & Investments (net)			
Raytheon ARC 008 Trust		118	(118)
Rare ARC 016 Trust		-	(26)
Rare ARC 033 Trust		-	(1,050)
Rare ARC 024 Trust		(10.33)	-
Rare ARC 053 Trust		426.70	(940.30)
Rare ARC 061 Trust		(2,475.20)	-
Rare ARC 064 Trust		2,500.00	-
Mangement fees and incentive recovered:			
Raytheon ARC 008 Trust		37.00	-
Rare ARC 024 Trust		193.75	-
Rare ARC 053 Trust		65.57	90.01
Rare ARC 062 Trust		8.95	16.36
Rare ARC 073 Trust		5.97	-
Interest Income:			
Raytheon ARC 008 Trust		0.78	-
Rare ARC 024 Trust		1.05	-
Rare ARC 053 Trust		0.02	0.11
Rare ARC 062 Trust		(0.03)	0.03
Rare ARC 073 Trust		0.00	-
Key Managerial Personnel & Directors	(A)		
Loan taken /(Repaid)		-	-
Remuneration		210.00	168.00
Sitting Fees Paid		9.90	8.45
Dividend Paid		6.68	6.68
Salary Paid		31.43	25.68

(D) Closing Balances:

(Rs. In Lakhs)

Name of the Related Party	Nature of Relationship	As at March 31 , 2025	As at March 31, 2024	As at April 01, 2023
Security Deposit and Inter Corporate Deposit Payable	(A)			
Renaissance Fiscal Services Pvt Ltd		7,176.74	9,303.16	7,331.51
Investment in Security Receipt	(B)			
Raytheon ARC 008 Trust		74.34	353.81	235.88
Rare ARC 016 Trust		247.50	247.50	-
Rare ARC 024 Trust		1,511.42	1,707.72	1,707.72
Rare ARC 026 Trust		5,747.50	5,747.50	5,747.50
Rare ARC 033 Trust		4,800.00	4,800.00	-
Rare ARC 036 Trust		173.27	173.27	173.27
Rare ARC 037 Trust		172.13	172.13	172.13
Rare ARC 042 Trust		-	-	1,942.59
Rare ARC 052 Trust		3,920.00	3,920.00	3,920.00
Rare ARC 053 Trust		1,540.82	2,820.91	2,199.56
Rare ARC 061 Trust		15,376.00	-	-
Rare ARC 062 Trust		-	81.28	-
Rare ARC 064 Trust		-	-	-
Rare ARC 066 Trust		5,656.00	-	-

RARE ASSET RECONSTRUCTION LIMITED

Notes to Standalone Financial Statements

Rare ARC 069 Trust		1,468.00	-	-
Rare ARC 070 Trust		345.00	-	-
Rare ARC 073 Trust		194.18	-	-
Rare ARC 074 Trust		2,600.00	-	-
Key Managerial Personnel & Directors	(A)	0.26	0.15	-

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

- Rare ARC 016 Trust has become subsidiary w.e.f FY 2023-24.
- Rare ARC 033 Trust has become subsidiary w.e.f FY 2023-24.
- Percentage of ownership interest reduced in Rare ARC 042 Trust in FY 2023-24 & 2024-25.
- Rare ARC 061 Trust has become subsidiary w.e.f FY 2024-25
- @ Trust addition during FY 23-24.
- * Trust addition during FY 24-25.

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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.

Capital Risk Adequacy Ration (CRAR)

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

Particulars	(Rs. In Lakhs)		
	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Net Owned Fund	21,027.81	20,361.84	17,820.42
Risk Weighted Assets	122,696.18	114,491.91	111,647.81
Capital Adequacy Ratio	17.14%	17.78%	15.96%

Debt to Equity Ratio

Particulars	(Rs. In Lakhs)		
	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Borrowings (Debt securities and borrowing other than debt securities)	58,244.86	28,983.82	35,812.51
Total equity	21,027.81	20,361.84	17,820.42
Debt to Equity Ratio	2.77	1.42	2.01

RARE ASSET RECONSTRUCTION LIMITED
Notes to Standalone Financial Statements

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Fair Value Measurements

i) Fair value hierarchy and methods of Valuation

This note explains the judgements and estimates made in determining the fair values of the financial instruments that are

a) recognized and measured at fair value and b) measured at amortized cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2 fair value measurements are those derived from quoted prices of equity instruments.

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). The input factors considered are estimated cash flows, collateral values and other assumptions etc.

ii) Category wise Classification of Financial Instruments

Category wise Classification of Financial Instruments as at March 31, 2025

(Rs. In Lakhs)

Particulars	Carrying Amount				Fair Value			
	FVTPL	FVOCI	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and Cash Equivalents	-	-	18.16	18.16	-	-	-	-
Other Bank balances	-	-	16,354.48	16,354.48	-	-	-	-
Investment in Security Receipts	88,236.24	-	-	88,236.24	-	-	88,236.24	88,236.24
Financial assets acquired from banks and financial institutions	31,558.19	-	-	31,558.19	-	-	31,558.19	31,558.19
Other financial assets	-	-	2,178.39	2,178.39	-	-	138.95	138.95
Total financial assets	119,794.43	-	18,551.03	138,345.46	-	-	119,933.38	119,933.38
Financial liabilities								
Trade payables	-	-	6.72	6.72	-	-	-	-
Debt Securities	-	-	27,090.39	27,090.39	-	-	-	-
Borrowing	-	-	31,154.47	31,154.47	-	-	-	-
Other financial liabilities	-	-	58,433.00	58,433.00	-	-	-	-
Total financial liabilities	-	-	116,684.58	116,684.58	-	-	-	-

Category wise Classification of Financial Instruments as at March 31, 2024

(Rs. In Lakhs)

Particulars	Carrying Amount				Fair Value			
	FVTPL	FVOCI	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and Cash Equivalents	-	-	399.38	399.38	-	-	-	-
Other Bank balances	-	-	752.18	752.18	-	-	-	-
Investment in Security Receipts	76,880.61	-	-	76,880.61	-	-	76,880.61	76,880.61
Financial assets acquired from banks and financial institutions	35,477.84	-	-	35,477.84	-	-	35,477.84	35,477.84
Other financial assets	-	-	1,600.56	1,600.56	-	-	-	-
Total financial assets	112,358.44	-	2,752.12	115,110.56	-	-	112,358.44	112,358.44
Financial liabilities								
Trade payables	-	-	10.92	10.92	-	-	-	-
Debt Securities	-	-	6,400.00	6,400.00	-	-	-	-
Borrowing	-	-	22,583.82	22,583.82	-	-	-	-
Other financial liabilities	-	-	65,191.27	65,191.27	-	-	-	-
Total financial liabilities	-	-	94,186.01	94,186.01	-	-	-	-

Category wise Classification of Financial Instruments as at April 01, 2023

(Rs. In Lakhs)

Particulars	Carrying Amount				Fair Value			
	FVTPL	FVOCI	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Trade receivables	-	-	-	-	-	-	-	-
Cash and Cash Equivalents	-	-	657.33	657.33	-	-	-	-
Other Bank balances	-	-	1,015.53	1,015.53	-	-	-	-
Investment in Security Receipts	66,082.01	-	-	66,082.01	-	-	66,082.01	66,082.01
Financial assets acquired from banks and financial institutions	37,826.94	-	-	37,826.94	-	-	37,826.94	37,826.94
Other financial assets	-	-	417.63	417.63	-	-	-	-
Total financial assets	103,908.95	-	2,090.49	105,999.44	-	-	103,908.95	103,908.95
Financial liabilities								
Trade payables	-	-	2.42	2.42	-	-	-	-
Debt Securities	-	-	1,100.00	1,100.00	-	-	-	-
Borrowing	-	-	34,712.51	34,712.51	-	-	-	-
Other financial liabilities	-	-	51,901.69	51,901.69	-	-	-	-
Total financial liabilities	-	-	87,716.62	87,716.62	-	-	-	-

RARE ASSET RECONSTRUCTION LIMITED
Notes to Standalone Financial Statements

iii) Valuation technique used to determine fair value

For level 1 - Listed equity instruments are fair valued using quoted prices;

For level 2 - fair value measurements are derived from quoted prices of equity instruments; and

For level 3 - fair value measurements are derived on a recovery range provided by the External Rating Agency and other unobservable inputs. The values of financial instruments are estimated using a combination of the recovery range provided by the External Rating Agency and discounting the estimated cash flows based on realization of collateral values, etc. using interest rate on borrowing of the Company. Further, necessary and appropriate adjustments (adequate provisions for contingencies/ appropriate discounting of the cash flows) have been made by considering credit risk, uncertainties associated with prevailing economic condition, timing of the recoveries, strategy which may involve actions such as settling dues, selling assets through legal action or other means like NCLT, restructuring, and bringing in investors or strategic partners and the value at which the collaterals are expected to be recovered for determination of fair value of the financial assets.

iv) Fair value measurements use significant unobservable inputs (Level-3):

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

(Rs. In Lakhs)

Particulars	Investment in Security Receipts	Financial assets acquired from banks and financial institutions	Total
As at April 1, 2023	66,082.01	37,826.94	103,908.95
Acquisitions made	17,680.49	10,195.76	27,876.25
(Realisations) made	(8,660.36)	(7,093.82)	(15,754.18)
Change in controlling interest	(1,026.28)	-	(1,026.28)
Write off	(874.98)	(1,877.67)	(2,752.65)
Net gain/(loss) on fair value changes	3,679.73	(3,573.37)	106.36
As at March 31, 2024	76,880.61	35,477.84	112,358.45
Acquisitions made	31,926.03	10,095.01	42,021.04
(Realisations) made	(4,219.33)	(17,501.37)	(21,720.70)
Change in controlling interest	(10,750.00)	-	(10,750.00)
Write off	(1,242.25)	(582.85)	(1,825.10)
Net gain/(loss) on fair value changes	(4,358.82)	4,069.56	(289.26)
As at March 31, 2025	88,236.24	31,558.19	119,794.43

v) Sensitivity for instruments

(Rs. In Lakhs)

Nature of the instrument	As at March 31, 2025		As at March 31, 2024	
	100 bp increase in net cash flow	100 bp decrease in net cash flow	100 bp increase in net cash flow	100 bp decrease in net cash flow
Investment in Security Receipts	882.36	(882.36)	768.81	(768.81)
Financial assets acquired from banks and financial institutions	315.58	(315.58)	354.78	(354.78)

RARE ASSET RECONSTRUCTION LIMITED
Notes to Standalone Financial Statements

Notes -38 Financial risk Management

The Company's activities expose it to credit risks, liquidity risks and market risks.

Risk management forms an integral part of the business and as it being into distressed credit business it exposed to several risks related to stress assets i.e. Non-Performing Assets (NPA) acquired from banks and financial institutions. The Company has a robust account monitoring system which ensures early detection of risks whereby timely action can be taken to surmount any avoidable slippages. The Company has an effective mechanism of driving business through policies and committees. The Company has well balance and experienced team of resources to drive its business.

The Company has established Risk Management Committee and Acquisition Committee, responsible for identifying, developing, monitoring and mitigating all the risks related to its business. The committees reports to the board of directors on regular basis.

i) Credit Risk

Credit risk is the risk of loss that may occur from the failure of party to abide by the terms and conditions of any financial contract, principally the failure to make the required payments. In order to minimize credit risk, the Company has adopted a policy of acquisition of asset in a transparent manner and at a fair price in a well-informed market and the transactions are executed at arm's length in exercise of due diligence and adopt an industry / sector neutral and geography neutral approach in targeting financial assets for acquisition. Credit risk management is achieved by considering the factors like cash flow, collateral values, etc.

In order to minimize credit risk, the Company has tasked its Risk Management Committee and Acquisition Committee to develop and maintain the Company's credit risk grading's.

Company has classified its receivables into following category:

- (a) Other receivables under distress credit business.

Provision for expected credit loss

(1) For other receivables under distressed credit business:

For the purpose of measuring the expected credit loss, including the lifetime expected credit loss allowances for other receivables under distress credit business, the Company has used a practical expedient as permitted under Ind AS 109.

There is no credit period defined for other receivables and amount is due on the date of invoice/ debit note. Interest is charged on overdue amount as per terms agreed.

Movement of provision for impairment

As at March 31, 2025 (Rs. In Lakhs)

Particulars	Other financial Asset	Total
ECL allowance - opening balance	-	-
Addition	8.19	8.19
Closing Balance	8.19	8.19

ii) Liquity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. However, the Company believes that it has a strong financial position and business is adequately capitalized, have good credit rating and appropriate credit lines available to address liquidity risks.

Ultimate responsibility for liquidity risk rest with the management, which has established an appropriate liquidity risk framework for the management of the Company's short term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Company has undrawn lines of credit of Rs NIL, Rs 20 Lakhs and Rs NIL as of March 31, 2025, March 31, 2024 and April 1, 2023 respectively, from its bankers for working capital requirements. The Company also has Bank balances of Rs 18.16 Lakhs as on March 31, 2025.

RARE ASSET RECONSTRUCTION LIMITED
Notes to Standalone Financial Statements

Exposure to liquidity risk

The following are the details of Company's remaining contractual maturities of financial liabilities reporting date. The amounts are gross and undiscounted.

As at March 31, 2025

(Rs. In Lakhs)

Particulars	Contractual cash flows					
	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities						
Trade payables	6.72	6.72	6.72	-	-	-
Debt Securities	27,090.39	27,090.39	5,405.02	7,386.33	14,299.04	-
Borrowing (Other Than Debt Securities)	31,154.47	31,154.47	20,328.06	-	6,765.11	4,061.30
Other financial liabilities	58,433.00	58,433.00	16,516.36	13,350.00	18,550.50	10,016.14
Total financial liabilities	116,684.58	116,684.58	42,256.16	20,736.33	39,614.65	14,077.44

As at March 31, 2024

(Rs. In Lakhs)

Particulars	Contractual cash flows					
	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities						
Trade payables	10.92	10.92	10.92	-	-	-
Debt Securities	6,400.00	6,400.00	-	1,100.00	5,300.00	-
Borrowing	22,583.82	22,583.82	1,419.07	13,924.15	7,240.60	-
Other financial liabilities	65,191.27	65,191.27	12,088.79	11,940.27	15,055.50	26,106.71
Total financial liabilities	94,186.01	94,186.01	13,518.78	26,964.42	27,596.10	26,106.71

As at April 1, 2023

(Rs. In Lakhs)

Particulars	Contractual cash flows					
	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities						
Trade payables	2.42	2.42	2.42	-	-	-
Debt Securities	1,100.00	1,100.00	-	1,100.00	-	-
Borrowing	34,712.51	34,712.51	494.92	20,614.34	4,478.29	9,124.96
Other financial liabilities	51,901.69	51,901.69	6,799.86	17,999.84	15,089.00	12,012.99
Total financial liabilities	87,716.63	87,716.62	7,297.20	39,714.18	19,567.29	21,137.95

Note

- a) The maturities of the financial assets are based on the management's estimation on realization.

iii) Interest Rate Risk

The Company is exposed to interest rate risk pertaining to funds borrowed at both fixed and floating interest rates. The Company has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk and provide appropriate guidelines to the Treasury to manage such risk. The ALCO reviews the interest rate risk on periodic basis and decides on the appropriate funding mix.

Exposure to interest rate risk

The exposure of the Company's borrowings to the interest rates risk at the end of the reporting period is

(Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Fixed rate borrowings	31,154.47	22,583.82	34,712.51
Floating Rate Borrowings	-	-	-
Total	31,154.47	22,583.82	34,712.51

Interest rate Sensitivity analysis:

The sensitivity analysis has been determined based on the exposure to interest rates at the end of the reporting period. The company does not have any borrowing, wherein interest are charged on floating rate basis, therefore Sensitivity analysis not provided.

RARE ASSET RECONSTRUCTION LIMITED
Notes to Standalone Financial Statements

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Contingent liabilities

(a)
The Company has extended Bank Guarantees of Rs. 1300 Lakh (Previous Year: 900.55 Lakh) issued by IDBI Bank for Rs. 500 Lakh and by ICICI Bank for Rs.800 Lakh and secured by 100% Term/ Fixed Deposits, in favour of the corporate debtor undergoing Corporate Insolvency Resolution Process under IBC, 2016. 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 demand of Rs 8918.80 Lakhs (Previous Year Rs 8918.80 Lakhs) against which the Company has filled Appeal and same is pending before Appellate Authority.

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Maturity Analysis of Assets and Liabilities

Sr. NO.	Particulars	As at March 31, 2025			As at March 31, 2024			(Rs. In Lakhs) As at April 01, 2023		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
1	ASSETS									
a	Financial Assets									
a	Cash and Cash Equivalents	18.16	-	18.16	399.38	-	399.38	657.33	-	657.33
b	Bank Balances Other Than (a) above	16,354.48	-	16,354.48	752.18	-	752.18	1,015.53	-	1,015.53
c	Investments	33,404.77	86,389.65	119,794.43	10,337.44	102,021.01	112,358.44	18,311.28	85,597.67	103,908.95
d	Other Financial Assets	2,178.39	-	2,178.39	1,600.56	-	1,600.56	417.63	-	417.63
	Total Financial Assets	51,955.80	86,389.65	138,345.46	13,089.56	102,021.01	115,110.56	20,401.77	85,597.67	105,999.44
2	Non- Financial Assets									
a	Current Tax Assets(Net)	-	-	-	-	-	-	-	-	-
b	Deferred Tax Assets(Net)	-	0.33	0.33	-	1.55	1.55	-	1.05	1.05
c	Property, plant and equipments	-	71.59	71.59	-	79.86	79.86	-	92.81	92.81
d	Other Non- Financial Assets	1.44	-	1.44	1.22	-	1.22	2.59	-	2.59
	Total Non-Financial Asset	1.44	71.92	73.36	1.22	81.41	82.63	2.59	93.86	96.45
	Total Assets (A)	51,957.24	86,461.57	138,418.82	13,090.78	102,102.42	115,193.19	20,404.36	85,691.53	106,095.89
	LIABILITIES AND EQUITY									
1	LIABILITIES									
a	Financial Liabilities									
a	Payables									
	Trade Payables									
	(i) total outstanding dues of micro enterprises and small enterprises.	-	-	-	-	-	-	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises.	6.72	-	6.72	10.92	-	10.92	2.42	-	2.42
b	Debt Securities	5,405.02	21,685.37	27,090.39	-	6,400.00	6,400.00	-	1,100.00	1,100.00
c	Borrowings(other than debt securities)	20,328.06	10,826.41	31,154.47	1,419.07	21,164.75	22,583.82	494.92	34,217.59	34,712.51
d	Other financial Liabilities	16,516.36	41,916.64	58,433.00	12,088.79	53,102.48	65,191.27	6,799.86	45,101.83	51,901.69
	Total Financial Liabilities	42,256.16	74,428.42	116,684.58	13,518.78	80,667.23	94,186.01	7,297.20	80,419.42	87,716.62
2	Non-Financial Liabilities									
a	Current Tax Liabilities(Net)	83.45	-	83.45	223.45	-	223.45	64.04	-	64.04
b	Provisions	42.04	7.78	49.82	35.64	6.87	42.51	34.04	7.38	41.42
c	Other non-financial Liabilities	573.16	-	573.16	379.38	-	379.38	453.39	-	453.39
	Total Non-Financial Liabilities	698.65	7.78	706.43	638.47	6.87	645.34	551.47	7.38	558.85
	Total Liabilities (B)	42,954.80	74,436.20	117,391.00	14,157.26	80,674.10	94,831.36	7,848.67	80,426.80	88,275.47
	Net (A-B)	9,002.44	12,025.37	21,027.81	(1,066.48)	21,428.32	20,361.84	12,555.69	5,264.73	17,820.42

RARE ASSET RECONSTRUCTION LIMITED
Notes to Standalone Financial Statements

Note No.

41 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

(Rs. In Lakhs)

Name	Address	As at March 31, 2025		As at March 31, 2024		As at April 01, 2023	
		Acquisition Price	% to Total acquisition price	Acquisition Price	% to Total acquisition price	Acquisition Price	% to Total acquisition price
Sponsors							
None	-	NA		NA		NA	
	-						
Non Sponsors							
IFCI Ltd.	IFCI Tower, 61 Nehru Place, New Delhi – 110 019.	2,000.00	0.32%	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	0.13%	790.00	0.14%	790.00	0.17%
Indian Bank	2, N. S. Road, Kolkata -700 001	19,785.00	3.16%	19,785.00	3.43%	16,844.00	3.72%
Indian Overseas Bank	763, Anna Salai, Chennai-600002	28,036.66	4.48%	28,036.66	4.86%	24,666.00	5.44%
Punjab National Bank	Dwarka, Sector 10, New Delhi	34,112.55	5.45%	34,112.55	5.91%	33,229.55	7.34%
Federal Bank	Federal Towers, Alwaye, Ernakulam, Kerala - 683 101	745.51	0.12%	745.51	0.13%	295.00	0.07%
SBM (Mauritius) Ltd.	101 Raheja Centre, Free Press Journal Marg,	300.00	0.05%	300.00	0.05%	300.00	0.07%
Kotak Mahindra Bank Ltd.	6 th Floor, 12 BKC, C 12 G Block, Bandra Kurla Complex, Bandra East, Mumbai- 400051	578.00	0.09%	78.00	0.01%	78.00	0.02%
UCO Bank	Head Office, BTM Sarani, Kolkatta- 700001	1,740.00	0.28%	1,740.00	0.30%	1,740.00	0.38%
Canara Bank	112, J C Road, Bangalore 560002	5,300.00	0.85%	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	49,870.87	7.96%	49,317.87	8.55%	47,016.94	10.38%
Axis Bank	Trishul, Third Floor, Opp. Samarsheshwar Temple, Near Law Garden, Ellisbridge, Ahmedabad	3,826.00	0.61%	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	4.63%	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	6.97%	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	0.26%	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	0.64%	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	0.64%	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	2.19%	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	0.30%	1,890.00	0.33%	1,890.00	0.42%
Bank of Maharastra	Lok Mangal, 1501, Shivaji Nagar, Pune -05.	5,818.78	0.93%	5,818.78	1.01%	5,800.00	1.28%
Central Bank of India	Chandramukhi Building, Nariman Point, Mumbai -400 021	15,330.96	2.45%	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	13.99%	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	6.11%	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%	100.00	0.02%
Srei Equipment Finance Ltd.	“Vishwakarma”, 86C, Topsia Road (South), Kolkata -700 046	29,300.00	4.68%	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	0.15%	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	0.63%	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	0.34%	2,107.00	0.37%	2,107.00	0.47%
Invent Assets Securitisation and Reconstruction Private Limited	Bakhtawar, Suite B, Ground Floor,Backbay Reclamation Scheme III, 229, Nariman Point, Mumbai- 400 021	3,763.00	0.60%	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	0.21%	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	1.44%	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	0.06%	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	1.04%	6,507.86	1.13%	6,240.00	1.38%

RARE ASSET RECONSTRUCTION LIMITED

Notes to Standalone Financial Statements

Life Insurance Corporation of India	Yogakshema, Jeevan Bima Marg, Mumbai-400021	18,518.00	2.96%	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	0.21%	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	0.70%	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	0.09%	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	0.01%	73.00	0.02%
RBL Bank Limited	1st Lane, Shahupuri, Kolhapur 416 001	6,800.00	1.09%	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	0.26%	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	1,327.76	0.21%	349.69	0.06%	-	0.00%
Karnataka Bank Limited	PB NO.599,Mahaveer Circle, Kankanady Post,Mangaluru-575002.	3,912.00	0.62%	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	552.04	0.09%	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%	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	0.17%	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	0.19%	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%	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	0.03%	214.29	0.04%	-	0.00%
Janalaxmi Co-op. Bank Ltd.	Samruddi, Gadkari Chowk, Old Agra Road, Nasik – 422002	428.57	0.07%	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,	5,310.00	0.85%	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	1,575.00	0.25%	650.00	0.11%	-	0.00%
Assets Care & Reconstruction Enterprise Ltd	14th Floor, EROS Corporate Tower, Nehru Place, New Delhi- 110019	1,100.00	0.18%	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	78,500.00	12.53%	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, Wagle Estate,Thane	12,600.00	2.01%	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%	0.62	0.00%	-	0.00%
CFM Asset Reconstruction (P) Limited	1st Floor, Wakefield House, Sprott Road, Ballard Estate, Mumbai 400038	0.75	0.00%	0.75	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%	0.95	0.00%	-	0.00%
Kinara Capital Private Limited	50, 2nd Floor, 100 Feet Road, HAL 2nd Stage, Indiranagar, Bengaluru-560038	3,346.37	0.53%	-	0.00%	-	0.00%
Namra Finance Limited	502-503, Sakar III Opp Old High Court Ashram Road, Ahmedabad, Gujarat, India, 380014	3,675.00	0.59%	-	0.00%	-	0.00%
Prudent ARC Limited	611, D-Mall, Plot No A-1, Netaji Subhash Place, Pitampura, New Delhi 110034	240.00	0.04%	-	0.00%	-	0.00%
IIFL Samasta Finance Limited	110/3, Lalbagh Main Road, Krishnappa Layout, Bangalore – 560027, Karnataka	14,000.00	2.24%	-	0.00%	-	0.00%
JM Financial Asset Reconstruction Company Limited	7th Floor, Cnergy, Appasaheb Marathe Marg, Prabahdevi, Mumbai – 400025	665.00	0.11%	-	0.00%	-	0.00%
ACRE Ltd.	14th Floor, Eros Corporate Tower, Nehru Place, New Delhi 110019	9,700.01	1.55%	-	0.00%	-	0.00%
Choice Finserv Pvt. Ltd.	Sunil Patodia Tower, J.B. Nagar, Andheri (East), Mumbai 400099	437.00	0.07%	-	0.00%	-	0.00%
The National Co. Operative Bank Limited	73/1, Gandhi Bazar Main Road, Bengaluru 560004	3,500.00	0.56%	-	0.00%	-	0.00%
Sub Total		626,305.93	100.00%	576,786.48	100.00%	453,006.51	100.00%
Grand Total		626,305.93	100.00%	576,786.48	100.00%	453,006.51	100.00%

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

(Rs. In Lakh)

Industry	As at March, 2025		As at March, 2024		As at April, 2023	
	Acquisition Price	% to total acquisition	Acquisition Price	% to total acquisition	Acquisition Price	% to total acquisition
Sponsors						
NA	-	-	-	-	-	-
	-	-	-	-	-	-
Non Sponsors						
Gems and Jewellery	54,425.00	8.69%	54,425.00	9.44%	54,425.00	12.01%
Real Estate and Construction (residential and commercial)	212,070.01	33.86%	208,570.01	36.16%	128,470.01	28.36%
Engineering - Electronics/ Electricals	47,015.36	7.51%	47,015.36	8.15%	46,996.58	10.37%
Basic Metal and Metal Products - Iron and Steel	85,433.01	13.64%	76,545.00	13.27%	75,622.00	16.69%
Hospitality Industry- Hotels	48,040.00	7.67%	45,715.00	7.93%	45,710.00	10.09%
Infrastructure - Educational Institution	8,218.00	1.31%	8,218.00	1.42%	8,218.00	1.81%
Trading/ Rolling and re rolling	9,240.00	1.48%	9,240.00	1.60%	9,240.00	2.04%
Agriculture & Allied	35,266.00	5.63%	34,766.00	6.03%	14,494.00	3.20%
Manufacture of polyester yarn/ fabric/ strap/ readymade garments	6,663.67	1.06%	6,663.67	1.16%	6,663.67	1.47%
Construction- cement, ceramics, bricks and tiles	11,420.51	1.82%	11,215.51	1.94%	6,759.01	1.49%
Hospital and Medical equipments	5,489.00	0.88%	4,824.00	0.84%	4,824.00	1.06%
Coal and Energy	28,518.00	4.55%	28,518.00	4.94%	28,518.00	6.30%
Automobile & Ancillary	4,883.00	0.78%	4,883.00	0.85%	4,883.00	1.08%

RARE ASSET RECONSTRUCTION LIMITED

Notes to Standalone Financial Statements

Paper manufacturing, Printing and publishing	18,130.00	2.89%	18,130.00	3.14%	475.00	0.10%
Trading and Others	51,494.37	8.22%	18,057.93	3.13%	17,708.24	3.91%
Sub Total	626,305.93	100.00%	576,786.48	100.00%	453,006.51	100.00%
Grand Total	626,305.93	100.00%	576,786.48	100.00%	453,006.51	100.00%

RARE ASSET RECONSTRUCTION LIMITED
Notes to Standalone Financial Statements

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

(Rs. In Lakh)

<i>Accounts in Own Books</i>	<i>When Account was standard</i>		<i>When account shifted to non-performing</i>			<i>Position as on March 31, 2025</i>	
	<i>Year of Acquisition</i>	<i>Outstanding Asset</i>	<i>Year of Downgrade</i>	<i>Outstanding Asset</i>	<i>NAV (Net of Provisions/ Downgrade)</i>	<i>Outstanding Asset</i>	<i>NAV (Net of Provisions)</i>
Kohinoor Steel Pvt. Ltd.	FY 2020-21	100.00	FY 2024-25	100.00	90.00	100.00	90.00
Tiger Surgical Disposable Pvt. Ltd.	FY 2024-25	652.33	FY 2024-25	326.17	-	326.17	-
JagdishKumar R Patel	FY 2024-25	12.67	FY 2024-25	6.33	-	6.33	-

d) Other additional disclosures:

(Rs. In Lakh)

Particulars	As at March, 2025	As at March, 2024	As at April, 2023
Value of financial assets acquired during the year	49,519.45	123,779.97	48,679.00
Value of financial assets realised during the year	52,056.75	60,091.61	46,311.98
Value of financial assets outstanding for realisation at the end of the year	383,121.06	385,658.35	321,970.01
Value of Security Receipts redeemed partially during the year	22,737.29	47,507.72	39,694.33
Value of Security Receipts redeemed fully during the year	19,530.67	5,833.13	1,696.67
Value of Security Receipts pending for redemption at the end of the year	351,922.58	342,597.48	282,366.64
Value of Security Receipts not redeemed as a result of non-realisation of the financial asset under Paragraph 10.2 and 10.3 of RBI Master Directions for ARCs.	13,787.81	-	-
Value of land and/or building acquired in ordinary course of business of reconstruction of assets	Nil	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, 2025, 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, 2025, the value of SRs of the following assets has declined substantially.

(Rs. In Lakhs)

<i>Trust</i>	<i>Year of acquisition</i>	<i>Outstanding Total SRs</i>	<i>NAV % as on March 31, 2025</i>
Rare ARC 022 Trust	FY 2017-18	520.63	49.00%
Rare ARC 026 Trust	FY 2018-19	9,850.00	58.35%
Rare ARC 027 Trust	FY 2018-19	17,954.06	74.00%
Rare ARC 029 Trust	FY 2017-18	329.90	26.00%
Rare ARC 032 Trust	FY 2018-19	3,441.29	76.00%
Rare ARC 034 Trust	FY 2018-19	612.78	26.00%
Rare ARC 051 Trust	FY 2020-21	29,300.00	76.00%
TOTAL		62,008.66	

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

- During the year ending March 31, 2025, the company does not have any outsourced agency which is owned/ controlled by a director of the ARC.

g). 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

- During the year ending March 31, 2025, the company has not acquired any financial assets under IBC.

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

- Not applicable for FY ended March 31, 2025.

RARE ASSET RECONSTRUCTION LIMITED

Notes to Standalone Financial Statements

i) In terms of the requirements of RBI circular no. DOR.ACC.REC.No.104/21.07.001/2022-23 dated February 20, 2023.

		(Rs. In Lakhs)	
Sr. No.	Parameters	As at the end of	As at the end of previous year
A.	Outstanding amount of unrealised management fee	-	-
	Out of the above, amount outstanding for:	-	-
B.	(a) Amounts where the net asset value of the security receipts has fallen below 50% of	-	-
C.	(b) Other amounts unrealised for:	-	-
	(i) More than 180 days but up to 1 year	-	-
	(ii) More than 1 year but up to 3 years	-	-
	(iii) More than 3 years	-	-
D.	Allowances held for unrealised management fee (on B and C)	-	-
E.	Net unrealised management fee (B+C-D)	-	-

j) Disclosure requirements as per RBI circular dated March 13, 2020 having reference number RBI/2019-20/170 , DOR (NBFC). CC.PD.No.109/22.10.106/2019-20 as per para 2 of Prudential Floor of ECL

As per Notification number "RBI/2019-20/170 , DOR (NBFC).CC.PD.No.109/22.10.106/2019-20" issued by Reserve bank of India(RBI) on dated March 13, 2020, the Company shall also be required to compute expected credit loss (ECL "Impairment allowance") under Ind AS 109 for those financial asset which are either classified under amortised cost or fair value through other comprehensive income(FVTOCI). Further, if impairment allowance under Ind AS 109 is lower than provision required as per prudential norms on Income Recognition, Asset Classification and Provisioning (IRCAP), the Company Shall appropriate the difference from their net profit & Loss after tax (FVTPL), the above RBI disclosure requirement will not be applicable as there is impairment allowance under Ind AS 109.

However, the RBI disclosure to the extent applicable to other receivables from/advance to Trust as expenses incurred by the Company on behalf of Trusts are considered as financial assets measured at amortised cost.

As at March 31,2025

						(Rs. In Lakhs)
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Non-Performing Assets (NPA)						
Substandard	Stage 3	147.14	8.19	138.95	-	8.19
Total						

RARE ASSET RECONSTRUCTION LIMITED
Notes to Standalone Financial Statements

Note – 42

Additional Regulatory Information

- (i) The Company does not have any pending litigations which would impact its financial position.
- (ii) The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv) The Company has not been declared as Wilful Defaulter by any bank or financial institutions or government or any government authority.
- (v) The Company has no transactions with the companies struck off under the Companies Act, 2013.
- (vi) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (vii) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (viii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (ix) (A) During the year, the Company has not advanced or given as loan 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.
- (ix) (B) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - a) directly/indirectly lend/invest in other person/entities identified in any manner whatsoever by/on behalf of the Funding Party (Ultimate beneficiaries). Or
 - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (x) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (xi) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (xii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.
- (xiii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

Note – 43

Pursuant to notification issued by the Ministry of Corporate Affairs (MCA) dated August 16, 2019, on Companies (Share Capital and Debentures) Rules, 2014, ('Rules'), the Company is not required to create DRR and as per MCA notification dated June 5, 2020, the Company is also exempted to invest or deposit a sum which shall not be less than 15% of the amount of the Debentures issued and maturing during the financial year.

Note – 44

Dividend

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

(Rs. In Lakhs)			
Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
At the end of FY, directors have recommended the payment of a final dividend of Re. 0.30 per fully paid equity share (March 31, 2024 -Rs 0.20 and March 31, 2023 -Rs 0.20). The said proposed dividend is subject to the approval of shareholders in ensuing annual general meeting	457.97	285.31	275.31

Note –45

The reconciliation of Net Profit for the year ended 31 March 2024 as reported under erstwhile Indian GAAP and Ind AS are summarised as below:

(Rs. In Lakhs)	
Particulars	Year Ended March 31, 2024
Net Profit as Per Previous Indian GAAP	809.24
Adjustment to Ind AS:	
Others (Miscellaneous Exp Written Off)	7.50
Reclassification of Net Actuarial Loss/(Gain) on employee defined benefit obligations (net of taxes) to OCI	(5.73)
Tax effect on above adjustments	1.44
Net Profit for the year as per Ind AS	812.45
Other Comprehensive Income/(Loss) (net of tax)	(4.29)
Total Comprehensive Income as per Ind AS	816.74

The reconciliation of Equity as reported under erstwhile Indian GAAP and Ind AS are summarised as below:

(Rs. In Lakhs)		
Particulars	As at March 31, 2024	As at April 01, 2023
Total Equity as Per Previous GAAP	20,369.35	17,835.42
Adjustment to Ind AS:		
Others (Miscellaneous Exp Written Off)	(7.50)	(15.00)
Reclassification of Net Actuarial Loss/(Gain) on employee defined benefit obligations (net of taxes) to OCI	(4.29)	-
Total Equity as Per Ind AS	20,357.56	17,820.42
Other Comprehensive Income/(Loss) (net of tax)	(4.29)	-
Total Equity as Per Ind AS	20,361.84	17,820.42

Note – 46

Balances with respect to "Borrowings (other than debt securities)", "Other Financial Liabilities" and "Other Financial Assets" are subject to balance confirmations, reconciliation.

Note – 47

The figures for the previous year have been regrouped/rearranged wherever necessary to make them comparable with the current year's figures.

As per our report of even date
For **Mehta Lodha & Co.**
Chartered Accountants
Firm Reg No - 106250W

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

Prakash D. Shah
Partner
Membership No - 034363

Anilkumar Bhandari
Managing Director
DIN: 02718111

Sandeep Vrat
Director & CEO
DIN : 07271783

Place: Ahmedabad
Date: May 28, 2025
UDIN: 25034363BMOCL6982

Umesh Bafna
Chief Financial Officer

Deepika Agrawal
Company Secretary



INDEPENDENT AUDITOR'S REPORT

To
The Members of
Rare Asset Reconstruction Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Rare Asset Reconstruction Limited** ("the Parent Company") and its subsidiaries constituted as Trusts (the Parent Company and its subsidiaries constituted as Trusts together referred to as "the Group"), which comprise the consolidated balance Sheet as at March 31, 2025, the consolidated statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity, the consolidated statement of cash flow for the year then ended on that date, and notes to the consolidated Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required, and give a true and fair view in conformity with the Accounting Standards) Rules, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Parent Company as at March 31, 2025, and its consolidated loss including other comprehensive income, the consolidated changes in equity and its consolidated Cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Ind AS financial statements in accordance with the Standards on Auditing (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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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

Emphasis of Matter

We draw attention on Note No. 45 relating to balance confirmation/reconciliation and grouping of some of the third-party accounts.

Our opinion is not modified with respect to this emphasis of matter.

Key Audit Matters

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

Fair Valuation of the Group's financial instruments :	Auditor's Response
The valuation of the financial instruments is based on a recovery range provided by the External Rating Agency and other unobservable inputs (i.e. projection of future cash flows and expenses etc.). These assets are classified as level 3 in the valuation hierarchy and the same are not actively traded. The independent committee finalizes the resolution strategy for each trust, which may involve actions such as settling dues, selling assets through legal action or other means like DRT, SARFAESI Act, 2002, IBC, 2016,, restructuring. The fair value of the investment is estimated based on the resolution strategy adopted, expected cash flows, recovery ranges provided by the external rating agency, collateral values, discount rates, and other relevant assumptions. Further, the Group has applied judgements in estimating the cash flows. The financial instruments carried at fair value of the Group are: - The group has Investments in security receipts in Trusts formed and financial assets acquired under distressed credit business aggregating to Rs. 75,968.26 lakh as at March 31, 2025 carried at fair value. (Refer Note 8 of the Consolidated Financial Statements). - Financial assets under distressed credit business by the Trusts consolidated as subsidiaries aggregating 51,177.41 lakh as at March 31, 2025 carried at fair value.(Refer Note 9 of the Consolidated Financial Statements) In view of the complexities and significant judgements involved, we have considered the valuation of these investments as a key audit matter.	Principal Audit Procedures Performed: - We have tested the design and effectiveness of internal controls implemented by the management in respect to the valuation of the investments, including those relating to the assessment of the recovery plan by the Acquisition Committee, for the determination of the appropriate recovery rate based on the range provided by the External Rating Agency, independent verification of the valuation inputs viz. estimated cash flows, collateral values and discount rates etc. We have selected the sample and performed the following audit procedures: - Analyzed reasonableness of the determination of the appropriate recovery rate and estimated cash flows and the other relevant judgements and estimates, if any; and we assessed the information used to determine the key assumptions; - Compared the estimates of the cash flows with the actual recoveries and obtained explanations for the variations, if any; - Compared the management's assumption of discount rate with the supporting internal/ external evidence; - We assessed the reasonableness of the judgements in estimating the cash flows in response to corroborating the assumptions based on the information used by the Group, adopted/ change in resolution strategy; and verified the accounting treatment applied pertaining to Fair Value of Financial Assets. - Read and assessed the disclosure made in the consolidated financial statements for assessing compliance with respect to the disclosure requirements.

Information other than the Consolidated financial statements and Auditor's report thereon

The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including annexures to Board's Report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance opinion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's & Board of Director's responsibility for the Consolidated Financial Statements

The Parent Company's Management and Board of Directors are responsible for matter stated in section 134(5) of the Companies Act, 2013 with respect to the preparation and presentation of the Consolidated Financial Statement that gives a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in

accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 Consolidated Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, Management and Board of Directors are responsible for assessing the respective entities 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 their respective entities or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated financial Statements

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

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

- Identify and assess the risks of material misstatement of Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent company has an adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Consolidated financial statement, including the disclosures, and whether the consolidated financial statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information on the entities within the Group to express an opinion on the consolidated financial statements.

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

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

Report on Other Legal and Regulatory Requirements

(A) 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 of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to the preparation of aforesaid consolidated financial statements have been kept 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 Consolidated Balance Sheet as at March 31, 2025, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow for the year then ended dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid Consolidated financial statements comply with the 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, 2025, taken on record by the Board of Directors of the Parent Company, none of the directors is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**” which is based on Auditor's Report of the Parent Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over the financial reporting of those companies.

(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 Parent Company to its directors during the year, is in accordance with the provisions of Section 197(16) 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 Group has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements. Please refer Note No. 39(b) of the Consolidated financial statements.
- ii. The Group 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 Parent Company.
- iv. (a) The management of the Parent Company has represented to us that, to the best of its knowledge and belief, as disclosed in the notes 42 (ix) (A) 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 Parent 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 Parent Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management of the Parent Company has represented to us that, to the best of its knowledge and belief, as disclosed in the notes 42 (ix) (B) to the accounts, during the year no funds (which are material either individually or in aggregate) have been received by the Parent Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Parent 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 Parent Company during the year ended 31 March 2025 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 44 to the accompanying Consolidated financial statements, the Board of Directors of the Parent Company have proposed dividend for the year ended 31 March, 2025 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable only to the parent company as the subsidiaries are in the form of trusts. Based on our examination which included test checks, the parent company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Moreover, the feature of the recording audit trail (edit log) facility is enabled at the database level to log any direct data changes pertaining to the accounting software used for maintaining books of account. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Parent company as per the statutory requirements for record retention.

(B) With respect to the matters specified in paragraph 3(xxi) and 4 of the Companies (Auditor’s Report) Order, 2020 (“the Order” / “CARO”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, to be included in Auditor’s report, according to information and explanation given to us, and based on the CARO report issued by us for the parent company included in the consolidated financial statements, have unfavourable remarks or qualifications in their CARO report w.r.t. Parent Company.

Sr. No	Name of the Entity	CIN	Parent/Subsidiary Company	Clause Number of the CARO Report
1	Rare Asset Reconstruction Limited	U74900GJ2015PLC084515	Parent Company	vii (c)

Trust incorporated in India and included in the Consolidated Financial Statements does not have Companies (Auditor’s Report) Order, 2020 (“the Order” / “CARO”) applicable to them. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to Parent Company.

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

Place: Ahmedabad
Date: 28th May, 2025
UDIN: 25034363BMOCFM9669

Prakash D Shah
Partner
Membership No. 034363

Annexure A referred to paragraph 1(f) under ‘Report on Other Legal Regulatory Requirements of Independent Auditor's report of even date for year ended March 31, 2025.

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 Parent Company”) as of March 31, 2025 in conjunction with our audit of the Consolidated financial Statements of the company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Parent Company's internal financial controls over financial reporting with reference to these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) 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 Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these Consolidated 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 Consolidated 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 Consolidated financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A Parent company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Parent company's internal financial control over financial reporting 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 Parent company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated 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 Parent company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of un-authorized acquisition, use, or disposition of the Parent company's assets that could have a material effect on the Consolidated financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Parent Company has, in all material respects, except otherwise stated or reported to the management, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Parent Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Ahmedabad
Date: 28th May, 2025
UDIN:25034363BMOCFM9669

Prakash D Shah
Partner
Membership No. 034363

RARE ASSET RECONSTRUCTION LIMITED

Consolidated Balance Sheet as at March 31, 2025

(Rs. In Lakhs)

Sr. No.	Particulars	Note No.	Year Ended		
			As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
1	ASSETS				
a	Financial Assets				
a	Cash and Cash Equivalents	6	20.08	503.00	783.22
b	Bank Balances Other Than (a) above	7	16,354.48	2,171.19	1,521.62
c	Investments	8	75,968.26	92,334.33	87,810.30
d	Other Financial Assets	9	53,266.76	23,161.15	19,846.90
	Sub total		1,45,609.58	1,18,169.67	1,09,962.04
2	Non- Financial Assets				
a	Current Tax Assets(Net)	10	-	-	-
b	Deferred Tax Assets(Net)	11	0.33	1.55	1.05
c	Property, plant and equipments	12	71.59	79.86	92.81
d	Other Non- Financial Assets	13	4.75	1.22	2.88
	Sub total		76.67	82.63	96.74
	Total Assets		1,45,686.25	1,18,252.30	1,10,058.78
3	LIABILITIES AND EQUITY				
	LIABILITIES				
a	Financial Liabilities				
a	Payables				
	Trade Payables	14			
	(i) total outstanding dues of micro enterprises and small enterprises.		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises.		12.74	12.94	3.86
b	Debt Securities	15	27,090.39	6,400.00	1,100.00
c	Borrowings(other than debt securities)	16	31,282.58	22,711.81	34,840.01
d	Other financial Liabilities	17	58,657.05	66,629.70	52,439.14
	Sub total		1,17,042.76	95,754.45	88,383.00
4	Non-Financial Liabilities				
a	Current Tax Liabilities(Net)	18	83.45	223.45	64.04
b	Provisions	19	49.82	42.51	41.42
c	Other non-financial Liabilities	20	573.18	379.38	453.39
	Sub total		706.45	645.34	558.85
5	EQUITY				
a	Equity Share Capital	21	14,265.66	14,265.66	13,765.66
b	Other Equity	22	3,253.56	5,770.32	5,621.22
c	Non Controlling Interest		10,417.82	1,816.53	1,730.05
	Sub total		27,937.04	21,852.50	21,116.93
	Total Liabilities and Equity		1,45,686.24	1,18,252.30	1,10,058.78

The accompanying notes form an integral part of the consolidated financial statements: 1 to 46

As per our report of even date
For **Mehta Lodha & Co.**
Chartered Accountants
Firm Reg No - 106250W

Prakash D. Shah
Partner
Membership No - 034363

Place: Ahmedabad
Date: May 28, 2025
UDIN : 25034363BMOCFM9669

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

Anilkumar Bhandari
Managing Director
DIN: 02718111

Sandeep Vrat
Director & CEO
DIN : 07271783

Umesh Bafna
Chief Financial Officer

Deepika Agarwal
Company Secretary

RARE ASSET RECONSTRUCTION LIMITED

Consolidated Statement of Profit and Loss for the year ended on March 31, 2025

(Rs. In Lakhs)

Sr. No.	Particulars	Note No.	Year ended March 31, 2025	Year ended March 31, 2024
			Audited	Audited
I.	Revenue from Operations	23	7,326.25	6,267.03
II.	Other Income	24	739.21	250.99
III.	Total Income		8,065.46	6,518.02
IV.	Expenses			
	Finance Cost	25	3,906.61	2,045.87
	Net (Gain)/Loss on fair value changes	26	4,036.81	4,754.52
	Employees benefits Expenses	27	350.83	329.25
	Depreciation and Amortization	12	15.75	16.27
	Other Expenses	28	1,091.43	452.11
	Impairment of Financial Assets	29	3.50	-
	Total Expenses		9,404.94	7,598.01
V.	Profit/(Loss) before tax (III-IV)		(1,339.48)	(1,079.99)
VI.	Tax Expense:	30		
	Current tax		343.20	290.46
	Deferred tax		1.22	(0.50)
	Total Tax Expenses (VI)		344.43	289.96
VII.	Profit/(Loss) after tax		(1,683.90)	(1,369.95)
	Non Controlling Interest		(174.02)	25.36
	Attributable to Owners of Parent		(1,509.88)	(1,395.31)
	Other Comprehensive Income			
	(i) Items That will not be reclassified to profit or Loss		-	-
	-Remeasurements of the defined benefits plans		1.51	(5.73)
	Sub Total		1.51	(5.73)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.38)	1.44
VIII.	Other Comprehensive Income for the period, net of tax		1.13	(4.29)
	Non Controlling Interest			
	Attributable to Owners of Parent		1.13	(4.29)
IX.	Total Comprehensive Income for the period		(1,685.03)	(1,365.67)
	Non Controlling Interest		(174.02)	25.36
	Attributable to Owners of Parent		(1,511.01)	(1,391.02)
X.	Earnings per share			
	Basic / Diluted (In ₹)	31	(1.18)	(0.96)

The accompanying notes form an integral part of the consolidated financial statements: 1 to 46

As per our report of even date

For Mehta Lodha & Co.

Chartered Accountants

Firm Reg No - 106250W

Prakash D. Shah

Partner

Membership No - 034363

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

Anilkumar Bhandari

Managing Director

DIN: 02718111

Sandeep Vrat

Director & CEO

DIN : 07271783

Place: Ahmedabad

Date: May 28, 2025

UDIN : 25034363BMOCFM9669

Umesh Bafna

Chief Financial Officer

Deepika Agarwal

Company Secretary

RARE ASSET RECONSTRUCTION LIMITED

Consolidated Statement of Changes in Equity for the year ended March 31, 2025

A. Equity Share Capital

(Rs. In Lakhs)

Particulars	As at	As at	As at
	March 31, 2025	March 31, 2024	April 1, 2023
At the beginning of the period	14,265.66	13,765.66	13,765.66
Changes in equity share capital during the year	-	500.00	-
Outstndng at the end of Period	14,265.66	14,265.66	13,765.66

B. Other Equity

(Rs. In Lakhs)

Particulars	Reserves and Surplus			Total Other Equity attributable to owners of company	Non Controlling Interest	Total Other Equity
	Retained Earnings	Securities Premium	Capital Reserve			
As at April 1, 2023	(526.73)	2,045.45	4,102.50	5,621.22	(240.15)	5,381.08
Addition during the year	(517.13)	1,500.00	758.50	1,741.37	-	1,741.37
Profit/Loss for the year	(1,391.02)	-	-	(1,391.02)	25.36	(1,365.67)
Profit/Loss of control of subsidiary	74.05	-	-	74.05	-	74.05
Dividend Paid	(275.31)	-	-	(275.31)	-	(275.31)
As at March 31, 2024	(2,636.14)	3,545.45	4,861.00	5,770.32	(214.79)	5,555.53
As at April 1, 2024	(2,636.14)	3,545.45	4,861.00	5,770.32	(214.79)	5,555.53
Addition during the year	(621.75)	-	(111.47)	(733.22)	(6.54)	(739.76)
Profit/Loss for the year	(1,511.01)	-	-	(1,511.01)	(174.03)	(1,685.03)
Profit/Loss of control of subsidiary	12.78	-	-	12.78	9.61	22.40
Dividend Paid	(285.31)	-	-	(285.31)	-	(285.31)
As at March 31, 2025	(5,041.42)	3,545.45	4,749.53	3,253.56	(385.74)	2,867.82

The accompanying notes form an integral part of the consolidated financial statements: 1 to 46

As per our report of even date
For **Mehta Lodha & Co.**
Chartered Accountants
Firm Reg No - 106250W

Prakash D. Shah
Partner
Membership No - 034363

Place: Ahmedabad
Date: May 28, 2025
UDIN : 25034363BMOCFM9669

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

Anilkumar Bhandari **Sandeep Vrat**
Managing Director Director & CEO
DIN: 02718111 DIN : 07271783

Umesh Bafna **Deepika Agarwal**
Chief Financial Officer Company Secretary

RARE ASSET RECONSTRUCTION LIMITED

Consolidated Statement of Cash Flow for the Year Ended March 31, 2025

(Rs. In Lakhs)

Particulars	Year ended	
	March 31, 2025	March 31, 2024
	(Audited)	(Audited)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax	(1,339.48)	(1,079.99)
Adjustments to reconcile profit before tax to net cash generated from/(used in) operating activities		
Interest income on fixed deposits	(609.98)	(153.18)
Interest expenses	3,877.89	2,041.23
Net Loss/(Gain) on fair value changes	2,211.71	2,001.87
Write off of Investment in security receipts & Other investments	1,825.10	2,752.66
Impairment Loss on Financial Instruments	3.50	-
Depreciation and amortisation of expenses	15.75	16.27
Operating profit / (loss) before working capital changes	5,984.50	5,578.85
<u>Working capital Adjustments:</u>		
<u>Adjustments for (increase) / decrease in financial & non financial assets:</u>		
Financial assets of trusts	(30,378.96)	(1,889.96)
Other financial assets	(469.91)	(1,182.92)
Other non financial assets	(3.53)	1.66
<u>Adjustments for increase / (decrease) in financial & non financial liabilities:</u>		
Trade Payable	(0.20)	9.09
Other financial liability	(7,972.65)	14,190.56
Other non financial liability	193.80	(74.01)
Provisions	6.18	5.38
Cash from operations	(32,640.77)	16,638.66
Income taxes paid (net)	(483.21)	(131.05)
Net cash from operating activities	(33,123.98)	16,507.60
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/Redemption of Investment in Security receipts and Other Investments	36,497.87	(6,664.32)
Payment for acquisition of subsidiary trusts, net of cash acquired	(24,168.62)	(2,614.22)
Purchase of Property, Plant and equipment	(7.48)	(3.32)
Effect of change in controlling interest	22.40	74.05
Interest Income	609.98	153.18
Bank deposits with original maturity greater than three months	(14,183.28)	(649.57)
Net Cash (used in)/generated from Investing activities	(1,229.13)	(9,704.20)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	-	500.00
Proceeds of security premium from issuance of share capital	-	1,500.00
Proceeds from issue of non convertible debenture (net of issue expenses)	20,690.39	5,300.00
Proceeds /(Repayment) of Borrowings	8,570.77	(12,128.20)
Dividend Paid	(285.31)	(275.31)
Proceeds/(Redemption) from issuance/redemption of Security Receipts (Non Controlling interest)	8,772.24	61.12
Interest paid on debt securities and other borrowing	(3,877.89)	(2,041.23)
Net Cash (used in)/generated from financing activities	33,870.19	(7,083.62)
Net (Decrease)/Increase In Cash and Cash equivalents	(482.92)	(280.22)
Cash & Cash equivalent at the beginning of the year	503.00	783.22
Cash & Cash equivalent at the end of the year	20.08	503.00
Reconciliation of Cash and Cash Equivalent with the balance sheet		
Cash and cash equivalents as per balance sheet		
Cash on hand	0.04	0.06
Balances with banks in current account	20.04	390.44
Balance in term deposit < 3 months	-	112.50
Cash and cash equivalents as restated as at the year end	20.08	503.00

The accompanying notes form an intergral part of the consolidated financial statements: 1 to 46

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS -7 "Cash Flow Statements".

As per our report of even date

For Mehta Lodha & Co.

Chartered Accountants

Firm Reg No - 106250W

Prakash D. Shah

Partner

Membership No - 034363

Place: Ahmedabad

Date: May 28, 2025

UDIN : 25034363BMOCFM9669

For and on behalf of the Board of Directors of

Rare Asset Reconstruction Limited

Anilkumar Bhandari

Managing Director

DIN: 02718111

Umesh Bafna

Chief Financial Officer

Sandeep Vrat

Director & CEO

DIN : 07271783

Deepika Agarwal

Company Secretary

A. SIGNIFICANT ACCOUNTING POLICIES

1 Corporate Information

Rare Asset Reconstruction Limited (formerly Raytheon Asset Reconstruction Private Limited) (“the Parent”) is a Public Limited Company, incorporated on September 16, 2015. The Parent is registered with Reserve Bank of India (RBI) as an Asset Reconstruction pursuant to The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, and is engaged in the business of acquisition of non-performing and distressed assets (NPA) from Banks and Financial institutions.

The Trust(s) are set up under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“SARFAESI Act”) for the acquisition of NPAs and are considered as subsidiaries, where it exercises control for the purpose of preparation of the consolidated financial statements.

B. Statement of compliance and basis of preparation and presentation

2.1 Statement of compliance

The consolidated financial statements of the Group have been prepared in all material aspects I accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Companies Act, 2013 (The Act).

Effective April 01, 2024, the Group has adopted all Ind AS and the adoption was carried out in accordance with Ind AS 101; first time adoption of (Indian Accounting Standards) with April 01, 2023 as the transition date. The transition was carried out from Indian Accounting principles generally accepted in India as prescribed under section 133 of the Act, read with rule 7 of the Companies (Account) Rules, 2014 (IGAAP), which was the previous GAAP.

These consolidated financial statement for the year ended 31 March 2025 are approved by the Board of Director at its meeting held on May 28, 2025.

2.2 Basis of preparation and measurement:

The consolidated financial statements have been prepared on an accrual basis and under historical cost convention except for certain financial instruments that are measured at fair values.

Measurement of fair value:

The Group measures investments in credit impaired financial assets as well as investment in security receipts of securitization trusts, at fair value at each reporting date.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statement are categorized within the fair value hierarchy, described as follows, based on the lowest level inputs that is significant to the fair value measurement as a whole:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

At each reporting date, the Management analyses the movement in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of nature, characteristics and risk of the assets or liabilities and the level of the fair value hierarchy as explained above.

2.3 Basis of presentation:

The Group presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 40.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognized amounts without it being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Group and or its counterparties.

The consolidated financial statements of the Group have been prepared to comply with the Indian Accounting Standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

The consolidated financial statements comprise of Rare Asset Reconstruction Limited and all its subsidiaries, being the entities that it controls. Controls are assessed in accordance with the requirement of Ind AS 110 - Consolidated Financial Statements.

The consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amount have been rounded – off to the nearest lakhs, unless otherwise indicated.

2.4 Basis of consolidation:

- (i) The financial statements of the Parent Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, income, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- (ii) The differences in accounting policies of the Parent Company and its subsidiaries / associates are not material.
- (iii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- (iv) The carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary
- (v) Non-controlling interest's share of profit or loss of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Parent Company.

2.5 Significant accounting judgements, estimates and assumptions:

In the application of the Group's accounting policies, the management is required to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities, about the carrying amounts of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations, that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

➤ *Fair value of financial instruments:*

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

For Investments made into Security receipts (SRs) and purchased impaired financial assets, Group uses discounted cash flow model. Expected cash flow levels including timing of cash flows are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including default rates, nature & value of collaterals, manner of resolution and other economic drivers. Further, the Management also involves credit rating agencies for valuation of SRs.

➤ ***Provisions and other contingent liabilities:***

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

2.6 Recent pronouncement:

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

3 Material accounting policies Information

A. Revenue recognition

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. When (or as) a performance obligation is satisfied, the Group recognises as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation

- i. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.
- ii. Revenue in the form of management fees for providing services to the Trust may be recognised on realisation basis over the life of the contract as per terms of the relevant Trust Deed/ Offer Document. The fees are recognized on realisation basis till the NAV of the Trust is recoverable and not wholly impaired.

In the event Group recognizes Management Fee on accrual basis and while preparing financial statements as per Ind AS, the following amounts shall be reduced from NOF while calculating the capital adequacy ratio and the amount available for payment of dividend:

- (i) Management fee recognised during the planning period that remains unrealised beyond 180 days from the date of expiry of the planning period.
- (ii) Management fee recognised after the expiry of the planning period that remains unrealised beyond 180 days of such recognition.

(iii) Any unrealised management fee, notwithstanding the period for which it has remained unrealised, where the NAV of the SRs has fallen below 50% of the face value.

The amount reduced from NOF and amount available for payment of dividend shall be net of any specific expected credit loss allowances held on unrealised management fee referred to in sub-paragraphs (i), (ii) and (iii) above and the tax implications thereon, if any. The Audit Committee of the Board shall review the extent of unrealised management fee and satisfy itself on the recoverability of the same while finalising the financial statements. It shall be ensured that the management fee is computed strictly in accordance with extant regulations.

- iii. Recovery incentive is accounted over the period on realisation basis, i.e. as and when received by the Group, based on terms of the relevant trust deeds and offer document issued by the Trust.
- iv. The Group shall recognise following income/(loss) pertaining to security receipts under the heading Net gain/(loss) on fair value changes on financial instruments at FVTPL
 - o Additional realisation of assets over the Net Asset Value of security receipt is accounted as per the terms of the relevant Trust Deed / Offer Document on actual distribution from the Trust after full redemption of the Net Asset Value of security receipts in the trust.
 - o Net appreciation/ depreciation in Net Asset Value of security receipts is considered as fair value gain/(loss) on change in investment and credit-impaired financial assets.

B. Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Current tax

Current tax shall be measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961.

Current tax assets and liabilities for the current and prior years shall be measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount shall be those that are enacted, or substantively enacted, by the reporting date.

Current income tax relating to items recognised outside profit or loss shall be recognised outside profit or loss either in other comprehensive income or in equity.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination)

of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

C. Property, plant and equipment and Intangible Assets

Property, plant and equipment (PPE) is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/ duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. PPE not ready for the intended use on the date of the Balance Sheet is disclosed as “capital work-in-progress”.

Depreciation/amortization is recognised on a straight-line basis over the estimated useful lives of respective assets as under:

<i>Tangible Assets-Property, Plant and Equipment</i>	<i>Useful Life</i>
<i>Furniture and Fixture</i>	<i>10 years</i>
<i>Motor Vehicles</i>	<i>8 years</i>
<i>Computers & Data processing units</i>	<i>3 years</i>
<i>Office Equipments</i>	<i>5 years</i>
<i>Intangible Assets-Property, Plant and Equipment</i>	<i>Useful Life</i>
<i>Computer Software</i>	<i>5 years</i>

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

D. Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at the original cost net of tax/duty credits availed if any, less

accumulated amortization and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to the acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as “Intangible assets under development”. Intangible assets are amortized on a straight-line basis over the estimated useful life of 5 years. The method of amortization and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortization on impaired assets is provided by adjusting the amortisation charge in the remaining periods to allocate the asset’s revised carrying amount over its remaining useful life. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from the de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized as profit or loss when the asset is derecognised.

E. Provisions, contingent liabilities and contingent assets Provisions are recognised only when:

- an entity has a present obligation (legal or constructive) as a result of a past event; and
- an outflow of resources embodying economic benefits will probably be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Contingent Assets:

Contingent assets are not recognised in the consolidated financial statements.

F. Impairment losses of non-financial assets

The carrying values of assets at each balance sheet date shall be reviewed for impairment if any indication of impairment exists based on internal/ external factors. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment shall be recognised for such excess amount in the consolidated statement of Profit and Loss.

The recoverable amount is the greater of the net selling price and their value in use. Value in use shall be arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal

of impairment loss may be recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to profit or loss. In case of revalued assets, such reversal may not be recognized.

G. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

All regular way purchase or sale of financial instruments shall be recognised and derecognised on a trade date basis. Purchase or sale of unquoted instruments shall be recognised on the closing date or as and when the transaction is completed as per terms mentioned in relevant transaction agreement /document.

Recognition, Initial measurement and derecognition

Financial assets and financial liabilities shall be initially measured at fair value on initial recognition, except for trade receivables which shall be initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) shall be added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss shall be recognised immediately in profit or loss.

Classification

The Group may classify its financial assets as subsequently measured at either amortized cost or fair value based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

1. Financial asset at Fair Value through Other Comprehensive Income (FVOCI)

Financial asset with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets shall be classified to be measured at FVOCI. The interest income, impairment losses & reversal, if any, shall be recognized through the statement of profit and loss. The loss allowance is recognized in other comprehensive income and does not reduce the carrying value of the financial asset.

2. Financial asset at Fair Value Through Profit and Loss (FVTPL)

Any financial asset which does not meet the criteria for categorization as at amortized cost or as FVOCI, shall be classified to be measured at FVTPL.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the consolidated statement of profit and loss.

Financial assets at amortised cost

The financial assets which are classified at amortized cost, subsequently measured at amortized cost through effective interest rate method.

Financial liabilities and equity instruments:

Classification as debt or equity

Debt and equity instruments issued by the Group shall be classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group shall be recognised at the proceeds received. Transaction costs of an equity transaction shall be recognised as a deduction from equity.

Financial liabilities

All financial liabilities shall be subsequently measured at amortised cost, except when designated to be measured at FVTPL. Liabilities shall be classified at fair value through profit or loss. Other financial liabilities subsequently shall be measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses shall be recognised in the statement of profit and loss. Any gain or loss on derecognition shall be also recognised in consolidated Statement of profit and loss.

H. Impairment of Financial Assets

a) Methodology for computation of Expected Credit Losses (ECL)

The financial instruments covered within the scope of ECL include financial assets measured at amortised cost and FVOCI, such as trade receivables, loans, advances recoverable from trust, security deposit, balances with banks and other financial assets. ECL has not been determined on financial assets measured at FVTPL.

The loss allowance shall be measured using lifetime ECL except for financial assets on which there has been no significant increase in credit risk since initial recognition. In such cases, loss allowance shall be measured at 12-month ECL.

At each reporting date, the Group shall assess whether financial assets carried at amortised cost and FVOCI are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred since initial recognition. Evidence that a financial asset is credit-impaired includes the observable data such as Days Past Due ('DPD') or default event.

ECL is a probability weighted estimate of credit losses, measured as follows:

- Financial assets that are not credit impaired at the reporting date –

ECL has been estimated by determining the probability of default ('PD'), Exposure At Default ('EAD') and Loss Given Default ('LGD'). PD has been computed using observed history of default and converted into forward looking PD's using suitable macro-economic

variable data.

- Financial assets that are credit impaired at the reporting date –

ECL shall be estimated as the difference between the gross carrying amount and the present value of estimated future cash flows.

For trade receivables, the Group shall apply a simplified approach. It shall recognize impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Criteria may be used for determination of movement from stage 1 (12-month ECL) to stage 2 (lifetime ECL) and stage 3 (lifetime ECL)

The Group shall apply a three-stage approach to measure ECL on financial assets measured at amortised cost and FVOCI. The assets shall migrate through the following three stages based on an assessment of qualitative and quantitative considerations:

- Stage 1: 12-month ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Interest income is accrued using the effective interest rate on the gross carrying amount.

- Stage 2: Lifetime ECL (not credit impaired):

At each reporting date, the Group shall assess whether there has been a significant increase in credit risk for financial assets since initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Group shall use days past due (DPD) information and other qualitative factors to assess deterioration in credit quality of a financial asset.

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL shall be recognised. Interest income shall be accrued using the effective interest rate on the gross carrying amount.

- Stage 3: Lifetime ECL (credit impaired):

Financial assets shall be assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the asset have occurred. For financial assets that have become credit impaired, a lifetime ECL shall be recognised and interest revenue shall be calculated by applying the effective interest rate to the amortized cost (net of loss allowance).

If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the Expected Credit Loss reverts from lifetime ECL to 12-months ECL.

Further, where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs/ARCs shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. The balance in the 'Impairment Reserve' shall not be reckoned for regulatory capital.

b) Financial assets that are Purchased or Originated Credit Impaired ('POCI'):

On initial recognition, POCI assets do not carry any impairment allowance. Lifetime ECL are incorporated in the calculation of effective interest rate. The cash flows shall be estimated on annual basis. Any changes in expected cash flows shall be discounted using the original credit-adjusted effective interest rate and the resulting changes shall be recognised as impairment gains or losses. Favourable changes in lifetime ECL shall be recognised as an impairment gain, even if the favourable changes are more than the amount, if any, previously recognised in consolidated profit or loss account as impairment losses.

c) Manner in which forward looking assumptions may be incorporated in ECL estimates:

The Group shall consider its historical loss experience and adjust it for current observable data. In addition, the Group shall use reasonable forecasts of future economic conditions including expert judgement to estimate the amount of expected credit losses. The methodology and assumptions including any forecasts of future economic conditions are periodically reviewed and changes, if any, shall be accounted for prospectively. The Group's ECL calculations shall be output of number of underlying assumptions regarding the choice of variable inputs and their interdependencies such as macroeconomic scenarios and collateral values.

I. Derecognition of financial assets and financial liabilities

Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) shall be primarily derecognised when:

The rights to receive cash flows from the financial asset have expired, or

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

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in the consolidated statement of profit and loss.

Financial Liabilities

The Group shall derecognise financial liability when its contractual obligations are discharged or cancelled or expire.

The difference between the carrying value of the original financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, is recognised in the consolidated statement of profit and loss.

J. Financial risk management

The Group's main business is of acquisition of financial assets (NPA's), resolution thereof and investment of its surplus funds. The Group has well defined board approved acquisition, resolution and investment policies along with delegation of powers encompassing various risk mitigation measures.

K. Employee benefits

Retirement benefit costs and termination benefits:

Defined Benefit Obligation:

The Group's liabilities under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. The Group net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The Group recognizes current service cost, past service cost, if any and interest cost in the Statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustments and changes in actual assumptions are recognized in the period in which they occur in the OCI.

Short- term benefits:

Short term employee benefits including accumulating compensated absences are recognised at an undiscounted amount in the statement of profit and Loss for the year in which the related services are rendered.

Long term benefits:

Other long-term employee benefits comprise of leave encashment and are provided for based on the independent actuarial valuation. The classifications between current and non-current liabilities are based on actuarial valuation. The actuarial valuation is done as per the projected unit credit method as at the reporting date.

M. Borrowing cost

Borrowing costs other than those directly attributable to qualifying assets are recognised as expenses in the statement of profit and loss in the period in which they are incurred. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of the asset, except for financial assets acquired from Banks and Financial Institutions where such expenses are charged to consolidated Profit and Loss Account, in line with RBI guidelines.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalisation, except in cases mentioned earlier (financial assets acquired from banks and financial institutions) where such income will be considered as income in the consolidated Profit and Loss Account.

N. Cash and cash equivalents

The Group considers all highly liquid financial instruments which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of 3 months or less from the date of purchase to be cash equivalents. Cash and cash equivalents consist of bank balances which are unrestricted for withdrawal and usage.

O. Cash flow statement

Cash flows are reported using the indirect method, whereby consolidated 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 Group are segregated based on the available information.

P. Earning per share

Basic earnings per share is computed by dividing the net profit or loss after tax for the period attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Q. Measurement of fair values

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

The Group's accounting policies and disclosures require fair value measurement of investment in Security Receipts (SR's) and financial asset acquired under distress business.

Management uses its judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market participants shall be applied.

Investments in Security Receipts (SRs) and financial asset acquired under distress business held by the Group are classified as FVTPL and are recorded at Net Asset Value (NAV), which may not reflect the recoverability / true value for those cases where the period of realisation as permitted by RBI has elapsed, and NAV is required to be maintained as Nil, despite recovery prospects.

4 Computation of Regulatory Capital and Regulatory Ratios

(A) In determining 'owned funds', 'net owned funds' and 'regulatory capital', NBFCs and ARCs shall be guided by the following:

i) Any net unrealised gains arising on fair valuation of financial instruments, including such gains arising on transition to Ind AS, should not be included in owned funds whereas all such net losses

should be considered. In determining the net unrealised gains for reduction from owned funds, NBFCs should categorise financial assets measured at fair value into two categories viz.

A. Investments in shares of other NBFCs and in shares, debentures, bonds, etc. in Group companies that are required to be reduced while determining Tier I Capital as defined in paragraph 2(xxxii) of the Non-Banking Financial Group-Systemically Important Non-Deposit taking Group and Deposit taking Group (Reserve Bank) Directions, 2016; and

B. Others

While netting may be done within the aforementioned categories, net gains from one category should not be offset against losses in the other category.

ii) Any unrealised gains or losses recognised in equity due to (a) own credit risk and (b) cash flow hedge reserve shall be derecognised while determining owned funds.

iii) Since unrealised gains on category A have been excluded in computation of owned fund, NBFCs shall reduce the lower of acquisition cost or fair value of investments/advances in subsidiaries/other group companies and other NBFCs while determining Tier I capital as specified in paragraph 2(xxxii) of the aforementioned Master Directions. Net unrealised gains on Category B (i.e. 'Others') to the extent they have been excluded in regulatory capital, shall also be reduced from risk weighted assets.

vi) 12 month expected credit loss (ECL) allowances for financial instruments i.e. where the credit risk has not increased significantly since initial recognition, shall be included under general provisions and loss reserves in Tier II capital within the limits specified by extant regulations. Lifetime ECL shall not be reckoned for regulatory capital (numerator) while it shall be reduced from the risk weighted assets.

vii) Securitised assets not qualifying for de-recognition under Ind AS due to credit enhancement given by the originating NBFC on such assets shall be risk weighted at zero percent. However, the NBFC shall reduce 50 per cent of the amount of credit enhancement given from Tier I capital and the balance from Tier II capital.

(B) Regulatory ratios, limits and disclosures shall be based on Ind AS figures. Impaired assets and restructured financial assets acquired from Banks and Financial Institutions, shall be considered as non-performing assets (NPA) for calculation of NPA ratios.

5 (A) Critical accounting judgments and key sources of estimation uncertainty:

The preparation of consolidated financial statements in conformity with Ind AS requires the Group's Management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognized in the standalone financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates (accounted on a prospective basis) and recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods of the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the Management in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements and/or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value measurement and valuation processes

Some of the Group's assets are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for the fair value measurements. In estimating the fair value of an asset, the Group uses market observable data to the extent it is available. The Group engages third party external rating agencies to perform the valuations. The Management works closely with the qualified external rating agencies to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed in Note 37

(B) Transition to Ind AS

Overall principle:

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2025, the comparative information presented in these financial statements for the year ended March 31, 2024 and in the preparation of an opening Ind AS transition balance sheet as at April 1, 2023 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has no adjustment to the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

Exemptions and Exceptions availed:

We have set out below the applicable Ind AS 101 optional and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Deemed cost for property, plant and equipment and other intangible assets:

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

Estimates:

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2023 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date.

RARE ASSET RECONSTRUCTION LIMITED
Notes to the Consolidated Financial Statements

6 Cash and Cash Equivalents

(Rs. In Lakhs)

Particulars	As at	As at	As at
	March 31, 2025	March 31, 2024	April 1, 2023
Cash on Hand	0.04	0.06	0.16
Balances with Bank			
-In Current Account	20.04	390.44	623.25
-In Fixed Deposit with original maturity less than 3 month (Inculding interest accrued)	-	112.50	159.81
Total	20.08	503.00	783.22

7 Bank balances other than cash and cash equivalents

(Rs. In Lakhs)

Particulars	As at	As at	As at
	March 31, 2025	March 31, 2024	April 1, 2023
Fixed Deposit with original maturity more than 3 month	16,354.48	2,171.19	1,521.62
Total	16,354.48	2,171.19	1,521.62

8 Investment

(Rs. In Lakhs)

Particulars	As at	As at	As at
	March 31, 2025	March 31, 2024	April 1, 2023
	Measured at fair value through Profit and Loss	Measured at fair value through Profit and Loss	Measured at fair value through Profit and Loss
<u>Unquoted</u>			
Investments in Security Receipts			
- Investment in other than Subsidiary Trust	44,410.07	56,856.49	49,983.37
Other invetsments			
- Financial assets acquired from banks and financial institutions	31,558.19	35,477.84	37,826.94
Total	75,968.26	92,334.33	87,810.30

a) There are no investments made by the Group outside India.

b) The Group has pledged Security Receipts of Rs. 23,644.42/- Lakhs (Previous Year 2023-24 Rs. Nil & Previous Year 2022-23 Rs. Nil) in favour of Debenture Trustees appointed for NCDs issued.

9 Other Financial Assets

(Rs. In Lakhs)

Particulars	As at	As at	As at
	March 31, 2025	March 31, 2024	April 1, 2023
Advance to trusts	53.42	1,215.06	78.23
Financial Asset acquired under Distressed Business (FVTPL)	51,177.41	21,558.61	19,489.67
Advance to others	1,855.48	60.58	1.44
Earnest money deposit	180.00	325.00	276.00
Security deposit:	-	-	-
To Related Parties	-	-	-
To Others	3.96	1.90	1.55
Total	53,270.26	23,161.15	19,846.90
Less: Impairment loss allowance on Advance to trusts (refer note 38)	(3.50)	-	-
Net Total	53,266.76	23,161.15	19,846.90

10 Current Tax Assets (Net)

(Rs. In Lakhs)

Particulars	As at	As at	As at
	March 31, 2025	March 31, 2024	April 1, 2023
Advance tax paid (net of provision)	-	-	-
Total	-	-	-

11 Deferred Tax Assets

(Rs. In Lakhs)

Particulars	As at	As at	As at
	March 31, 2025	March 31, 2024	April 1, 2023
Measurement of financial instruments at fair value	72.80	-	-
Impairment of financial instruments	2.06	-	-
Difference Between bboks and tax written down value of Property, plant and equipment	1.93	1.55	1.05
Others (43B, 35D, etc. allowances under Income Tax Act, 1961)	(76.47)	-	-
Total	0.33	1.55	1.05

RARE ASSET RECONSTRUCTION LIMITED
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12 Property, Plant and equipment as at 31st March 2025

(Rs. In Lakhs)

Particulars	Office Equipment	Computer	Electric Fittings	Furniture & Fixture	Vehicle	Total
Cost						
As at April 1,2023	28.61	7.58	1.88	36.53	74.71	149.31
Addition	2.75	0.56	-	-	-	3.32
Disposal/ Adjustment	-	-	-	-	-	-
As at March 31, 2024	31.36	8.14	1.88	36.53	74.71	152.63
Addition	1.23	6.07	0.18	-	-	7.48
Disposal/ Adjustment	-	-	-	-	-	-
As at March 31, 2025	32.59	14.22	2.06	36.53	74.71	160.11
Depreciation & Impairment						
As at April 1,2023	23.18	5.42	0.89	18.07	8.94	56.50
Depreciation & Impairment for the Year	2.35	1.39	0.18	3.48	8.87	16.27
As at March 31, 2024	25.53	6.82	1.07	21.54	17.82	72.77
Depreciation & Impairment for the Year	2.06	1.15	0.19	3.47	8.87	15.75
As at March 31, 2025	27.59	7.96	1.26	25.01	26.69	88.52
Net Block						
As at April 1,2023	5.43	2.16	0.99	18.46	65.76	92.81
As at March 31, 2024	5.84	1.33	0.81	14.99	56.89	79.86
As at March 31, 2025	5.00	6.25	0.80	11.52	48.02	71.59

RARE ASSET RECONSTRUCTION LIMITED
Notes to the Consolidated Financial Statements

13 Other Non- Financial Assets

(Rs. In Lakhs)

Particulars	As at	As at	As at
	March 31, 2025	March 31, 2024	April 1, 2023
Prepaid expenses	1.33	1.10	0.99
Balances with revenue authorities	0.11	0.12	1.90
Other Non- Financial Assets	3.31	-	-
Total	4.75	1.22	2.88

14 Trade Payables

(Rs. In Lakhs)

Particulars	As at	As at	As at
	March 31, 2025	March 31, 2024	April 1, 2023
Total outstanding dues of micro enterprises and small enterprises.	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises.	12.74	12.94	3.86
Total	12.74	12.94	3.86

14.1 Trade Payables Ageing

(Rs. In Lakhs)

As at March 31,2025	Outstanding for following periods from due date of payment				
Particulars	Less than 1 Year	1-2 years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade Payable- MSME	-	-	-	-	-
(ii) Undisputed Trade Payable -Others	12.36	-	-	0.38	12.74

As at March 31,2024	Outstanding for following periods from due date of payment				
Particulars	Less than 1 Year	1-2 years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade Payable- MSME	-	-	-	-	-
(ii) Undisputed Trade Payable -Others	12.56	-	0.38	-	12.94

As at April 1,2023	Outstanding for following periods from due date of payment				
Particulars	Less than 1 Year	1-2 years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade Payable- MSME	-	-	-	-	-
(ii) Undisputed Trade Payable -Others	3.48	0.38	-	-	3.86

14.2 There are no dues payable to Micro and Small enterprises, based on information available with the Group and therefore, disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are not applicable.

(Rs. In Lakhs)

Particulars	As at	As at	As at
	March 31, 2025	March 31, 2024	April 1, 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end - Trade Payable	-	-	-
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end - Creditors for Capital Goods	-	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at	-	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-	-
Total	-	-	-

15 Debt Securities (Within India)

(Rs. In Lakhs)

Particulars	As at	As at	As at
	March 31, 2025	March 31, 2024	April 1, 2023
At amortised cost	-	-	-
Secured	-	-	-
Non Convertible Debentures (Refer Note 15.1, 15.2 and 15.3)	20,690.39	-	-
Add: Premium/ interest accrued	-	-	-
Total Secured	20,690.39	-	-
Unsecured	-	-	-
Non Convertible Debentures	6,400.00	6,400.00	1,100.00
Total Unsecured	6,400.00	6,400.00	1,100.00
Total	27,090.39	6,400.00	1,100.00

15.1 Non-Convertible Debentures secured by way of hypothecation of the following assets and securities:-

- 1.) 16.50% Non Convertible Debentures are secured against pledge of Security Receipts having NAV of Rs. 13,144.42 Lakhs.
- 2.) 14.00% Non Convertible Debentures are secured against pledge of Security Receipts having NAV of Rs. 10,500 Lakhs.

RARE ASSET RECONSTRUCTION LIMITED
Notes to the Consolidated Financial Statements

15.2 Maturity profile and rate of interest of NCDs:

(Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Secured, listed and rated NCDs-Private Placement - Face value of 1,00,000 each			
16.50% Rare ARC NCDs (Series III) redeemable in the year 2027-28	12,000.00	-	-
14.00% Rare ARC NCDs (Series IV) redeemable in the year 2029-30	9,000.00	-	-
Unsecured, unlisted and unrated NCDs-Private Placement - Face value of 50,00,000 each			
8% Rare ARC NCDs (Series I) redeemable in the Year 2025-2026	1,100.00	1,100.00	1,100.00
8% Rare ARC NCDs (Series II) redeemable in the Year 2028-2029	5,300.00	5,300.00	-
Total	27,400.00	6,400.00	1,100.00

Maturity profile above is disclosed at face value and cumulative impact of effective interest rate adjustment amounting to Rs. 309.61 Lakh (Previous Year is Rs. NIL).

15.3 The Group has utilized fund raised by way of Non-convertible debentures for the purpose mentioned in documents.

15.4 Additional disclosure pursuant to Ind AS 7 (Debt Securities Movement during the year)

(Rs. In Lakhs)

Particulars	For the year March 31, 2025	For the year March 31, 2024
Opening Balance	6,400.00	1,100.00
Cash flows	20,690.39	5,300.00
Non-cash changes	-	-
Closing balance	27,090.39	6,400.00

16 Borrowings(other than debt securities)

(Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
At amortised cost			
Secured			
Term loans from (Refer note 16.1, 16.2 and 16.5)			
(a) Banks	19.51	36.21	51.75
Add: Interest accrued	-	-	-
	19.51	36.21	51.75
Other loans from banks (Refer note 16.3)			
(a) Cash Credit facilities	10,988.87	1,402.37	450.00
Add: Interest accrued	-	-	-
	10,988.87	1,402.37	450.00
Unsecured			
Inter corporate deposits (Refer note 16.4)			
(a) From related party (Refer note. 35)	4,026.74	5,021.16	3,954.52
(b) From others	16,119.36	16,124.07	30,256.24
Add: Interest accrued but not due	-	-	-
Other			
(a)Other Loans/Borrowings	128.11	127.99	127.50
	20,274.20	21,273.23	34,338.26
Total	31,282.58	22,711.81	34,840.01

16.1 Term loan is secured against hypothecation of vehicle.

16.2 Maturity profile and rate of interest of Term Loans:

(Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Term Loan			
ICICI bank Term Loan (Fixed Interest Rate @ 7.25%)			
Up to one year	19.51	16.70	15.54
Up to 1-3 years	-	19.51	36.21
3 years and above	-	-	-
Total	19.51	36.21	51.75

16.3 Cash Credit Facilities availed is secured against 100% fixed deposit held by the Group with IDBI Bank.

RARE ASSET RECONSTRUCTION LIMITED
Notes to the Consolidated Financial Statements

16.4 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 repayable in 5 Years from the date of receipt of the said deposit.

16.5 The Group has utilized money obtained by way of Term loans for the purpose for which they were obtained.

16.6 All borrowings are made within India.

16.7 Additional disclosure pursuant to Ind AS 7 (Borrowing Movement during the year).

(Rs. In Lakhs)

Particulars	For the year March 31, 2025	For the year March 31, 2024
Opening Balance	36.21	51.75
Cash flows	(16.70)	(15.54)
Non-cash changes	-	-
Closing balance	19.51	36.21

17 Other Financial Liabilities

(Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
Advance from trusts	-	-	2,074.24
Security deposits :			
To Related Parties (Refer note. 35)	3,150.00	4,281.99	3,376.99
To Others	50,015.27	54,558.85	44,896.20
Others	229.48	72.61	14.15
Unpaid Dividend	-	-	2.16
Advance for Resolution (Refer note 17.1)	5,162.30	7,716.25	2,075.40
Advance Recovery (Refer note 17.2)	100.00	-	-
Total	58,657.05	66,629.70	52,439.14

17.1 Advance for Resolution includes advance received for sale of SRs held by Rare ARC and EMD received for resolution of Financial Assets. SRs since sold, and EMD since adjusted.

17.2 Advance Recovery pertains to recovery pending appropriation during the financial year. Since appropriated.

18 Current Tax Liability (Net)

(Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
Provision for Income Tax (Net of Advance Tax and Tax Deducted at Source)	83.45	223.45	64.04
Total	83.45	223.45	64.04

19 Provisions

(Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
Provision for Gratuity (Refer note 34)	49.82	42.51	41.42
Total	49.82	42.51	41.42

20 Other non-financial Liabilities

(Rs. In Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
Statutory Dues	573.18	379.38	453.39
Total	573.18	379.38	453.39

RARE ASSET RECONSTRUCTION LIMITED
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21 Equity Share Capital

(Rs. In Lakhs)

Particulars	As at	As at	As at
	March 31, 2025	March 31, 2024	April 1, 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	20,000.00
	20,000.00	20,000.00	20,000.00
Issued			
15,26,56,556 (Previous Year 14,26,56,556) Equity Share of Rs. 10.00/- Per Share	15,265.66	14,265.66	13,765.66
	15,265.66	14,265.66	13,765.66
Subscribed and Paid up			
14,26,56,556 (Previous Year 14,26,56,556) Equity Share of Rs. 10.00/- Per Share	14,265.66	14,265.66	13,765.66
Total	14,265.66	14,265.66	13,765.66

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

Equity Shares

(Rs. In Lakhs)

Particulars	As at 31st March 2025		As at 31st March 2024		As at April 1, 2023	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	14,26,56,556	14,265.66	13,76,56,556	13,765.66	13,76,56,556	13,765.66
Issued during the period	-	-	50,00,000	500.00	-	-
Redeemed or brought back during the period	-	-	-	-	-	-
Outstanding at the end of Period	14,26,56,556	14,265.66	14,26,56,556	14,265.66	13,76,56,556	13,765.66

21.2 Right, Preferences and Restriction attached to shares

The Group 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 Group after distribution of all preferential amounts, in proportion to their shareholdings.

21.3 Shareholders Holding more than 5% of Shares

Equity Shares

Particulars	As at 31st March 2025		As at 31st March 2024		As at April 1, 2023	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
- Renaissance Fiscal Services Pvt Ltd	6,50,45,453	45.60%	6,45,95,453	45.28%	5,86,86,362	42.63%
- Praveen K. Jain	2,60,57,220	18.27%	2,60,57,220	18.27%	2,60,57,220	18.93%
- Sunita Jain	1,31,10,000	9.19%	1,31,10,000	9.19%	1,31,10,000	9.52%
- Vardhaman Investment PTE Ltd	1,31,10,000	9.19%	1,31,10,000	9.19%	1,31,10,000	9.52%
- Priyanka Jain	1,31,03,883	9.19%	1,31,03,883	9.19%	1,31,03,883	9.52%
- Sweta Jain	82,80,000	5.80%	82,80,000	5.80%	82,80,000	6.01%

21.4 Disclosures of Shareholding of Promoters

Shares held by promoters as at March 31 , 2025			% Change during the year
Promoter Name	No. of Shares	% of total shares	
- Renaissance Fiscal Services Pvt. Ltd.	6,50,45,453	45.60%	0.70%
- Praveen K. Jain	2,60,57,220	18.27%	0.00%
- Anil Kumar Bhandari	33,40,000	2.34%	0.00%
- Sweta Bhandari	9,000	0.01%	0.00%

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.	6,45,95,453	45.28%	10.07%
- Praveen K. Jain	2,60,57,220	18.27%	0.00%
- Anil Kumar Bhandari	33,40,000	2.34%	0.00%
- Sweta Bhandari	9,000	0.01%	0.00%

Shares held by promoters as at 1st April, 2023			% Change during the year
Promoter Name	No. of Shares	% of total shares	
- Renaissance Fiscal Services Pvt. Ltd.	5,86,86,362	42.63%	0.00%
- Praveen K. Jain	2,60,57,220	18.93%	0.00%
- Anil Kumar Bhandari	33,40,000	2.43%	0.00%
- Sweta Bhandari	9,000	0.01%	0.00%

22 Other Equity

(Rs. In Lakhs)

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Retained Earnings	(5,041.42)	(2,636.14)
Securities Premium	3,545.45	3,545.45
Capital Reserve	4,749.53	4,861.00
Total	3,253.56	5,770.32

Refer Statement of Changes In Equity for movement in each reserve and surplus.

22.1 Nature of each reserves:

- Retained earnings are the profits that the Group has earned till date less any transfers to general reserve, statutory reserve, impairment reserve, dividends or other distributions to the shareholders
- Securities premium reserve represents premium received on equity shares issued which can be used on accordance with the provisions of the Companies Act, 2013 for specified purposes.
- Capital Reserves represent reserves created on acquisition / disposal of subsidiaries without loss of control.

RARE ASSET RECONSTRUCTION LIMITED
Notes to the Consolidated Financial Statements

23 Revenue from Operation

(Rs. In Lakhs)

	Particulars	Year ended	Year ended
		March 31, 2025	March 31, 2024
a)	Fees and Incentives		
	- Management fees	4,113.11	2,713.05
	Less: Reversal as per RBI Guidelines	-	-
	- Incentive Fees	51.25	2,107.63
b)	Income From Investments in Security Receipts	1,105.01	11.75
c)	Income From Investment In financial Asset	2,004.43	1,398.44
d)	Other Operational Revenue	52.44	36.16
	Total	7,326.25	6,267.03

23.1 Revenue from Contracts with customers

a) The Group has recognised following amounts relating to revenue in the Statement of Profit and Loss:

(Rs. In Lakhs)

Particulars	Year ended	Year ended
	March 31, 2025	March 31, 2024
Revenue from contracts with customers	7,326.25	6,267.03
Total	7,326.25	6,267.03

a) Disaggregation of revenue from contracts with customers

(Rs. In Lakhs)

Particulars	Year ended	Year ended
	March 31, 2025	March 31, 2024
Primary geographical market		
India	7,326.25	6,267.03
Total	7,326.25	6,267.03
Major service lines		
Management and Incentive Fees	4,164.36	4,820.68
Other Operational Revenue	3,161.88	1,446.35
Total	7,326.25	6,267.03

24 Other Income

(Rs. In Lakhs)

Particulars	Year ended	Year ended
	March 31, 2025	March 31, 2024
Interest Income		
- Fixed Deposit (at amortized cost)	609.98	153.32
- Other	129.23	61.65
Miscellaneous Income	-	36.02
Total	739.21	250.99

25 Finance Cost

(Rs. In Lakhs)

Particulars	Year ended	Year ended
	March 31, 2025	March 31, 2024
At Amortised Cost:		
Interest on Borrowings (Other than Debt Securities)	1,726.60	1,648.58
Interest on Debt Securities	1,894.93	367.15
Other Borrowing Cost	285.08	30.14
Total	3,906.61	2,045.87

RARE ASSET RECONSTRUCTION LIMITED

Notes to the Consolidated Financial Statements

26 Net Loss/ (Gain) on Fair Value changes

(Rs. In Lakhs)

Particulars	Year ended	Year ended
	March 31, 2025	March 31, 2024
On financial instruments designated at FVTPL :		
-Security Receipts	5,041.98	(671.02)
-Financial Assets	(1,005.16)	5,425.54
Provision for Security Receipt (held in Trust) & Financial Asset held in Own Books (Net off reversals)	289.25	(106.37)
Own books financial asset and SR- write off	1,825.11	2,752.66
Total	4,036.81	4,754.52

26.1 Net Loss/ (Gain) on Fair Value changes

(Rs. In Lakhs)

Particulars	Year ended	Year ended
	March 31, 2025	March 31, 2024
Realised Loss / (Gain)	-	-
Unrealised Loss / (Gain)	(2,211.72)	(2,001.88)
Total	(2,211.72)	(2,001.88)

27 Employee Benefits Expense

(Rs. In Lakhs)

Particulars	Year ended	Year ended
	March 31, 2025	March 31, 2024
Salaries, bonus, other allowances and benefits	345.03	321.21
Contribution to provident fund and other funds	-	-
Gratuity Expense (Refer note 34)	5.80	8.04
Total	350.83	329.25

28 Other Expenses

(Rs. In Lakhs)

Particulars	Year ended	Year ended
	March 31, 2025	March 31, 2024
Payment to Auditors (Refer Note 28.1)	4.15	4.00
Advances- Write Off	200.00	-
Business Promotion Expenses	5.00	-
Corporate Social Responsibility (Refer Note 33)	20.00	23.50
CIRP Cost	69.45	-
Director's Sitting Fees	9.90	8.45
Electricity Exp	2.61	2.17
Insurance Expenses	8.10	1.03
Legal & Professional Expenses	170.34	90.53
Membership Fees & Subscription	2.15	2.15
Miscellaneous Expenses Written Off	-	-
Office Expenses	4.70	5.08
Office Rent	63.49	56.70
Operational Expenses	2.32	2.56
Rates & Taxes	177.47	30.77
Rating Fees	8.22	4.68
Repair & Maintenance	9.42	4.71
Resolution Agency Fees	-	90.65
Reversal of Expenses as per RBI Guidelines	250.52	98.90
Security Services Expenses	62.42	13.56
Statutory & Other Compliance Fees	11.98	3.44
Tours & Travelling Expenses	9.20	9.21
Total	1,091.43	452.11

RARE ASSET RECONSTRUCTION LIMITED
Notes to the Consolidated Financial Statements

28.1 Details of payment to auditors (Excluding Goods and Service Tax)

(Rs. In Lakhs)

Particulars	Year ended	Year ended
	March 31, 2025	March 31, 2024
- Audit Fees	2.50	2.30
- Other Services	1.65	1.70
Total	4.15	4.00

29 Impairment on Other Financial Assets

(Rs. In Lakhs)

Particulars	Year ended	Year ended
	March 31, 2025	March 31, 2024
At Amortised Cost		
Other financial assets	3.50	-
Total	3.50	-

30 Income Tax Expense

(a) Amounts recognised in profit and loss

(Rs. In Lakhs)

Particulars	Year ended	Year ended
	March 31, 2025	March 31, 2024
Current Tax	343.20	290.46
Deferred Tax	1.22	(0.50)
Total income tax expenses recognised in the current year	344.43	289.96
Income tax expense recognised in other comprehensive income	(0.38)	1.44
Total tax expenses for the year	344.05	291.40

(b) Reconciliation of the total tax expense

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2025 and

(Rs. In Lakhs)

Particulars	2024-25	2023-24
Profit/ (loss) for the year	1,296.84	1,102.41
Income tax rate	25.17%	25.17%
Income tax expense	326.39	277.45
Tax effect of :		
Effect of non-deductible expenses/Allowable expenses	6.80	(6.23)
Re-measurement of employee defined benefit obligation	(0.38)	1.44
CSR Expenditure Disallowance	5.03	5.91
Other	6.20	12.82
Total tax expense recognised in profit and loss	344.05	291.40
Effective Income Tax Rate	26.53%	26.43%

(c) Deferred tax recorded in the income tax expenses :

Year ended March 31,2025

Particulars	Opening deferred tax asset/(liability)	Recognised in profit or loss	Recognised in Other Equity	Recognised in Other Comprehensive Income
Measurement of financial instruments at fair value	-	72.80	-	-
Impairment of financial instruments	-	2.06	-	-
Difference between books and tax written down value of Property, Plant and Equipment	1.55	0.38	-	-
Others (43B, 35D, etc. allowances under Income Tax Act, 1961)	-	(76.47)	-	-
Total	1.55	(1.22)	-	-

RARE ASSET RECONSTRUCTION LIMITED
Notes to the Consolidated Financial Statements

Year ended March 31,2024

Particulars	Opening deferred tax asset/(liability)	Recognised in profit or loss	Recognised in Other Equity	Recognised in Other Comprehensive Income
Measurement of financial instruments at fair value	-	-	-	-
Impairment of financial instruments	-	-	-	-
Difference between books and tax written down value of Property, Plant and Equipment	1.05	0.50	-	-
Others (43B, 35D, etc. allowances under Income Tax Act, 1961)	-	-	-	-
Total	1.05	0.50	-	-

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and

31 Earning per Share

(Rs. In Lakhs)

Particulars	Year ended	Year ended
	31-Mar-25	31-Mar-24
Profit/(Loss) for the year attributable to equity shareholders - Basic EPS	(1,683.90)	(1,369.95)
Profit/(Loss) for the year attributable to equity shareholders - Diluted EPS	(1,683.90)	(1,369.95)
Weighted average number of equity shares outstanding during the year for calculating	14,26,56,556	14,24,78,960
Weighted average number of equity shares outstanding during the year for calculating	14,26,56,556	14,24,78,960
Basic earnings per share	-1.18	-0.96
Diluted earning per share	-1.18	-0.96
Nominal value of equity shares – (Rs. Per Share)	10	10

32 Segment Reporting:

The group operates in a segment of distressed credit business and all other activities are incidental to its main business activities as per requirement of Ind AS- 108 on Operating Segment. The reportable business segment is in line with the segment wise information which is being presented to the Chief Operating Decision Maker. The Group has one geographical segment identified based on its location of customers which is within India.

33 Corporate Social Responsibility (CSR)

Details of CSR expenditure:

Particulars	For the year ended
	March 31, 2025
a) Gross amount required to be spent by the Group during the year	19.87
b) Amount spent during the year	
- Yet to be Paid in Cash	
- In Cash	20.00
Total	20.00
c) Short fall at the end of the year	-
d) Total Previous years shortfall	-
e) Reason for shortfall	-
f) Amount contributed to a trust controlled by the Group	-
g) Nature of CSR Activities	
(i) Construction / acquisition of any asset	
(ii) On purposes other than (i) above	20.00
Total	20.00

RARE ASSET RECONSTRUCTION LIMITED
Notes to the Consolidated Financial Statements

34 Employee Benefits

Defined benefit obligation

The Group's liabilities under the Payment of Gratuity Act, 1972 are determined on the basis of independent actuarial valuation made at the end of each financial year using the projected unit credit method. The plan is of a final salary defined benefit in nature which is sponsored by the Group and hence it underwrites all the risks pertaining to the plan. The actuarial risks associated are:

Interest Rate Risk:

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

Salary Risks:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk:

The plan faces the ALM risk as to the matching cash flow. entity has to manage pay-out based on pay as you go basis from own funds.

Mortality risk:

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

The expense recognized for Gratuity for the year has been determined by an actuary in conformity with the principle set out in Ind AS 19, the details of which are as under:

(Rs. In Lakhs)		
	As on March 31, 2025	As on March 31,2024
Assumptions (Current Period)		
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	6.59%	7.17%
Rate of Salary Increase	10.00%	10.00%
Rate of Employee Turnover	15.00%	15.00%
Mortality Rate During Employment	Indian Assured Lives	Indian Assured Lives
Table Showing Change in the Present Value of Defined Benefit Obligation		
Present Value of Benefit Obligation at the Beginning of the Period	42.51	41.42
Interest Cost	3.05	3.02
Current Service Cost	2.75	5.01
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	-	-
(Liability Transferred Out/ Divestments)	-	-
(Gains)/ Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	-	(1.21)
(Benefit Paid From the Fund)	-	-
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in	1.18	0.20
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.33	(5.93)
Present Value of Benefit Obligation at the End of the Period	49.82	42.51
Table Showing Change in the Fair Value of Plan Assets		
Fair Value of Plan Assets at the Beginning of the Period	-	-
Interest Income	-	-
Contributions by the Employer	-	-
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid from the Fund)	-	-

RARE ASSET RECONSTRUCTION LIMITED

Notes to the Consolidated Financial Statements

(Assets Distributed on Settlements)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	-	-
Fair Value of Plan Assets at the End of the Period	-	-
Amount Recognized in the Balance Sheet		
(Present Value of Benefit Obligation at the end of the Period)	(49.82)	(42.51)
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status (Surplus/ (Deficit))	(49.82)	(42.51)
Net (Liability)/Asset Recognized in the Balance Sheet	(49.82)	(42.51)
Present Value of Benefit Obligation at the Beginning of the Period	42.51	41.42
(Fair Value of Plan Assets at the Beginning of the Period)	-	-
Net Liability/(Asset) at the Beginning	42.51	41.42
Interest Cost	3.05	3.02
(Interest Income)	-	-
Net Interest Cost for Current Period	3.05	3.02
Expenses Recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	2.75	5.01
Net Interest Cost	3.05	3.02
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses Recognized	5.80	8.04
Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/Losses on Obligation For the Period	1.51	(5.73)
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	1.51	(5.73)
Balance Sheet Reconciliation		
Opening Net Liability	42.51	41.42
Expenses Recognized in Statement of Profit or Loss	5.80	8.04
Expenses Recognized in OCI	1.51	(5.73)
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	-	(1.21)
(Employer's Contribution)	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	49.82	42.51
Category of Assets		
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance fund	-	-
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
Total	-	-

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Notes to the Consolidated Financial Statements

Other Details		
No of Members in Service	18	16
Per Month Salary For Members in Service	15.62	14.36
Weighted Average Duration of the Defined Benefit Obligation	5	5
Average Expected Future Service	5	5
Defined Benefit Obligation (DBO) - Total	49.82	42.51
Defined Benefit Obligation (DBO) - Due but Not Paid	-	-
Expected Contribution in the Next Year	-	-
Net Interest Cost for Next Year		
Present Value of Benefit Obligation at the End of the Period	49.82	42.51
(Fair Value of Plan Assets at the End of the Period)	-	-
Net Liability/(Asset) at the End of the Period	49.82	42.51
Interest Cost	3.28	3.05
(Interest Income)	-	-
Net Interest Cost for Next Year	3.28	3.05
Expenses Recognized in the Statement of Profit or Loss for Next Year		
Current Service Cost	3.79	2.75
Net Interest Cost	3.28	3.05
(Expected Contributions by the Employees)	-	-
Expenses Recognized	7.07	5.80
Maturity Analysis of the Benefit Payments		
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	7.78	6.87
2nd Following Year	7.53	6.17
3rd Following Year	6.66	5.71
4th Following Year	6.06	5.09
5th Following Year	5.35	12.80
Sum of Years 6 To 10	22.70	14.45
Sum of Years 11 and above	13.33	6.87
Sensitivity Analysis		
Defined Benefit Obligation on Current Assumptions	49.82	42.51
Delta Effect of +1% Change in Rate of Discounting	(1.99)	(1.47)
Delta Effect of -1% Change in Rate of Discounting	2.19	1.59
Delta Effect of +1% Change in Rate of Salary Increase	0.84	0.61
Delta Effect of -1% Change in Rate of Salary Increase	(0.81)	(0.59)
Delta Effect of +1% Change in Rate of Employee Turnover	0.16	0.08
Delta Effect of -1% Change in Rate of Employee Turnover	(0.17)	(0.08)
The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.		

RARE ASSET RECONSTRUCTION LIMITED
Notes to the Consolidated Financial Statements

35 Disclosures in respect of related parties pursuant to Ind AS - 24 'Related Party Disclosures'

(A) Name and relationship with related parties:

Sr. No **Name of related parties**
I Holding company
-Rare Asset Reconstruction Limited

II Promoter
-Renaissance Fiscal Services Pvt Ltd

III Key Managerial Personnel & Directors:

(i)	Mr. Anil Kumar Bhandari	Managing Director
(ii)	Mr. Sandeep Vrat	Director & Chief Executive
(iii)	Mr. Umesh Bafna	Chief Financial Officer
(iv)	Mr. Prashant Chakravorty	Independent Director (w.e.f June
(v)	Mr. Ramaswamy Venkatraman Iyer	Independent Director
(vi)	Ms. Shikha Bhandari	Non Executive Director
(vii)	Mr. Dilip Kumar Daga	Independent Director
(viii)	Ms. Deepika Agrawal	Company Secretary

(B) 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	(Rs. In Lakhs)	
		From April 1, 2024 to March, 2025	From April 1, 2023 to March, 2024
Renaissance Fiscal Services Pvt Ltd	(A)		
Share Issued and Alloted (50,00,000 Shares @ Rs.10.00 FV)		-	500.00
Security Premium Received (50,00,000 Shares @ Rs.30.00		-	1,500.00
Security Deposit / Inter Corporate Unsecured Borrowing taken from		10,145.00	5,970.00
Security Deposit / Inter Corporate Unsecured Borrowing paid to		12,493.16	4,260.00
Rent Paid		63.49	56.70
Interest on Inter Corporate Deposit Paid		221.73	290.71
Dividend paid		117.37	117.37
Key Managerial Personnel & Directors	(A)		
Loan taken /(Repaid)		-	-
Remuneration		210.00	168.00
Sitting Fees Paid		9.90	8.45
Dividend Paid		6.68	6.68
Salary Paid		31.43	25.68

(C) Closing Balances:

Name of the Related Party	Nature of Relationship	(Rs. In Lakhs)		
		As at March 31 , 2025	As at March 31, 2024	As at April 01, 2023
Security Deposit and Inter Corporate Deposit Payable	(A)			
Renaissance Fiscal Services Pvt Ltd		7,176.74	9,303.16	7,331.51
Trade Payable	(A)			
Renaissance Fiscal Services Pvt Ltd		-	-	-
Key Managerial Personnel & Directors	(A)	0.26	0.15	-

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

36 Capital Management

The Group'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 Group's overall strategy remains unchanged from previous year.

Capital Risk Adequacy Ratio (CRAR)

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

Particulars	(Rs. In Lakhs)		
	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Net Owned Fund	21,027.81	20,361.84	17,820.42
Risk Weighted Assets	1,22,696.18	1,14,491.91	1,11,647.81
Capital Adequacy Ratio	17.14%	17.78%	15.96%

Debt to equity ratio

Particulars	(Rs. In Lakhs)		
	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Borrowings (Debt securities and borrowing other than debt securities)	58,372.97	29,111.81	35,940.01
Total equity	21,027.81	20,361.84	17,820.42
Debt Equity Ratio	2.78	1.43	2.02

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37 Fair Value Measurements

i) Fair value hierarchy and methods of Valuation

This note explains the judgements and estimates made in determining the fair values of the financial instruments that are

a) recognized and measured at fair value and b) measured at amortized cost and for which fair values are disclosed in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2 fair value measurements are those derived from quoted prices of equity instruments.

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). The input factors considered are estimated cash flows, collateral values and other assumptions etc.

ii) Category wise Classification of Financial Instruments

Category wise Classification of Financial Instruments as at March 31, 2025

(Rs. In Lakhs)

Particulars	Carrying Amount				Fair Value			
	FVTPL	FVOCI	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and Cash Equivalents	-	-	20.08	20.08	-	-	-	-
Other Bank balances	-	-	16,354.48	16,354.48	-	-	-	-
Investment in Security Receipts	44,410.07	-	-	44,410.07	-	-	44,410.07	44,410.07
Financial assets acquired from banks and financial institutions	31,558.19	-	-	31,558.19	-	-	31,558.19	31,558.19
Other financial assets	51,177.41	-	2,089.35	53,266.76	-	-	51,177.41	51,177.41
Total financial assets	1,27,145.67	-	18,463.91	1,45,609.58	-	-	1,27,145.67	1,27,145.67
Financial liabilities								
Trade payables	-	-	12.74	12.74	-	-	-	-
Debt Securities	-	-	27,090.39	27,090.39	-	-	-	-
Borrowing	-	-	31,282.58	31,282.58	-	-	-	-
Other financial liabilities	-	-	58,657.05	58,657.05	-	-	-	-
Total financial liabilities	-	-	1,17,042.76	1,17,042.76	-	-	-	-

Category wise Classification of Financial Instruments as at March 31, 2024

(Rs. In Lakhs)

Particulars	Carrying Amount				Fair Value			
	FVPL	FVOCI	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and Cash Equivalents	-	-	503.00	503.00	-	-	-	-
Other Bank balances	-	-	2,171.19	2,171.19	-	-	-	-
Investment in Security Receipts	56,856.49	-	-	56,856.49	-	-	56,856.49	56,856.49
Financial assets acquired from banks and financial institutions	35,477.84	-	-	35,477.84	-	-	35,477.84	35,477.84
Other financial assets	21,558.61	-	1,602.54	23,161.15	-	-	21,558.61	21,558.61
Total financial assets	1,13,892.94	-	4,276.73	1,18,169.67	-	-	1,13,892.94	1,13,892.94
Financial liabilities								
Trade payables	-	-	12.94	12.94	-	-	-	-
Debt Securities	-	-	6,400.00	6,400.00	-	-	-	-
Borrowing	-	-	22,711.81	22,711.81	-	-	-	-
Other financial liabilities	-	-	66,629.70	66,629.70	-	-	-	-
Total financial liabilities	-	-	95,754.45	95,754.45	-	-	-	-

Category wise Classification of Financial Instruments as at April 01, 2023

(Rs. In Lakhs)

Particulars	Carrying Amount				Fair Value			
	FVPL	FVOCI	Amortized	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and Cash Equivalents	-	-	783.22	783.22	-	-	-	-
Other Bank balances	-	-	1,521.62	1,521.62	-	-	-	-
Investment in Security Receipts	49,983.37	-	-	49,983.37	-	-	49,983.37	49,983.37
Financial assets acquired from banks and financial institutions	37,826.94	-	-	37,826.94	-	-	37,826.94	37,826.94
Other financial assets	19,489.67	-	357.22	19,846.90	-	-	19,489.67	19,489.67
Total financial assets	1,07,299.98	-	2,662.06	1,09,962.04	-	-	1,07,299.98	1,07,299.98
Financial liabilities								
Trade payables	-	-	3.86	3.86	-	-	-	-
Debt Securities	-	-	1,100.00	1,100.00	-	-	-	-
Borrowing	-	-	34,840.01	34,840.01	-	-	-	-
Other financial liabilities	-	-	52,439.14	52,439.14	-	-	-	-
Total financial liabilities	-	-	88,383.00	88,383.00	-	-	-	-

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iii) Valuation technique used to determine fair value

For level 1 - Listed equity instruments are fair valued using quoted prices;

For level 2 - fair value measurements are derived from quoted prices of equity instruments; and

For level 3 - fair value measurements are derived on a recovery range provided by the External Rating Agency and other unobservable inputs. The values of financial instruments are estimated using a combination of the recovery range provided by the External Rating Agency and discounting the estimated cash flows based on realization of collateral values, etc. using interest rate on borrowing of the Group. Further, necessary and appropriate adjustments (adequate provisions for contingencies/appropriate discounting of the cash flows) have been made by considering credit risk, uncertainties associated with prevailing economic condition, timing of the recoveries, strategy which may involve actions such as settling dues, selling assets through legal action or other means like NCLT, restructuring, and bringing in investors or strategic partners and the value at which the collaterals are expected to be recovered for determination of fair value of the financial assets.

iv) Fair value measurements use significant unobservable inputs (Level-3):

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

(Rs. In Lakhs)				
Particulars	Financial Asset acquired under Distressed Business	Investment in Security Receipts	Financial assets acquired from banks and financial institutions	Total
As at April 1, 2023	19,489.67	49,983.37	37,826.94	1,07,299.98
Acquisitions made	-	15,064.30	10,195.76	25,260.06
(Realisations) made	(656.05)	(8,179.28)	(7,093.82)	(15,929.15)
Change in controlling interest	2,699.50	(682.91)	-	2,016.59
Write off	-	(874.98)	(1,877.67)	(2,752.65)
Net gain/(loss) on fair value changes	25.49	1,545.99	(3,573.37)	(2,001.89)
As at March 31, 2024	21,558.61	56,856.49	35,477.84	1,13,892.94
Acquisitions made	17,704.65	5,756.52	10,095.01	33,556.17
(Realisations) made	(3,704.31)	(2,892.24)	(17,501.37)	(24,097.92)
Change in controlling interest	18,100.00	(10,268.72)	-	7,831.28
Write off	-	(1,242.25)	(582.85)	(1,825.10)
Net gain/(loss) on fair value changes	(2,481.54)	(3,799.72)	4,069.56	(2,211.71)
As at March 31, 2025	51,177.41	44,410.07	31,558.19	1,27,145.67

v) Sensitivity for instruments

(Rs. In Lakhs)

Nature of the instrument	As at March 31, 2025		As at March 31, 2024	
	increase in net cash	decrease in net cash	increase in net cash	decrease in net cash
Investment in Security Receipts	444.10	(444.10)	568.56	(568.56)
Financial assets acquired from banks and financial institutions	315.58	(315.58)	354.78	(354.78)

38 Financial risk Management

The Group's activities expose it to credit risks, liquidity risks and market risks.

Risk management forms an integral part of the business and as it being into distressed credit business it exposed to several risks related to stress assets i.e. Non-Performing Assets (NPA) acquired from banks and financial institutions. The Group has a robust account monitoring system which ensures early detection of risks whereby timely action can be taken to surmount any avoidable slippages. The Group has an effective mechanism of driving business through policies and committees. The Group has well balance and experienced team of resources to drive its business.

The Group has established Risk Management Committee responsible for identifying, developing, monitoring and mitigating all the risks related to its business. The committees reports to the board of directors on regular basis.

i) Credit Risk

Credit risk is the risk of loss that may occur from the failure of party to abide by the terms and conditions of any financial contract, principally the failure to make the required payments. In order to minimize credit risk, the Group has adopted a policy of acquisition of asset in a transparent manner and at a fair price in a well-informed market and the transactions are executed at arm's length in exercise of due diligence and adopt an industry / sector neutral and geography neutral approach in targeting financial assets for acquisition. Credit risk management is achieved by considering the factors like cash flow, collateral values, etc.

In order to minimize credit risk, the Group has tasked its Risk Management Committee to develop and maintain the Group's credit risk grading's.

Group has classified its receivables into following category:

- (a) Other receivables under distress credit business.

Provision for expected credit loss

(1) For other receivables under distressed credit business:

For the purpose of measuring the expected credit loss, including the lifetime expected credit loss allowances for other receivables under distress credit business, the Group has used a practical expedient as permitted under Ind AS 109.

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There is no credit period defined for other receivables and amount is due on the date of invoice/ debit note. Interest is charged on overdue amount as per terms agreed.

Movement of provision for impairment

As at March 31, 2025		(Rs. In Lakhs)
Particulars	Other financial Asset	Total
ECL allowance - opening balance	-	-
Addition	3.50	3.50
Closing Balance	3.50	3.50

ii) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. However, the Group believes that it has a strong financial position and business is adequately capitalized, have good credit rating and appropriate credit lines available to address liquidity

Ultimate responsibility for liquidity risk rest with the management, which has established an appropriate liquidity risk framework for the management of the Group's short term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Group has undrawn lines of credit of Rs NIL, Rs 20 Lakhs and Rs NIL as of March 31, 2025, March 31, 2024 and April 1, 2023 respectively, from its bankers for working capital requirements. The Group also has Bank balances of Rs 18.16 Lakhs as on March 31, 2025.

Exposure to liquidity risk

The following are the details of Group's remaining contractual maturities of financial liabilities reporting date. The amounts are gross and undiscounted.

As at March 31, 2025			(Rs. In Lakhs)			
Particulars	Contractual cash flows					
	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities						
Trade payables	12.74	12.74	12.74			
Debt Securities	27,090.39	27,090.39	5,405.02	7,386.33	14,299.04	-
Borrowing (Other Than Debt Securities)	31,282.58	31,282.58	20,456.17	-	6,765.11	4,061.30
Other financial liabilities	58,657.05	58,657.05	16,740.41	13,350.00	18,550.50	10,016.14
Total financial liabilities	1,17,042.76	1,17,042.76	42,614.34	20,736.33	39,614.65	14,077.44

As at March 31, 2024			(Rs. In Lakhs)			
Particulars	Contractual cash flows					
	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities						
Trade payables	12.94	12.94	12.94			
Debt Securities	6,400.00	6,400.00	-	1,100.00	5,300.00	-
Borrowing (Other Than Debt Securities)	22,711.81	22,711.81	1,547.06	13,924.15	7,240.60	-
Other financial liabilities	66,629.70	66,629.70	13,527.22	11,940.27	15,055.50	26,106.71
Total financial liabilities	95,754.45	95,754.45	15,087.22	26,964.42	27,596.10	26,106.71

As at April 1, 2023		(Rs. In Lakhs)				
Particulars	Contractual cash flows					
	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities						
Trade payables	3.86	3.86	3.86			
Debt Securities	1,100.00	1,100.00		1,100.00		
Borrowing (Other Than Debt Securities)	34,840.01	34,840.01	622.42	20,614.34	4,478.29	9,124.96
Other financial liabilities	52,439.14	52,439.14	7,434.31	17,902.84	15,089.00	12,012.99
Total financial liabilities	88,383.00	88,383.01	8,060.59	39,617.18	19,567.29	21,137.95

Note

- a) The maturities of the financial assets are based on the management's estimation on realization.

iii) Interest Rate Risk

The Group is exposed to interest rate risk pertaining to funds borrowed at both fixed and floating interest rates. The Group has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk and provide appropriate guidelines to the Treasury to manage such risk. The ALCO reviews the interest rate risk on periodic basis and decides on the appropriate funding mix.

Exposure to interest rate risk

The exposure of the Group's borrowings to the interest rates risk at the end of the reporting period is

(Rs. In Lakhs)			
Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Fixed rate borrowings	31,282.58	22,711.81	34,840.01
Floating Rate Borrowings	-	-	-
Total	31,282.58	22,711.81	34,840.01

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Interest rate Sensitivity analysis:

The sensitivity analysis has been determined based on the exposure to interest rates at the end of the reporting period. The Group does not have any borrowing, wherein interest are charged on floating rate basis, therefore Sensitivity analysis not provided.

39 Contingent liabilities

(a)

The Group has extended Bank Guarantees of Rs. 1300 Lakh (Previous Year: 900.55 Lakh) in favour of the resolution professional / corporate debtor, issued by IDBI Bank for Rs. 500 Lakh and by ICICI Bank for Rs.800 Lakh 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 demand of Rs 8918.80 Lakhs (Previous Year Rs 8918.80 Lakhs) against which the Holding Company has filled Appeal and same is pending before Appellate Authority.

40 A) Entities considered for Consolidation

a) Composition of the Group

Information about the composition of the Group at the end of the reporting period is as follows:

Name of the Entity	Principal activity	Country of incorporation	Proportion of ownership interest and		
			As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Raytheon ARC 008 Trust	Asset reconstruction	India	51%	51%	51%
Rare ARC 016 Trust	Asset reconstruction	India	100%	100%	-
Rare ARC 024 Trust	Asset reconstruction	India	56%	56%	56%
Rare ARC 026 Trust	Asset reconstruction	India	100%	100%	100%
Rare ARC 033 Trust	Asset reconstruction	India	100%	100%	-
Rare ARC 036 Trust	Asset reconstruction	India	51%	51%	51%
Rare ARC 037 Trust	Asset reconstruction	India	51%	51%	51%
Rare ARC 042 Trust	Asset reconstruction	India	-	-	100%
Rare ARC 052 Trust	Asset reconstruction	India	100%	100%	100%
Rare ARC 053 Trust	Asset reconstruction	India	100%	100%	100%
Rare ARC 061 Trust @	Asset reconstruction	India	77%	-	-
Rare ARC 062 Trust @	Asset reconstruction	India	-	57%	-
Rare ARC 064 Trust *	Asset reconstruction	India	100%	-	-
Rare ARC 066 Trust *	Asset reconstruction	India	69%	-	-
Rare ARC 069 Trust *	Asset reconstruction	India	75%	-	-
Rare ARC 070 Trust *	Asset reconstruction	India	99%	-	-
Rare ARC 073 Trust *	Asset reconstruction	India	100%	-	-
Rare ARC 074 Trust *	Asset reconstruction	India	100%	-	-

- Rare ARC 016 Trust has become subsidiary w.e.f FY 2023-24.
- Rare ARC 033 Trust has become subsidiary w.e.f FY 2023-24.
- Percentage of ownership interest reduced in Rare ARC 042 Trust in FY 2023-24 & 2024-25.
- Rare ARC 061 Trust has become subsidiary w.e.f FY 2024-25
- @ Trust addition during FY 23-24.
- * Trust addition during FY 24-25.

B) Additional Information, as required under Schedule III to the Act, 2013, of entities consolidated as Subsidiary.

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Particulars	Net Assets, i.e., total assets		Share in profit or (loss)		Share in Other		Share in Total	
	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets
Parent								
Rare Asset Reconstruction Limited	(22,887.40)	-81.92%	1,115.06	-73.85%	(1.13)	100.00%	1,113.93	-73.72%
Subsidiary Trusts in India								
Raytheon ARC 008 Trust	(0.22)	0.00%	27.55	-1.82%	-	-	27.55	-1.82%
Rare ARC 016 Trust	244.55	0.88%	(0.43)	0.03%	-	-	(0.43)	0.03%
Rare ARC 024 Trust	2290.01	8.20%	25.18	-1.67%	-	-	25.18	-1.67%
Rare ARC 026 Trust	7538.03	26.98%	(0.92)	0.06%	-	-	(0.92)	0.06%
Rare ARC 033 Trust	3993.19	14.29%	(0.81)	0.05%	-	-	(0.81)	0.05%
Rare ARC 036 Trust	304.33	1.09%	(0.22)	0.01%	-	-	(0.22)	0.01%
Rare ARC 037 Trust	302.04	1.08%	(0.23)	0.01%	-	-	(0.23)	0.01%
Rare ARC 052 Trust	3837.83	13.74%	(32.88)	2.18%	-	-	(32.88)	2.18%
Rare ARC 053 Trust	840.69	3.01%	(13.22)	0.88%	-	-	(13.22)	0.87%
Rare ARC 061 Trust	15920.89	56.99%	(63.60)	4.21%	-	-	(63.60)	4.21%
Rare ARC 064 Trust	(43.41)	-0.16%	(2,538.32)	168.11%	-	-	(2,538.32)	167.99%
Rare ARC 066 Trust	8155.93	29.19%	(23.96)	1.59%	-	-	(23.96)	1.59%
Rare ARC 069 Trust	1805.08	6.46%	(0.87)	0.06%	-	-	(0.87)	0.06%
Rare ARC 070 Trust	348.22	1.25%	(0.57)	0.04%	-	-	(0.57)	0.04%
Rare ARC 073 Trust	187.32	0.67%	(1.14)	0.08%	-	-	(1.14)	0.08%
Rare ARC 074 Trust	5099.96	18.26%	(0.51)	0.03%	-	-	(0.51)	0.03%
Total	27937.04	100.00%	(1,509.88)	100.00%	(1.13)	100.00%	(1,511.01)	100.00%

RARE ASSET RECONSTRUCTION LIMITED
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41 Maturity Analysis of Assets and Liabilities

(Rs. In Lakhs)

Sr. NO.	Particulars	As at March 31, 2025			As at March 31, 2024			As at April 01, 2023		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
1	ASSETS									
a	Financial Assets									
a	Cash and Cash Equivalents	20.08	-	20.08	503.00	-	503.00	783.22	-	783.22
b	Bank Balances Other Than (a) above	16,354.48	-	16,354.48	2,171.19	-	2,171.19	1,521.62	-	1,521.62
c	Investments	20,925.94	55,042.32	75,968.26	9,313.81	83,020.52	92,334.33	16,815.11	70,995.19	87,810.30
d	Other Financial Assets	16,010.13	37,256.62	53,266.76	2,831.92	20,329.23	23,161.15	1,863.98	17,982.91	19,846.90
	Total Financial Assets	53,310.63	92,298.94	1,45,609.57	14,819.92	1,03,349.75	1,18,169.67	20,983.93	88,978.11	1,09,962.04
2	Non- Financial Assets									
a	Current Tax Assets(Net)	-	-	-	-	-	-	-	-	-
b	Deferred Tax Assets(Net)	-	0.33	0.33	-	1.55	1.55	-	1.05	1.05
c	Property, plant and equipments	-	71.59	71.59	-	79.86	79.86	-	92.81	92.81
d	Other Non- Financial Assets	4.75	-	4.75	1.22	-	1.22	2.88	-	2.88
	Total Non-Financial Asset	4.75	71.92	76.67	1.22	81.41	82.63	2.88	93.86	96.74
	Total Assets (A)	53,315.38	92,370.86	1,45,686.24	14,821.14	1,03,431.16	1,18,252.30	20,986.81	89,071.97	1,10,058.78
1	LIABILITIES AND EQUITY									
a	LIABILITIES									
a	Financial Liabilities									
	Payables									
	Trade Payables									
	(i) total outstanding dues of micro enterprises and small enterprises.	-	-	-	-	-	-	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises.	12.74	-	12.74	12.94	-	12.94	3.86	-	3.86
b	Debt Securities	1,100.00	25,990.39	27,090.39	-	6,400.00	6,400.00	-	1,100.00	1,100.00
c	Borrowings(other than debt securities)	20,456.17	10,826.41	31,282.58	1,547.06	21,164.75	22,711.81	622.42	34,217.59	34,840.01
d	Other financial Liabilities	16,740.41	41,916.64	58,657.05	13,527.22	53,102.48	66,629.70	7,434.31	45,004.83	52,439.14
	Total Financial Liabilities	38,309.32	78,733.44	1,17,042.76	15,087.22	80,667.23	95,754.45	8,060.59	80,322.42	88,383.00
2	Non-Financial Liabilities									
a	Current Tax Liabilities(Net)	83.45	-	83.45	223.45	-	223.45	64.04	-	64.04
b	Provisions	42.04	7.78	49.82	35.64	6.87	42.51	34.04	7.38	41.42
c	Other non-financial Liabilities	573.18	-	573.18	379.38	-	379.38	453.39	-	453.39
	Total Non-Financial Liabilities	698.67	7.78	706.45	638.47	6.87	645.34	551.47	7.38	558.85
	Total Liabilities (B)	39,007.98	78,741.22	1,17,749.20	15,725.70	80,674.10	96,399.80	8,612.06	80,329.80	88,941.85
	Net (A-B)	14,307.40	13,629.64	27,937.04	(904.56)	22,757.06	21,852.50	12,374.75	8,742.17	21,116.93

RARE ASSET RECONSTRUCTION LIMITED
Notes to the Consolidated Financial Statements

42 Additional Regulatory Information

- (i) The Group does not have any pending litigations which would impact its financial position.
- (ii) The Group does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
- (iv) The Group has not been declared as Wilful Defaulter by any bank or financial institutions or government or any government authority.
- (v) The Group has no transactions with the companies struck off under the Companies Act, 2013.
- (vi) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (vii) The Group has complied with the number of layers prescribed under the Companies Act, 2013.
- (viii) The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (ix)(A) During the year, the Group has not advanced or given as loan 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 Group (Ultimate Beneficiaries). Or
 - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ix)(B) During the year, the Group 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.
- (x) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (xi) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (xii) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.
- (xiii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

- 43** Pursuant to notification issued by the Ministry of Corporate Affairs (MCA) dated August 16, 2019, on Companies (Share Capital and Debentures) Rules, 2014, ('Rules'), the Group is not required to create DRR and as per MCA notification dated June 5, 2020, the Group is also exempted to invest or deposit a sum which shall not be less than 15% of the amount of the Debentures issued and maturing during the financial year.

44 Dividend

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

(Rs. In Lakhs)			
Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
At the end of FY, directors have recommended the payment of a final dividend of Re. 0.30 per fully paid equity share (March 31, 2024 -Rs 0.20 and March 31, 2023 -Rs 0.20). The said proposed dividend is subject to the approval of shareholders in ensuing annual general meeting.	457.97	285.31	275.31

- 45** Balances with respect to "Borrowings (other than debt securities)", "Other Financial Liabilities" and "Other Financial Assets" are subject to balance confirmations, reconciliation.

- 46** The figures for the previous year have been regrouped/rearranged wherever necessary to make them comparable with the current year's figures.

As per our report of even date

For **Mehra Lodha & Co.**

Chartered Accountants

Firm Reg No - 106250W

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

Prakash D. Shah

Partner

Membership No - 034363

Anilkumar Bhandari

Managing Director

DIN: 02718111

Sandeep Vrat

Director & CEO

DIN : 07271783

Place: Ahmedabad

Date: May 28, 2025

UDIN : 25034363BMOCFM9669

Umesh Bafna

Chief Financial Officer

Deepika Agarwal

Company Secretary