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Serial No.

Series No: RARC MLD Series
RARC/A03

Dated: January 08, 2019

Reliance Asset Reconstruction Company Limited

(the “Company” or the “Issuer”)

Registered Office: Reliance Centre, 6th Floor, North Wing, Off Western Express Highway, Santacruz (East), Mumbai 400055

Tel.: +91 22 3303 1000, Fax: +91 22 3303 6664, Website: www.rarcl.com

Corporate Identity Number: U45200MH2006PL161190

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INFORMATION MEMORANDUM OF PRIVATE PLACEMENT FOR ISSUE OF 200 RATED, LISTED, SECURED, REDEEMABLE, PRINCIPAL PROTECTED NON-CONVERTIBLE MARKET LINKED DEBENTURES (“NCDs”/“DEBENTURES”), OF FACE VALUE OF INR 1,00,000/- (RUPEES ONE LAKH ONLY) EACH AGGREGATING TO INR 2,00,00,000 (RUPEES TWO CRORE ONLY) WITH AN OPTION TO RETAIN OVERSUBSCRIPTION AGGREGATING TO INR 3,00,00,000 (Rupees Three Crore Only) ON A PRIVATE PLACEMENT BASIS (THE “ISSUE”).

NEITHER THE ISSUER NOR ANY OF ITS PROMOTERS OR DIRECTORS HAS BEEN DECLARED AS A WILFUL DEFAULTER.

RISKS IN RELATION TO ISSUE

There has been no formal market for the securities of the Issuer. No assurance can be given regarding an active or sustained trading in the securities of the Issuer or regarding the price at which the securities will be traded after listing.

GENERAL RISKS

Investment in the Debentures involves a degree of risk and Investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment if the Debentures are not held till maturity or for any reason have to be sold or redeemed before the Final Redemption Date (as defined below). Before taking an investment decision, Investors must rely on their own examination of the Issuer and the offer including the risks involved. The Debentures have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of Investors is invited to the statement of risk factors set out in this disclosure document of

private placement in relation to the issue of Debentures on private placement basis (“**Information Memorandum**”). This Information Memorandum has not been submitted, cleared or approved by SEBI. It should be clearly understood that the Issuer is solely responsible for the correctness, adequacy and disclosure of all relevant information herein.

ISSUER’S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Information Memorandum contains all information as regards to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Any person placing reliance on any other source of information would be doing so at their own risk.

CREDIT RATING

BWR PP MLD AA- (Pronounced as BWR Principal Protected Market Linked Debenture Double A Minus) by Brickwork Ratings India Private Limited (“Brickwork”), for borrowings upto on aggregate amount of Rs.100 (Rupees One Hundred Crore Only).

Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit.

The rating(s) of any Series is not a recommendation to buy, sell or hold securities and investors should take their own decisions. Brickwork’s ratings are opinions on credit quality and are not recommendations to buy sell or hold any security. Brickwork’s has based its ratings on information obtained from sources believed by them to be accurate and reliable. Brickwork’s does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most issuers’ securities rated by Brickwork’s have paid a credit rating fee, based on the amount and type of securities issued. The rating may be subject to revision or withdrawal at any time by the rating agency on the basis of new information. Each rating should be evaluated independently of any other rating. The rating agency has a right to suspend, withdraw/revise the rating at any time on the basis of new information.

MEMORANDUM OF PRIVATE PLACEMENT

This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus. This is only an information brochure, in the form of a single initial disclosure document, intended for private use and should not be construed to be a prospectus and/or an invitation to the public for subscription to Debentures under any law for the time being in force. This Information Memorandum is in compliance with the applicable requirements of the regulatory authorities and has been prepared giving details as on June 30, 2018. The Issuer however retains the right, at its sole and absolute discretion, to change the ‘GENERAL TERMS AND CONDITIONS’.

RBI DISCLAIMER

The Reserve Bank of India (“**RBI**”) does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and for discharge of liability by the Company.

LISTING

The above NCDs of the Company are proposed to be listed on the BSE Limited (“**BSE**”).

RELIANCE**ASSET
RECONSTRUCTION**

REGISTRAR AND TRANSFER AGENT	DEBENTURE TRUSTEE
 <p>Karvy Fintech Private Limited Karvy Selenium, Tower – B, Plot No. 31 & 32, Survey No. 116/22, 115/24, 115/25, Financial District, Nanakramguda, Hyderabad 500032 Tel. : +91 40 6716 1500 Fax: +91 40 6716 1791 E- mail: reliance.arc@karvy.com</p>	 <p>Vistra ITCL (India) Limited (formerly IL & FS Trust Company Limited) The IL & FS Financial Centre, Plot C-22, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400051 Tel. : +91 22 26 53 3333 Fax : +91 22 2653 3297 Website: www.itclindia.com</p>
RATING AGENCY	
 <p>Brickwork Ratings India Private Limited 3rd Floor, Raj Alkaa Park, Kalena Agrahara, Bannerghatta Road, Benagaluru – 560 076 Tel.: +91 80 4040 9940 Fax: +91 80 4040 9941 Website: www.Brickworkratings.com E-mail: infor@brickworkratings.com</p>	
VALUATION AGENCIES	
 <p>CRISIL Limited CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076 Tel. : +91 22 3342 3000; Fax : +91 22 3342 3810</p>	



**ASSET
RECONSTRUCTION**

ISSUE SCHEDULE

Issue Open Date : January 08, 2019
Pay-in Date : Between the Issue Open Date and Issue Close Date (both inclusive)
Issue Close Date : January 09, 2019

The Company reserves the right to change the above Issue Schedule, with the understanding that the Issue Close Date / Pay-in Date may be rescheduled, at the sole discretion of the Company, to a date falling not later than 07 (seven) working days from the date mentioned herein. The actual Issue Close Date / Pay-in Date shall be communicated to each investor in the allotment advice ("**Allotment Advice**").

GENERAL DISCLAIMER

THIS INFORMATION MEMORANDUM IS NEITHER A PROSPECTUS NOR A STATEMENT IN LIEU OF PROSPECTUS. THE ISSUE OF DEBENTURES IN ONE OR MORE SERIES, TO BE LISTED ON THE BSE IS BEING MADE STRICTLY ON A PRIVATE PLACEMENT BASIS. MULTIPLE COPIES HEREOF GIVEN TO THE SAME ENTITY SHALL BE DEEMED TO BE GIVEN TO THE SAME PERSON AND SHALL BE TREATED AS SUCH. IT DOES NOT CONSTITUTE AND SHALL NOT BE DEEMED TO CONSTITUTE AN OFFER OR AN INVITATION TO SUBSCRIBE TO THE DEBENTURES TO THE PUBLIC IN GENERAL. APART FROM THIS INFORMATION MEMORANDUM, NO INFORMATION MEMORANDUM OR PROSPECTUS HAS BEEN PREPARED IN CONNECTION WITH THE OFFERING OF THIS ISSUE OR IN RELATION TO THE ISSUER NOR IS SUCH AN INFORMATION MEMORANDUM REQUIRED TO BE REGISTERED UNDER THE APPLICABLE LAWS. ACCORDINGLY, THIS INFORMATION MEMORANDUM HAS NEITHER BEEN DELIVERED FOR REGISTRATION NOR IS IT INTENDED TO BE REGISTERED.

THIS INFORMATION MEMORANDUM HAS BEEN PREPARED TO PROVIDE GENERAL INFORMATION ABOUT THE ISSUER TO POTENTIAL INVESTORS TO WHOM IT IS SPECIFICALLY ADDRESSED AND WHO ARE WILLING AND ELIGIBLE TO SUBSCRIBE TO THE DEBENTURES. THIS INFORMATION MEMORANDUM DOES NOT PURPORT TO CONTAIN ALL THE INFORMATION THAT ANY POTENTIAL INVESTOR MAY REQUIRE. NEITHER DOES THIS INFORMATION MEMORANDUM NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE DEBENTURES PURPORT TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION AND ANY RECIPIENT OF THIS INFORMATION MEMORANDUM SHOULD NOT CONSIDER SUCH RECEIPT A RECOMMENDATION TO PURCHASE ANY DEBENTURES. EACH POTENTIAL INVESTOR CONTEMPLATING THE PURCHASE OF ANY DEBENTURES SHOULD MAKE ITS OWN INDEPENDENT INVESTIGATION OF THE FINANCIAL CONDITION AND AFFAIRS OF THE ISSUER, AND ITS OWN APPRAISAL OF THE CREDITWORTHINESS OF THE ISSUER.

POTENTIAL INVESTORS SHOULD CONSULT THEIR OWN FINANCIAL, LEGAL, TAX AND OTHER PROFESSIONAL ADVISORS AS TO THE RISKS AND INVESTMENT CONSIDERATIONS ARISING FROM AN INVESTMENT IN THE DEBENTURES AND SHOULD POSSESS THE APPROPRIATE RESOURCES TO ANALYSE SUCH INVESTMENT AND THE SUITABILITY OF SUCH INVESTMENT TO SUCH INVESTOR'S PARTICULAR CIRCUMSTANCES.

THE INFORMATION RELATING TO THE COMPANY CONTAINED IN THIS INFORMATION MEMORANDUM IS BELIEVED BY THE COMPANY TO BE ACCURATE IN ALL RESPECTS AS OF THE DATE HEREOF.

IT IS THE RESPONSIBILITY OF POTENTIAL INVESTORS TO ALSO ENSURE THAT THEY WILL SELL/TRANSFER THESE DEBENTURES IN STRICT ACCORDANCE WITH THIS INFORMATION MEMORANDUM AND OTHER APPLICABLE LAWS, SO THAT THE SALE DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC WITHIN THE MEANING OF THE COMPANIES ACT. NONE OF THE INTERMEDIARIES OR THEIR AGENTS OR ADVISORS ASSOCIATED WITH THIS ISSUE UNDERTAKE TO REVIEW THE FINANCIAL CONDITION OR AFFAIRS OF THE ISSUER DURING THE LIFE OF THE ARRANGEMENTS CONTEMPLATED BY THIS INFORMATION MEMORANDUM OR HAVE ANY RESPONSIBILITY TO ADVISE ANY INVESTOR OR POTENTIAL INVESTOR IN THE DEBENTURES OF ANY INFORMATION AVAILABLE WITH OR SUBSEQUENTLY COMING TO THE ATTENTION OF THE INTERMEDIARIES, AGENTS OR ADVISORS.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED OR INCORPORATED BY REFERENCE IN THIS INFORMATION MEMORANDUM OR IN ANY MATERIAL MADE AVAILABLE BY THE ISSUER TO ANY POTENTIAL INVESTOR PURSUANT HERETO AND, IF

GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE ISSUER. THE INTERMEDIARIES AND THEIR AGENTS OR ADVISORS ASSOCIATED WITH THIS ISSUE HAVE NOT SEPARATELY VERIFIED THE INFORMATION CONTAINED HEREIN OR ANY OTHER INFORMATION (WRITTEN OR ORAL) TRANSMITTED OR MADE TO ANY POTENTIAL INVESTOR IN THE COURSE OF EVALUATION OF THE ISSUE. ACCORDINGLY, NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AND NO RESPONSIBILITY OR LIABILITY OR DUTY OF CARE IS OR WILL BE ACCEPTED BY ANY SUCH INTERMEDIARY AND/OR ANY OF ITS AFFILIATES AS TO THE ACCURACY, FAIRNESS OR COMPLETENESS OR OTHERWISE OF THE INFORMATION CONTAINED IN THIS INFORMATION MEMORANDUM OR ANY OTHER INFORMATION PROVIDED BY THE ISSUER. ACCORDINGLY, ALL SUCH INTERMEDIARIES ASSOCIATED WITH THIS ISSUE SHALL HAVE NO LIABILITY IN RELATION TO THE INFORMATION CONTAINED IN THIS INFORMATION MEMORANDUM OR ANY OTHER INFORMATION PROVIDED BY THE ISSUER IN CONNECTION WITH THE ISSUE.

NEITHER THE SOLE ARRANGER NOR ANY OTHER INTERMEDIARIES NOR ANY OF THEIR AFFILIATES OR THEIR RESPECTIVE DIRECTORS, EMPLOYEES, OFFICERS OR AGENTS SHALL BE LIABLE FOR ANY DIRECT, INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE SUFFERED BY ANY PERSON AS A RESULT OF RELYING ON ANY STATEMENT IN OR OMISSION FROM THIS INFORMATION MEMORANDUM OR IN ANY OTHER INFORMATION OR COMMUNICATIONS MADE IN CONNECTION WITH THE DEBENTURES OR THE ISSUE.

THE CONTENTS OF THIS INFORMATION MEMORANDUM ARE INTENDED TO BE USED ONLY BY THOSE POTENTIAL INVESTORS TO WHOM IT IS DISTRIBUTED. IT IS NOT INTENDED FOR DISTRIBUTION TO ANY OTHER PERSON AND SHOULD NOT BE REPRODUCED OR TRANSMITTED IN ANY MANNER WHATSOEVER BY THE RECIPIENT.

EACH COPY OF THIS INFORMATION MEMORANDUM AND THE APPLICATION FORM WILL BE SERIALY NUMBERED AND THE PERSON TO WHOM A COPY OF THE INFORMATION MEMORANDUM IS ADDRESSED WOULD ALONE BE ENTITLED TO APPLY FOR THE DEBENTURES. NO INVITATION IS BEING MADE TO ANY PERSON OTHER THAN THOSE TO WHOM APPLICATION FORMS ALONG WITH THIS INFORMATION MEMORANDUM HAVE BEEN ADDRESSED. ANY APPLICATION BY A PERSON TO WHOM THE INFORMATION MEMORANDUM AND/OR THE APPLICATION FORM HAS NOT BEEN ADDRESSED BY THE ISSUER SHALL NOT BE ELIGIBLE TO INVEST IN THE ISSUE AND SUCH APPLICATION SHALL BE REJECTED WITHOUT ASSIGNING ANY REASON.

THE PERSON WHO IS IN RECEIPT OF THIS INFORMATION MEMORANDUM MUST MAINTAIN UTMOST CONFIDENTIALITY REGARDING THE CONTENTS OF THIS INFORMATION MEMORANDUM AND MUST NOT REPRODUCE, REPLICATE, TRANSMIT OR DISTRIBUTE IN WHOLE OR PART OR MAKE ANY ANNOUNCEMENT IN PUBLIC OR TO A THIRD PARTY REGARDING ITS CONTENTS, WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER. NOTWITHSTANDING THE FOREGOING, A DEBENTURE HOLDER MAY PROVIDE THIS INFORMATION MEMORANDUM TO A POTENTIAL INVESTOR FOR THE SOLE PURPOSE OF TRANSFERRING THE DEBENTURES.

EACH PERSON RECEIVING THIS INFORMATION MEMORANDUM ACKNOWLEDGES THAT:

- SUCH PERSON HAS BEEN AFFORDED AN OPPORTUNITY TO REQUEST AND TO REVIEW AND HAS RECEIVED AND REVIEWED THIS INFORMATION MEMORANDUM AND ALL ADDITIONAL INFORMATION CONSIDERED BY AN INDIVIDUAL TO BE NECESSARY TO VERIFY THE ACCURACY OF OR TO SUPPLEMENT THE INFORMATION HEREIN; AND

- SUCH PERSON HAS NOT RELIED ON ANY INTERMEDIARY THAT MAY BE ASSOCIATED WITH THE ISSUANCE OF THE DEBENTURES IN CONNECTION WITH ITS INVESTIGATION OF THE ACCURACY OF SUCH INFORMATION OR ITS INVESTMENT DECISION.

THE ISSUER DOES NOT UNDERTAKE TO UPDATE THE INFORMATION MEMORANDUM TO REFLECT SUBSEQUENT EVENTS AFTER THE DATE OF THE INFORMATION MEMORANDUM AND, THUS, IT SHOULD NOT BE RELIED UPON WITH RESPECT TO SUCH SUBSEQUENT EVENTS WITHOUT FIRST CONFIRMING ITS ACCURACY WITH THE ISSUER. NEITHER THE DELIVERY OF THIS INFORMATION MEMORANDUM NOR ANY SALE OF DEBENTURES MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CONSTITUTE A REPRESENTATION OR CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER SINCE THE DATE HEREOF.

THIS INFORMATION MEMORANDUM DOES NOT CONSTITUTE, NOR MAY IT BE USED FOR OR IN CONNECTION WITH, AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION. NO ACTION IS BEING TAKEN TO PERMIT AN OFFERING OF THE DEBENTURES OR THE DISTRIBUTION OF THIS INFORMATION MEMORANDUM IN ANY JURISDICTION WHERE SUCH ACTION IS REQUIRED. THE DISTRIBUTION OF THIS INFORMATION MEMORANDUM AND THE OFFERING AND SALE OF THE DEBENTURES MAY BE RESTRICTED BY LAW IN CERTAIN JURISDICTIONS. PERSONS INTO WHOSE POSSESSION THIS INFORMATION MEMORANDUM COMES ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

ELIGIBILITY OF THE ISSUER TO COME OUT WITH THE ISSUE

THE ISSUER, ITS DIRECTORS AND ITS SUBSIDIARIES HAVE NOT BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTIONS PASSED BY SEBI.

DISCLAIMER CLAUSE OF SEBI AND THE STOCK EXCHANGE

AS REQUIRED, A COPY OF THE INFORMATION MEMORANDUM FOR ISSUE OF DEBENTURES PURSUANT TO THIS INFORMATION MEMORANDUM AGGREGATING UP TO INR 2,00,00,000 (RUPEES TWO CRORE ONLY) WITH AN OPTION TO RETAIN OVERSUBSCRIPTION AGGREGATING TO INR 3,00,00,000 (Rupees Three Crore Only) ON PRIVATE PLACEMENT BASIS IS BEING FILED WITH THE BSE IN TERMS OF SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED FROM TIME TO TIME, THE GUIDELINES FOR ISSUE AND LISTING OF STRUCTURED PRODUCTS/MARKET LINKED DEBENTURES 2011 ("STRUCTURED PRODUCTS GUIDELINES") DATED SEPTEMBER 28, 2011; THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AND APPLICABLE REGULATIONS ISSUED BY THE RESERVE BANK OF INDIA.

AS PER THE PROVISIONS OF THE SEBI DEBT REGULATIONS, A COPY OF THIS INFORMATION MEMORANDUM HAS NOT BEEN FILED WITH OR SUBMITTED TO SEBI. IT IS DISTINCTLY UNDERSTOOD THAT THIS INFORMATION MEMORANDUM SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO HAVE BEEN APPROVED OR VETTED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PURPOSE FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS INFORMATION MEMORANDUM.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE INFORMATION MEMORANDUM TO BSE

SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO MEAN THAT THE INFORMATION MEMORANDUM HAS BEEN CLEARED OR APPROVED BY BSE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS INFORMATION MEMORANDUM, NOR DOES IT WARRANT THAT THIS ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE BSE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THE ISSUER, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THE ISSUER.

THE ISSUER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS INFORMATION MEMORANDUM ARE ADEQUATE AND IN CONFORMITY WITH SEBI DEBT REGULATION AND THE STRUCTURED PRODUCT GUIDELINES IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

DISCLAIMER IN RESPECT OF JURISDICTION
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ISSUE OF THESE DEBENTURES WILL BE MADE IN INDIA TO INVESTORS AS SPECIFIED UNDER CLAUSE "CATEGORIES OF INVESTORS" OF THIS INFORMATION MEMORANDUM, WHO SHALL BE SPECIFICALLY APPROACHED BY THE ISSUER. THIS INFORMATION MEMORANDUM IS NOT TO BE CONSTRUED OR CONSTITUTED AS AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE TO DEBENTURES OFFERED HEREBY TO ANY PERSON TO WHOM IT IS NOT SPECIFICALLY ADDRESSED. THE DEBENTURES ARE GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE EXISTING INDIAN LAWS. ANY DISPUTE ARISING IN RESPECT THEREOF WILL BE SUBJECT TO THE EXCLUSIVE JURISDICTION OF THE COURTS AND TRIBUNALS OF MUMBAI.

DISCLAIMER IN RELATION TO THE VALUATION AGENCY

The Valuation Agency appointed for each type of Debentures (as defined in SUMMARY TERM SHEET below) will publish the valuation of NCDs on its website at least once every calendar week. The valuation shall be available on the website of the applicable Valuation Agency. The Issuer will also make available, as soon as practicable, the valuation provided by the Valuation Agency on the website of the Issuer.

Upon request by any Debenture Holder (as defined below) for the valuation of the NCDs, the Issuer shall provide them with the latest valuation.

Where the Valuation Agency is CRISIL Limited (CRISIL):

Debenture Valuation reflects CRISIL's opinion on the value of the Debenture on the valuation date and does not constitute an audit of the Issuer by CRISIL. The Valuation is based on the information provided by the Issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the Valuation is based. CRISIL specifically states that the Valuation is an indicative value of the Debenture on the valuation date and can be different from the actual realizable value of the Debenture. The Valuation does not comment on the market price or suitability for a particular investor. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the issuers / users / investors of the Valuation.

Definitions / Abbreviations/ Terms Used	
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Articles of Association	Articles of Association of Reliance Asset Reconstruction Company Limited (RARC)
Board of Directors	Board of Directors of RARC

Definitions / Abbreviations/ Terms Used	
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
Category A Debentures	Secured, Redeemable, Non-Convertible Market Linked Debentures issued /proposed to be issued by the Company under which <i>inter alia</i> the Category A Assets shall be secured in favour of the Category A Debenture Holders
Category B Debentures	Secured, Redeemable, Non-Convertible Market Linked Debentures issued /proposed to be issued by the Company under which <i>inter alia</i> the Category B Assets shall be secured in favour of the Category B Debenture Holders
Category A Debenture Holder(s)	Persons who are for the time being holders of Category A Debentures and whose names are last mentioned in the Category A Debentures / Register of debenture holders in relation to Category A Debentures and shall include beneficiaries.
Category B Debenture Holder(s)	Persons who are for the time being holders of Category B Debentures and whose names are last mentioned in the Category B Debentures / Register of debenture holders in relation to Category B Debentures and shall include beneficiaries.
Category A Assets	A first exclusive charge on present and future investments in Security Receipts by way of hypothecation (excluding investments in Security Receipts in favour to banks towards Working Capital facility).
Category B Assets	A second charge on the excess / additional security over and above the 100% asset cover on the Security Receipts hypothecated in favour to Banks towards Working Capital facility and a first Charge on present and future investments in Security Receipts by way of hypothecation excluding Security Receipts given as security towards securing Category A Debentures more specifically described in Category A Assets
Company / Issuer	Reliance Asset Reconstruction Company Limited (“ RARC ”)
Companies Act	Companies Act, 1956, as amended (without reference to the sections thereof that have ceased to have effect upon notification of sections of the Companies Act, 2013) (the “ Companies Act, 1956 ”) read with the applicable provisions of the Companies Act, 2013, to the extent notified and in effect (the “ Companies Act, 2013 ”), and together with the Companies Act, 1956, the “ Companies Act ”)
Debentures / Debt Instruments / NCDs	Shall mean Category A Debentures and/or Category B Debentures as may be contextually applicable.
Debenture Holders	Persons who are for the time being holders of the Category A Debentures and/or Category B Debentures and whose names are last mentioned in the Debentures / Register of Debenture Holders and shall include Beneficiaries
Debenture Trust Deed	Shall mean the debenture trust deed(s) between the Issuer and Vistra ITCL (India) Limited (formerly IL & FS Trust Company Limited) (“ Debenture Trustee ”) for the creation of security in favour of the Debenture Trustee for the benefit of the Debenture Holders
Debenture Trustee	Vistra ITCL (India) Limited (formerly IL & FS Trust Company Limited)
Depositories	CDSL and NSDL
DP	Depository Participant as defined under the Depositories Act, 1996
FY	Financial Year
Government	in relation to any Government security, means the Central or State Government issuing the security

Definitions / Abbreviations/ Terms Used	
G-secs/Government security	Shall have the meaning ascribed to it under the Government Securities Act (as amended from time to time)
INR / Rs. / Rupees	Currency of Republic of India
Information Memorandum	Shall mean the Information Memorandum/ Private Placement Offer cum Application Letter.
Investors	Those persons who fall under the category of eligibility to whom this Information Memorandum may be sent with a view to offering the Debentures on private placement basis
Issue	The issue of 200 Rated, Listed, Secured, Redeemable, Principal Protected Non-Convertible Market Linked Debentures of Rs.1,00,000/- (Rupees One Lakh Only) each aggregating to INR 2,00,00,000 (Rupees Two Crore Only) with an option to retain oversubscription aggregating to INR 3,00,00,000 (Rupees Three Crore Only) on a Private Placement Basis
Issuer Group	The Issuer or any of its holding, subsidiary, associate, affiliate or group entities
Letter of Allotment / Allotment Advice	Letter addressed by or on behalf of the Issuer to an Investor stating therein, <i>inter-alia</i> , that the Investor's application has been accepted for allotment for the number of Debentures mentioned in such advice and the application money paid by it has been accordingly adjusted towards payment of the allotment money on the number of Debentures being allotted to it
Memorandum	Memorandum of Association of the Company
MCA	Ministry of Corporate Affairs, Government of India
NBFC	Non-Banking Financial Company
NPA	Non Performing Asset
NSDL	National Securities Depository Limited
Private Placement	Private Placement means any offer or invitation to subscribe or issue of securities to a select group of persons by a Company (other than by way of public offer) through private placement offer-cum-application, which satisfies the conditions specified in Section 42 of the Companies Act, 2013 read with Rules thereunder as amended from time to time and Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016, issued by the RBI (as amended and updated from time to time)
RBI	Reserve Bank of India
RBI Private Placement Directions	Raising Money through Private Placement of Non-Convertible Debentures (NCDs) by NBFCs- vide RBI circular No. RBI/2014-15/475, DNBR (PD) CC No.021/03.10.001/2014-15 dated February 20, 2015
RTA	Registrar and Transfer Agent
SEBI	Securities and Exchange Board of India
SARFAESI Act	shall mean the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, and includes any rules, regulations, directions or guidelines issued thereunder from time to time, as the same may be amended, substituted or re-enacted from time to time.
SEBI Debt Regulations	SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended by

Definitions / Abbreviations/ Terms Used	
	the SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 as amended from time to time.
Security Documents	The Debenture Trust Deed. Security documents entered into for the creation of security in favour of the Debenture Trustee for the benefit of the Debenture Holders
Security Receipts	Security receipts held by the Issuer in demat and having a tenor of upto five (5) years initially which may be extended as permissible under applicable laws
Structured Product Guidelines	Guidelines for Issue and Listing of Structured Products / Market Linked Debentures dated September 28, 2011.
Valuation Agency	CRISIL Limited (CRISIL) as defined in SUMMARY TERM SHEET
Wilful Defaulter	Wilful Defaulter means an issuer who is categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such

FORM NO. PAS-4
PRIVATE PLACEMENT OFFER LETTER

[Pursuant to Section 42 of Companies Act, 2013 and Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014]

The table below sets out the disclosure requirements as provided in PAS-4 and the relevant pages in this Information Memorandum where these disclosures, to the extent applicable, have been provided.

Sr. No.	Particulars	Page No.
1.	GENERAL INFORMATION	
a.	Name, address, website and other contact details of the company indicating both registered office and corporate office;	29
b.	Date of incorporation of the company;	37
c.	Business carried on by the company and its subsidiaries with the details of branches or units, if any;	31
d.	Brief particulars of the management of the company;	38
e.	Names, addresses, Director Identification Number (DIN) and occupations of the directors;	32
f.	Management's perception of risk factors;	15
g.	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of –	
	(i) statutory dues;	Nil
	(ii) debentures and interest thereon;	Nil
	(iii) deposits and interest thereon;	Nil
	(iv) loan from any bank or financial institution and interest thereon.	Nil
h.	Names, designation, address and phone number, email ID of the nodal/compliance officer of the company, if any, for the private placement offer process;	29
i.	Any Default in Annual filing of the Company under the Companies Act, 2013 or the rules made thereunder.	None
2.	PARTICULARS OF THE OFFER	
a.	Financial position of the Company for the last 3 financial years;	87
b.	Date of passing of Board resolution;	
c.	Date of passing of resolution in the general meeting, authorizing the offer of securities;	
d.	Kinds of securities offered (i.e. whether share or debenture) and class of security; the total number of shares or other securities to be issued;	46
e.	Price at which the security is being offered including the premium, if any, alongwith justification of the price;	
f.	Name and address of the valuer who performed valuation of the security offered;	Not Applicable
g.	Basis on which the price of the security offered has been arrived at along with report of the registered valuer;	

Sr. No.	Particulars	Page No.
h.	Relevant date with reference to which the price has been arrived at;	Not Applicable
i.	The class or classes of persons to whom the allotment is proposed to be made;	61
j.	Intention of Promoters, Directors or Key Managerial Personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer);	Not Applicable
k.	The proposed time within which the allotment shall be completed;	46
l.	The names of the proposed allottees and the percentage of post private placement capital that may be held by them;	Not Applicable
m.	The change in control, if any, in the company that would occur consequent to the private placement;	None
n.	The number of persons to whom allotment on preferential basis / private placement / rights issue has already been made during the year, in terms of number of securities as well as price;	Nil
o.	The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer;	Not Applicable
p.	Amount which the Company intends to raise by way of proposed offer of securities;	46
q.	Terms of raising of securities: duration; rate of dividend; rate of interest; mode of payment;	
r.	Proposed time schedule for which the private placement offer cum application letter is valid;	
s.	Purposes and objects of the offer;	
t.	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects;	
u.	Principle terms of assets charged as security, if applicable;	
v.	The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the Company and its future operations;	None
w.	The pre-issue and post-issue shareholding pattern of the Company;	Annexure II
3.	MODE OF PAYMENT FOR SUBSCRIPTION: <ul style="list-style-type: none"> • Cheque; or • Demand Draft; or • Other Banking Channels. 	
4.	DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.	
a.	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.	Nil
b.	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the	Annexure I

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	offeree Company during the last three years immediately preceding the year of the issue of the private placement offer cum application letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed	
c.	Remuneration of directors (during the current year and last three financial years);	35
d.	Related party transactions entered during the last three financial years immediately preceding the year of issue of private placement offer cum application letter including with regard to loans made or, guarantees given or securities provided	Annexure XII
e.	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of issue of private placement offer cum application letter and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark;	Nil
f.	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous Company law in the last three years immediately preceding the year of issue of private placement offer cum application letter in the case of Company and all of its subsidiaries, and if there were any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of the private placement offer cum application letter and if so, section-wise details thereof for the Company and all of its subsidiaries;	Nil
g.	Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.	Nil
5.	FINANCIAL POSITION OF THE COMPANY	
a.	The capital structure of the company in the following manner in a tabular form-	30
(i)(a)	the authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value);	
(b)	size of the present offer;	As per Summary Term Sheet
(c)	paid up capital (A) after the offer; (B) after conversion of convertible instruments (if applicable)	Not Applicable
(d)	share premium account (before and after the offer)	Not Applicable
(ii)	the details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration	30
	Provided that the issuer Company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the private placement offer cum application letter separately indicating the allotments made for considerations other than cash and the details of the	30

Sr. No.	Particulars	Page No.
	consideration in each case;	
b.	Profits of the Company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of private placement offer cum application letter;	Annexure XII
c.	Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid)	Annexure XII
d.	A summary of the financial position of the Company as in the three audited balance sheets immediately preceding the date of issue of private placement offer cum application letter	Annexure XII
e.	Audited Cash Flow Statement for the three years immediately preceding the date of issue of private placement offer cum application letter;	Annexure XII
f.	Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.	Annexure XII
PART – B		
a.	Application Form	Refer to Part – B of this Information Memorandum / Private Placement Offer Cum Application Letter
6.	A DECLARATION BY THE DIRECTORS	78



RISK FACTORS

Data contained throughout the Information Memorandum has been supplied by the Company and the same has not been verified from any independent sources (including the original source documents). This data is the responsibility of the Company alone. Its accuracy and completeness cannot be guaranteed and its reliability cannot be assured.

Although the legal advisors and all intermediaries associated with this Information Memorandum believe that the data used herein is correct, complete and reliable, in absence of independent verification, neither the legal advisors nor any of the intermediaries are or can be held responsible for the correctness, completeness or the adequacy of the data contained herein.

The Issuer believes that the following factors may affect its ability to fulfill its obligations under the Debentures issued under the Information Memorandum. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, certain factors which are material for the purpose of assessing the market risks associated with the Debentures issued under the Information Memorandum are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Debentures issued under the Information Memorandum, but the inability of the Issuer, as the case may be, to pay interest, or other amounts on or in connection with any Debentures may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Debentures are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum and reach their own views prior to making any investment decision.

The Debentures are sophisticated instruments, can involve a high degree of risk and are intended for sale only to those Investors capable of understanding the risks entailed in such instruments. Potential investors are strongly recommended to consult with their financial, legal, tax and other professional advisors before making any investment decision.

The following are the risks envisaged by the management of the Company relating to the Company, the Debentures and the market in general. Investors should consider the following risk factors carefully for evaluating the Company and its business before making any investment decision relating to the Debentures. Unless the context requires otherwise, the risk factors described below apply to the Company only. The risks have been quantified wherever possible. The order of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. If any one of the following stated risks actually occur, the Company's business, financial conditions and results of operations could suffer and therefore the value of the Debentures could decline and/or the Company's ability to meet its obligations in respect of the Debentures could be affected.

These risks and uncertainties are not the only issues that the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently believes to be immaterial may also have a material adverse effect on its financial condition or business. Unless specified or quantified in



**ASSET
RECONSTRUCTION**

the relevant risk factors, the Company is not in a position to quantify the financial or other implications of any risk mentioned herein below.

Note: The risk factors herein are not exhaustive and unless specified or quantified in the relevant risk factors, the Company is not in a position to quantify the financial or other implications of any risk mentioned herein below:

PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THESE KEY RISKS ASSOCIATED WITH THE DEBENTURES. THESE RISKS ARE NOT, AND ARE NOT INTENDED TO BE, A COMPLETE LIST OF ALL RISKS AND CONSIDERATIONS RELEVANT TO THE DEBENTURES OR YOUR DECISION TO PURCHASE THE DEBENTURES.

THIS INFORMATION MEMORANDUM IS NOT, AND DOES NOT PURPORT TO BE, INVESTMENT ADVICE.

The Debentures being structured debentures are sophisticated instruments which involve a significant degree of risk and are intended for sale only to those Investors capable of understanding the risks involved in such instruments. Please note that both the return on the Debentures and the return of the Principal Amount in full are at risk if the Debentures are not held till or for any reason have to be sold or redeemed before the Final Redemption Date. The Debentures are a principal protected product only upon maturity.

The Debentures are structured and are complex and an investment in such a structured product may involve a higher risk of loss of a part of the initial investment as compared to investment in other securities unless held till Final Redemption Date. The Debenture Holder shall receive at least the Face Value of the Debenture only if the Investor holds and is able to hold the Debentures till the Final Redemption Date. Prior to investing in the Debentures, a prospective investor should ensure that such prospective investor understands the nature of all the risks associated with the investment in order to determine whether the investment is suitable for such prospective investor in light of such prospective investor's experience, objectives, financial position and other relevant circumstances. Prospective investors should independently consult with their legal, regulatory, tax, financial and/or accounting advisors to the extent the prospective investor considers necessary in order to make their own investment decisions.

An investment in Debentures where the payment of premium (if any), and/or coupon and/or other consideration (if any) payable or deliverable thereon is determined by reference to one or more G-sec, indices, baskets, formulas or other assets or basis of reference will entail significant risks not associated with a conventional fixed rate or floating rate debt security. Such risks include, without limitation, changes in the level or value of the relevant underlying G-sec or basket or index or indices of G-sec or other underlying asset or basis of reference and the Debenture Holder may receive a lower (or no) amount of premium, coupon or other consideration than the Debenture Holder expected. The Company has no control over a number of matters that are important in determining the existence, magnitude and longevity of such risks and their results, including, but not limited to, economic, financial and political events. In addition, if an index or formula used to determine any amounts payable or deliverable in respect of the Debentures contains a multiplier or leverage factor, the effect of any change in such index or formula will be magnified. In recent times, the values of certain indices, baskets and formulae have been volatile and volatility in those and other indices, baskets and formulas may occur in the future.

(a) Model Risks

Investment in the Debentures is subject to model risk. The Debentures are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behavior of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models.

(b) Uncertain trading markets and liquidity risk

Investors should be prepared to hold the Debentures until maturity as Investors may not be able to liquidate or sell any or all of the Debentures as and when they require or at an amount equal to or more than the invested amount. There is currently no active or liquid secondary trading market for these Debentures. The Company cannot assure Debenture Holders that a trading market for the Debentures will ever develop or, if developed that such market will be sustained. Many factors independent of the credit worthiness of the Company affect the trading market of the Debentures.

These factors include:

- (i) the complexity and volatility of the index or formula or other basis of reference applicable to the Debentures;
- (ii) the method of calculating the principal, premium and coupon, if any, or other consideration, if any, in respect of the Debentures;
- (iii) the time remaining to the maturity of the Debentures;
- (iv) the outstanding amount of the Debentures;
- (v) the redemption features of the Debentures;
- (vi) the amount of other debt securities linked to the index or formula or other basis of reference applicable to the Debentures;
- (vii) the general political and economic conditions prevailing in India;
- (viii) the global macroeconomic scenario; and
- (ix) the level, direction and volatility of market interest rates generally.

There can be no assurance that anyone intends to make a market in the Debentures, or that if anyone does so, that they will continue to do so, or that a market-maker in the Debentures (if any) will offer an amount equal to or greater than the invested amount, or that if a market-maker does offer a price for the Debentures which is equal to or greater than the invested amount, that it will continue to do so. In addition, certain Debentures may be designed for specific investment objectives or strategies and, therefore, may have a more limited secondary market and experience more price volatility than conventional debt securities. Further, the transfer of the Debentures can only be made in accordance with the relevant transfer and selling restrictions set out herein. This may further limit the liquidity of the Debentures. Debenture Holders may not be able to sell the Debentures readily or at prices that will enable them to realize their anticipated yield. Therefore, it may be difficult to liquidate or sell the Debentures before maturity, or if liquidated/sold, investors may only realise an amount that is at a significant discount to the invested amount paid by the investor. Liquidity on these investments is relatively less than similar grade non-structured fixed coupon debentures. Mark to market valuations on the Debentures may not be available or provided to Investors on any regular basis prior to the maturity of the Debentures. As there is no liquid market for the Debentures, it may be difficult to obtain reliable information about the value of the Debentures and the extent of the risks to which it is exposed.

While the Company intends under ordinary market conditions to indicate and/or procure indication of prices for any such Debentures there can be no assurance as to the prices that would be indicated or that the Company will offer and/or cause to purchase any Debentures. The price given, if any, will be affected by many factors including, but not limited to, the remaining term and outstanding Principal Amount of the Debentures, the level of the Reference Value (defined below), fluctuations in interest rates and/or in exchange rates, volatility in the Reference Value used to calculate the amount of any coupon or principal payments, and credit spreads. Consequently, prospective investors must be prepared to hold the Debentures until the redemption or maturity of the Debentures. Trading levels of any Debentures will be influenced by, among other things, the relative level and performance of the applicable Reference Value and the factors described above.

No Investor should purchase Debentures unless such investor understands and is able to bear the risk that such Debentures may not be readily saleable and/or that the value of such Debentures will fluctuate over time, that such fluctuations may be significant and that such investor may lose all or even a substantial portion of its investment in the Debentures if the Debentures are not held till or for any reason have to be sold or redeemed before the final maturity date

(c) Investment in the Debentures which are linked to G-secs or G-secs linked indices is not the same as investing directly in the G-secs or G-secs linked or indices underlying the Debentures.

An investment in the Debentures which are linked to G-secs or G-secs indices is not an investment directly in the G-secs or G-secs indices themselves. An investment in the Debentures entitles the holder to certain cash payments calculated by reference to the G-secs or indices to which the Debentures are linked. The Debenture Holder will have no beneficial interest in the G-secs or basket of G-secs constituting the index to which the Debentures are linked. The Debenture Holders will not have the right to receive the underlying G-secs or basket of G-secs and thus will not be able to dispose of some but not all of such G-secs at any point in time. Subject to the applicable conditions of the Debentures, the Debenture Holder may have no right to receive any distributions. The Debentures will not represent a claim against the Government, and, in the event of any loss, a Debenture Holder will not have recourse under the Debentures against the Government, or against any securities issued by the Government. Similarly, the Debenture Holders will not have the right to receive the G-secs underlying any index or basket of indices underlying the Debentures at any point in time.

In the case of Debentures relating to G-secs, no issuer of such G-secs will have participated in the preparation of the Information Memorandum or in establishing the terms of the Debentures and the Government will not make any investigation or enquiry in connection with such offering with respect to the information concerning the Government contained in the Information Memorandum or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant Deemed Date of Allotment (including events that would affect the accuracy or completeness of the publicly available documents described in this paragraph that would affect the trading price of the G-secs will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning the Government could affect the trading price of the G-secs and therefore the trading price of the Debentures.

Moreover, the Company has no ability to control or predict any actions of the issuer of such G-secs, including any corporate actions of the type or redemption that would require the Government to adjust the payment to the Debenture Holders upon exercise of the Debentures. The issuer of such G-secs is not involved in the offering of the Debentures in any way and has no obligation to consider a Debenture Holder's interest in a Debenture in taking any corporate actions that might affect the value of the Debentures. None of the money that the Debenture Holder pays for the Debentures will go to the issuer of any G-secs. In particular, factors related to the underlying G-secs or indices to which the Debentures are linked which are beyond the relevant issuer's control include, but are not limited to: (i) the market price or value of such G-secs, index or basket of G-secs or indices; (ii) the volatility (frequency and magnitude of changes in price) of such G-secs, index or basket of G-secs or indices; (iii) the dividend rate on such G-secs; (iv) geopolitical conditions and economic, financial and political, regulatory or judicial events that affect stock markets generally and which may affect the market price of such G-secs, index or basket of G-secs or indices; and (v) the creditworthiness, including changes in credit ratings and credit spreads of the relevant issuer of such G-secs.

The return on an investment in the Debentures may differ from the return an investor might earn on a direct investment in the G-secs or indices over a similar period: Debenture Holders should be aware that:

- (a) they may lose all or a substantial portion of their investment in case of an early redemption and/or if the Debentures are not held till maturity;
- (b) the market price of such Debentures may be very volatile;
- (c) they may receive no interest;
- (d) the relevant underlying G-secs or index may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other G-secs or indices;
- (e) if the relevant underlying G-secs or index is linked to Debentures with a multiplier greater than

one or contains some other leverage factor, the effect of changes in such underlying G-secs or indices on principal or interest payable is likely to be magnified; and

- (f) the timing of changes in the relevant underlying G-secs or index may affect the actual yield to the Debenture Holders, even if the average level is consistent with their expectations.

(d) The composition of the G-secs underlying the index to which a Debenture may be linked may change over time

The composition of the G-secs underlying any index to which the Debentures are linked may change over time. The index sponsor may, in its sole discretion, add, delete or substitute the G-secs underlying the index or make other methodological changes required by certain corporate events relating to the G-secs underlying the index. There may be additions to the index to which the Debenture Holders may not want exposure, or deletions of G-secs to which they would want exposure. The Company does not have any control over the composition or calculation of the index, and the Debenture Holders should not place undue reliance on the creditworthiness, business plans or prospects or other factors relating to any particular issuer of G-secs underlying the index as of the date hereof.

(e) No Claim against reference asset

Debenture Holders do not have any interest in or rights to the underlying G-secs, indices to which Debentures relate.

(f) Leverage Risk

Borrowing capital to fund the purchase of the Debentures (leveraging) can significantly increase the risks of the investment such that if the value of the Debentures decreases on a market to market basis, leveraging will magnify that decrease in value. Any statement on the potential risks and return on the Debentures does not take into account the effect of any leveraging. Investors must factor in and consider the potential impact of, amongst other things, the cost of funding and possibility of margin calls due to a decrease in the daily mark to market value of the Debentures prior to their maturity. Investors considering borrowing capital to leverage their investment in the Debentures should obtain further detailed information as to the applicable risks from their lender.

(g) Interest Rate Risk of the Debentures

Investors are exposed to the movement of interest rates whenever their Debentures are redeemed, tendered or sold prior to maturity. Movements in interest rates will have an impact upon the value of the Debentures. As interest rates move upwards, the value of the Debentures generally falls. Moreover, the longer the tenor of the Debentures, the more sensitive the Debentures will be to interest rate changes.

(h) Compounding of Risks

An investment in the Debentures involves multiple risks and such investment should only be made after assessing the direction, timing and magnitude of potential future changes in the value of the applicable reference G-secs, indices, etc., the risks associated with such investments and the terms and conditions of the Debentures. More than one risk factor may have simultaneous effects with regard to the Debentures such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect, which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Debentures and/or the Company's ability to meet its obligations in respect of the Debentures

(i) The secondary market for the Debentures may be non-existent or the Debentures may be illiquid

The Debentures may be very illiquid and no secondary market may develop in respect thereof. Even if there is a secondary market for the Debentures, it is not likely to provide significant liquidity. Any such Debenture so purchased may be required to be held or resold or surrendered for cancellation. To the extent that an issue of Debentures becomes illiquid, an Investor may have to hold the Debenture until redemption to realize value.

Under the terms and conditions of the Debentures, the Issuer or its affiliates may purchase Debentures at such times, in such manner and for such consideration as they may deem appropriate. Such Debentures may be resold or surrendered for cancellation, or held and then resold or surrendered for cancellation, and, if cancelled, may not be reissued by the Issuer, all at such time and in such manner as it may deem appropriate. Investors should not therefore make any assumption as to the number of Debentures in issue at any one time or in the future.

(j) Market Factors in relation to the reference asset/underlying

1) Valuation of the underlying

An investment in the Debentures involves risk regarding the value of the underlying. The value of the underlying may vary over time and may increase or decrease by reference to a variety of factors which may include corporate actions, macroeconomic factors and/or speculation.

2) The historical performance of the underlying is not an indication of future performance

The historical value (if any) of the underlying does not indicate the future performance of the underlying.

3) The value of the underlying will affect the value of the Debentures

The value of the underlying on any day will affect the value of the Debentures on such day. Changes in the composition of the underlying and factors (including those described in these Risk Factors) which either affect or may affect the value of the underlying will affect the value of the Debentures.

4) Market Value

The market value of the Debentures during their term depends primarily on the value and the volatility of the underlying and the level of interest rates for instruments of comparable maturities. The level of market volatility is not purely a measurement of the actual volatility, but is largely determined by the prices for instruments which offer Investors protection against such market volatility.

5) Certain Hedging Considerations

Certain risks apply to purchasers that acquire the Debentures for hedging purposes. Investors intending to purchase the Debentures for the purpose of hedging their exposure to the underlying or any constituents should recognise the risks of utilising the Debentures in such manner. No assurance is or can be given that the value of the Debentures will correlate with movements in the value of the underlying or any constituents and the composition of the underlying or any basket constituents may change over time. Furthermore, it may not be possible to liquidate the Debentures at a price which directly reflects the value of the underlying or any constituents. Therefore, there can be no assurance as to the level of any correlation between the return on an investment in the Debentures and the return on a direct

investment in the underlying or any constituents.

Hedging transactions in order to limit the risks associated with the Debentures might not be successful.

6) No affiliation with issuers/publishers of underlying assets

The Issuer for any underlying single G-secs or basket G-secs, the publisher of an underlying index, or any specified entity may not be an affiliate of the Issuer, unless otherwise specified in the relevant offer document. The Issuer or its subsidiaries may presently or from time to time engage in business with any issuer of the underlying G-secs, or any specified entity, including entering into loans with, or making investments in, such issuer of the underlying G-secs, or specified entity, or its affiliates or subsidiaries or providing investment advisory services to the issuer of the underlying G-secs, or specified entity, including merger and acquisition advisory services. Moreover, the Issuer does not have the ability to control or predict the actions of the issuer of the underlying G-secs, index publisher, or specified entity, including any actions, or reconstitution of index components, of the type that would require an adjustment of the payout to the investor at maturity. No issuer of the underlying G-secs, index publisher, or specified entity, for any issuance of Debentures is involved in the offering of the Debentures in any way or has any obligation to consider the Debenture Holder's interest as an owner of the Debentures in taking any corporate actions that might affect the value of the Debentures. None of the money a Debenture Holder pays for the Debentures will go to the issuer of the underlying G-secs, or specified entity, for such Debentures.

Internal Risk Factors

(a) Credit Risk

The Company carries the risk of default by borrowers and other counter-parties.

Any lending and investment activity is exposed to credit risk arising from the risk of repayment default by the borrowers and counter-parties. Being an SC/RC, the Company has invested in Security Receipts having underlying assets being Non-performing assets (NPAs) and has also lent money to borrowers having high credit risks. The Company is also exposed to the risk of borrowers who owe money, securities or other dues and does not meet their obligations due to various reasons.

The value of the security/collateral granted in favour of the Company, as the case may be, may decline due to adverse market and economic conditions (both global and domestic), delays in insolvency, winding up and foreclosure proceedings, defects in title, difficulty in locating moveable assets, inadequate documentation in respect of assets secured and the necessity of obtaining regulatory approvals for the enforcement of the security over the assets and the Company may not be able to recover the estimated value of the assets, thus exposing it to potential losses.

Any delay in enforcing the collateral due to delays in enforcement proceedings before Indian courts or otherwise could also expose the Company to potential losses. Although the Company regularly reviews its credit exposures, defaults may arise from events or circumstances that are difficult to detect or foresee.

(b) Repayment of principal is subject to the credit risk of the Company

Investors should be aware that receipt of principal amount and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Company. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Company, the payment of sums due in respect of the Debentures may be substantially reduced or delayed

(c) Risk in relation to the Debentures being secured by the Security Receipts

The Issuer has issued the security receipts pursuant to a scheme under the SARFAESI Act. As per the notification dated 5th August, 2014 issued by Reserve Bank of India the Company is mandatorily required to hold 15% of the security receipts being the Security Receipts on an ongoing basis. Since the Company is required to hold the Security Receipts on an ongoing basis, on the occurrence of an Event of Default, the Issuer shall be required to hold the Security Receipts until maturity of the Security Receipts and the Debenture Trustee shall only be entitled to enjoy the receipts from the Security Receipts.

(d) Access to Capital Markets and Commercial Borrowings

With the growth of its business, the Company is increasingly reliant on funding from the debt capital markets and commercial borrowings. The market for such funds is competitive and its ability to obtain funds at competitive rates will depend on various factors including its ability to maintain its credit ratings. If the Company was unable to access funds at an effective cost that is comparable to or lower than its competitors, the Company may not be able to adequate funds to meet the requirements of the business. This may adversely impact its business results and its future financial performance.

(e) Commercial Papers and Short term borrowings

The Company, being Securitisation Company / Reconstruction Company, does not have access to public deposits. A major portion of the Company's funding requirements is currently met through short term funding sources such as short term loans from banks and other bodies corporate. Potential funding mismatches can be created if short term funding sources are not available to the Company. This could have a negative impact on the business and future financial performance of the Company

(f) Operational and Systems Risk

The Issuer is faced with operational and systems risks, which may arise as a result of various factors viz. improper authorisations, inappropriate documentation, failure of employees to adhere to approved procedures, inappropriate documentation, failure in maintenance of proper policies, frauds, inadequate training and employee errors.

Further, there can also be a security risk in terms of handling information technology related products such as system failures, information system disruptions, communication systems failure which involves certain risks like data loss, breach of confidentiality and adverse effect on business continuity and network security. If any of the systems do not operate properly or are disabled or if other shortcomings or failures in internal processes or systems are to arise, this could affect the Company's operations and/or result in financial loss, disruption of Company's businesses, regulatory intervention and/or damage to its reputation. In addition, the Company's ability to conduct business may be adversely impacted by a disruption (i) in the infrastructure that supports its businesses and (ii) in the localities in which it is located

(g) Potential Conflicts of Interest

Investors should ensure that they understand and accept the identities of the parties and the roles they play in relation to the Debentures, as disclosed in this Information Memorandum.

(h) The Company and its affiliates have no obligation to disclose such information or activities; provided that the Issuer will make every good faith effort not to take advantage of any price-sensitive information. By purchasing or holding any Debentures, the Debenture Holder acknowledges that the Issuer, its affiliates and their respective officers and respective directors may engage in any such activities without regard to the Information Memorandum or the effect that such activities may directly or indirectly have on the Debentures and the Debenture Holder irrevocably waives any claim that it may have in respect thereof. In particular the following situations may arise Transactions Involving the underlying

The Issuer and its affiliates may from time to time engage in transactions involving the underlying for their proprietary accounts and for accounts under their management. Such transactions may have a positive or negative effect on the value of the underlying and consequently upon the value of the Debentures.

(i) Issuing of other debentures in respect of the underlying

The Issuer and its affiliates may issue other debentures in respect of the underlying and the introduction of such competing products into the market place may affect the value of the Debentures.

(j) Obtaining of Non-public Information

The Issuer and/or its affiliates may acquire non-public information with respect to the underlying, and neither the Issuer nor any of its affiliates undertakes to disclose any such information to any Debenture Holder.

(k) Any inability of the Company to attract or retain talented professionals may impact its business operations.

The business in which the Company operates is very competitive and ability to attract and retain quality talent impacts the successful implementation of growth plans. The Company may lose many business opportunities and business would suffer if such required manpower is not available on time. The inability of the Company to replace manpower in a satisfactory and timely manner may adversely affect its business and future financial performance.

(l) Employee Misconduct

Any kind of employee misconduct may impair the Company's ability to service its clients. It is not always possible to deter employee misconduct and the precautions the Company takes to detect and prevent this activity may not be effective in all cases.

(m) Downgrading in credit rating

Brickworks Rating India Private Limited has assigned "BWR PP-MLD AA-" rating for this NCD issue of Rs.100 Crore. The Company cannot guarantee that this rating will not be downgraded. In the event of deterioration in the financial health of the Company, there is a possibility that the Rating Agency may downgrade the rating of the Debentures. In such cases, investors may have to take losses on re-valuation of their investment or make provisions towards sub-standard/non-performing investment as per their usual norms. Such a downgrade in the credit rating may lower the value of the Debentures and/or the Company's ability to meet its obligations in respect of the Debentures could be affected.

(n) No guarantee

Reliance Capital Limited, the Principal Sponsor of the Company has not provided any guarantee in any manner with respect to the Debentures and no Investor shall have any recourse against Reliance Capital Limited or any of its promoters or group companies, except the Company, with respect to the performance of the terms and conditions of the Issue.

(o) Decisions may be made on behalf of all Debenture Holders that may be adverse to the interest of individual Debenture Holders

The terms of the Debentures contain provisions for calling meetings of Debenture Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Debenture Holders including Debenture Holders who did not attend and vote at the relevant meeting.

(p) Security may be insufficient to redeem the Debentures

In the event that the Company is unable to meet its payment and other obligations towards Investors

under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of the Debenture Trust Deed and other related documents. The Investors' recovery in relation to the Debentures will be subject to (i) the market value of the property offered as security, and (ii) finding a willing buyer for such security at a price sufficient to repay the investors' amounts outstanding under the Debentures.

(q) Tax and other Considerations

Special tax, accounting and legal considerations may apply to certain types of investors. Investors are urged to consult with their own financial, legal, tax and other professional advisors to determine any financial, legal, tax and other implications of an investment into the Debentures.

(r) Company's indebtedness and covenants imposed by its financing arrangements may restrict its ability to conduct its business or operations

The Company's financing arrangements require it to maintain certain security cover for some of its borrowings. Should there be any breach of financial or other covenants of any financing arrangements and such breach continues beyond the stipulated cure period, the Company may be subjected to various consequences as a result of such default including forced repayment of such borrowings. Further, under some of the financing arrangements, the Company is required to inform/obtain prior approval of the lenders/debentures holders/ debenture trustee for various actions. This may restrict/delay some of the actions/initiatives of the Company from time to time.

(s) The business of the Company is dependent on the successful acquisition of financial assets from the banks/financial institutions and the resolution of such acquired assets within the realisation time frame.

Any failure in realisation of the assets acquired by the Company due to recession, inflation, economy, change in regulations, etc. could adversely affect our business

External Risk Factors

a. Material changes in regulations to which the Company is subject could cause the Company's business to suffer

ARCs in India are subject to detailed supervision and regulation by RBI. In addition, the Company is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework affecting ARCs including the provisioning for NPAs or capital adequacy requirements could adversely affect the profitability of the Company or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise. In addition, the Company is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles.

b. A slowdown in economic growth in India could cause the Company's business to suffer

The Company's performance and the quality and growth of its assets are necessarily dependent on the health of the overall Indian economy. A slowdown in the Indian economy could adversely affect its business, including its ability to grow its asset portfolio, the quality of its assets, and its ability to implement its strategy. India's economy could be adversely affected by a general rise in interest rates, or various other factors affecting the growth of industrial, manufacturing and services sector or general down trend in the economy.

c. Political instability or changes in the government could delay further liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact the Company's financial results and prospects

Since 1991, successive Indian governments have pursued policies of economic liberalization.

The role of the central and state governments in the Indian economy as producers, consumers and regulators has remained significant. The leadership of India has changed a number of times since 1991. The current central government, which came to power in May 2014, is led by the Bharatiya Janata Party. Although the current government has announced policies and taken initiatives that support the economic liberalization policies that have been pursued by previous governments, the rate of economic liberalization may be affected by the coalition nature of the government. If there was to be any slowdown in the economic liberalisation, or a reversal of steps already taken, it could have an adverse effect on the Company's business. Financial difficulties and other problems in certain financial institutions in India could cause the Company's business to suffer. The Company is exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties, trends and problems faced by certain Indian financial institutions. The problems faced by individual Indian financial institutions and any instability in, or difficulties faced by, the Indian financial system generally could create adverse market perception about Indian financial institutions, banks and NBFCs. This in turn could adversely affect the Company's business, its future financial performance and business prospects.

d. Terrorist and other acts of violence or war involving India and other countries could adversely affect the financial markets and the Company's business

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets and may also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence. In addition, adverse social, economic and political events in India could have a negative impact on the Company. Such incidents could also create a perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on the Company's business.

e. Market Risk (Product Demand) and Force Majeure Events

The Company is in the business of providing of financial services. The overall demand for the Company's products is linked to the macro-economic parameters like GDP growth, capital markets and liquidity. Any adverse movement on these factors will have an adverse impact on the business of the Company. The performance may also be affected by political and economic developments and natural disasters like earthquakes, flood, drought, tsunami act of God, etc. The extent and severity of these natural disasters and pandemics determine their impact on the economy and in turn their effect on the financial services sector of which the Company is a part cannot be ascertained or predicted but could adversely affect the Company. Prolonged spells of abnormal rainfall and other natural calamities could have an adverse impact on the economy which in turn could adversely affect the financial results and/or operations of the Company. India has also experienced pandemics, including the outbreak of avian flu and swine flu. These factors may affect the capital markets as well as reliability of the Issuer's assets. Interest rate volatility exposes the Issuer to market risks arising out of maturity rate/ interest rate mismatches, which may have an impact on its financial results.

f. Legality of Purchase

A prospective investor of the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates or for compliance by that prospective Investor with any law, regulation or regulatory policy applicable to it.

g. Taxation

Each Debenture Holder will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges that may be applicable to any payment to it in respect of the Debentures.

RELIANCE

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RECONSTRUCTION**

The Issuer will not pay any additional amounts to Debenture Holders to reimburse them for any tax, assessment or charge required to be withheld or deducted by the Issuer from payments in respect of the Debentures.

h. Disclaimer in relation to Valuation

The valuations as may be provided by the Valuation Agency, on the website of the Issuer and the Valuation Agency or otherwise do not represent the actual price of the Debentures that may be received upon sale or redemption of Debentures. They merely represent the Valuation Agency's computation of the valuation which may in turn be based on several assumptions. **A Debenture Holder understands and is aware that the valuation is not in any manner reflective of the actual returns that can be obtained by such Investor on the Debentures.**

i. Other Information about the Issuer

1 Name and address of the registered office of the Issuer

Reliance Asset Reconstruction Company Limited

Registered Office: Reliance Centre, North Wing, 6th Floor, Off Western Express Highway, Santacruz (East), Mumbai 400 055

Tel. : +91 22 3303 1000 Fax: +91 22 3303 6664

Website: www.rarcl.com

2 Name and address of the office of the Issuer

Reliance Asset Reconstruction Company Limited

Reliance Centre, North Wing, 6th Floor, Off Western Express Highway, Santacruz (East), Mumbai 400 055

3 Name and address of Compliance Officer of the Issuer

Ms. Preeti K. Chhapru - Company Secretary

Reliance Centre, North Wing, 6th Floor, Off Western Express Highway, Santacruz (East), Mumbai 400 055

Tel. : +91 22 3303 1000

E-mail: Preeti.chhapru@relianceada.com

4 Name and address of the Chief Financial Officer of the Issuer

Shri Mehul Gandhi - Chief Financial Officer

Reliance Centre, North Wing, 6th Floor, Off Western Express Highway, Santacruz (East), Mumbai 400 055

Tel. : +91 22 3303 1000

E- mail: mehul.gandhi@relianceada.com

5 Name and address of the Arrangers of the Issue

Not Applicable

6 Name and address of the Debenture Trustee of the Issue

Vistra ITCL (India) Limited
(formerly IL & FS Trust Company Limited)
The IL & FS Financial Centre, Plot C-22, G Block, Bandra Kurla Complex,
Bandra East, Mumbai 400 051

7 Name of the Registrar of the Issue

Karvy Fintech Private Limited
Karvy Selenium, Tower – B, Plot No. 31 & 32, Survey No. 116/22, 115/24, 115/25,
Financial District, Nanakramguda, Hyderabad 500 032

8 Name of the Credit Rating Agency of the Issue

Brickwork Ratings India Private Limited
3rd Floor, Raj Alkaa Park,
Kalena Agrahara, Bannerghatta Road,
Benagaluru – 560 076

9 Name and address of the Valuation Agency

CRISIL Limited
CRISIL House, Central Avenue,
Hiranandani Business Park,
Powai, Mumbai 400 076
Tel. : +91 22 3342 3000; Fax : +91 22 3342 3810

10 Name and address of the Auditors of the Issuer

(A) Statutory Auditors

Pathak H. D. & Associates
814-815, Tulsiani Chambers,
212, Nariman Point,
Mumbai 400021

(B) Internal Auditors

V. C. Shah & Co.
Rajgir Chambers, 3rd Floor,
12-14, Shahid Bhaghat Singh Road,
Opp Old Custom House,
Mumbai 400 001

ii. A brief summary of the business / activities of the Issuer and its line of business.
Overview

Reliance Asset Reconstruction Company Limited is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company has obtained registration from Reserve Bank of India on February 14, 2008 to act as a Securitisation Company / Reconstruction Company.

Reliance Asset Reconstruction Company Limited (Reliance ARC) is in the business of acquisition, management and resolution of distressed debt/assets. The assets under management as on March 31, 2018 rose to Rs.1,864 crore as against Rs.1,829 crore as on March 31, 2017.

iii Corporate Structure
a. Details of Share Capital as on September 30, 2018:-

Share Capital	(Rs. in crore)
Authorised Share Capital	
1500,00,000 Equity Shares of Rs. 10 each	150.00
100,00,000 Preference Shares of Rs. 10 each	10.00
Total	160.00
Issued and Subscribed Share Capital	
1000,00,000 Equity Shares of Rs. 10 each	100.00
Paid-up Share Capital	
1000,00,000 Equity Shares of Rs. 10 each	100.00
Total	100.00

b.(i) The details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration:

Date of Allotment	No. of equity shares	Face Value (Rs.)	Issue Price	Form of Consideration (Cash, other than cash, etc.)	Nature of allotment
On Incorporation	50,000	10	10	Cash	Shares issued upon incorporation
13-12-2006	28,40,000	10	10	Cash	Preferential Allotment
2-2-2007	1,10,000	10	10	Cash	Preferential Allotment
6-5-2008	12,30,000	10	10	Cash	Preferential

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Date of Allotment	No. of equity shares	Face Value (Rs.)	Issue Price	Form of Consideration (Cash, other than cash, etc.)	Nature of allotment
6-5-2008	4,13,90,000				Allotment
28-5-2008	27,70,000	10	10	Cash	Preferential Allotment
28-5-2008	5,16,10,000	10	10	Cash	Preferential Allotment

(b)(ii) Equity Share Capital History of the Company as on September 30, 2018 for the last five years: -

Sr. No.	Date of Allotment	Particular	Price per equity share	No. of equity shares	Cumulative Total	Consideration (Cash, other than cash, etc.)
1	On Incorporation	Allotment to Subscribers	10	50,000	5,00,000	Cash
2	13-12-2006	Preferential Allotment to Reliance Capital Limited, RCAM, Indian Bank, Corporation Bank, General Insurance Corporation of India	10	28,40,000	28,90,000	Cash
3	2-2-2007	Preferential Allotment to Corporation Bank	10	1,10,000	30,00,000	Cash
4	6-5-2008	Preferential Allotment to Reliance Capital Limited, Indian Bank and Corporation Bank.	10	12,30,000	42,30,000	Cash
5	6-5-2008	Preferential Allotment to Reliance Capital Limited, Indian Bank and Corporation Bank.	10	4,13,90,000	4,56,20,000	Cash
6	28-5-2008	Preferential Allotment to Reliance Capital Limited, General Insurance Company of India, Dacecroft Limited, Blue Ridge Limited Partnership and Blue Ridge Offshore Master Limited Partnership.	10	27,70,000	4,83,90,000	Cash
7	28-5-2008	Preferential Allotment to Reliance Capital Limited, General Insurance Corporation of India, Dacecroft Limited, Blue Ridge Limited Partnership and Blue Ridge Offshore Master Limited Partnership.	10	5,16,10,000	10,00,00,000	Cash

The Company has not made any allotment of equity shares in the last one year preceding the date of this offer letter.

c. Details of any Acquisition or Amalgamation in the last 1 year:-

The Company had not done any acquisition or amalgamation in the last one year.

d. Details of any Re-organization or Re-construction in the last 1 year:-

The Company has not entered into any re-organisation or re-construction in the last one year.

e. Details of the shareholding of the Company as on the latest quarter end:-

i.	Shareholding pattern of the Company as on September 30, 2018 Annexure II
ii.	List of top 10 holders of equity shares of the Company as on September 30, 2018 Annexure III

f. Details regarding the directors of the Company:-

Sr. No.	Name Designation DIN Occupation	Age	Address	Director of the Company since	Details of other directorship
1.	Shri Sujal Shah DIN 00058019 Independent Director Chartered Accountant	50	701, 7 th Floor Mayfair Kumkum CHS Ltd CTS No 772 S V Road, Next to Bank of India Andheri (West) Mumbai 400 058	October 31,2006	1. Amrit Corp. Limited 2. Mafatal Industries Limited 3. Hindoostan Mills Limited 4. Amal Limited 5. Convergence Chemicals Private Limited 6. Rudolf Atul Chemicals Limited 7. Capricon Realty Limited 8. Bhishma Realty Limited 9. DHFL Pramerica Trustees Private Limited. 10. Raiji and Horwath Consultancy Services Private Limited 11. I-Process Services (India) Private Limited 12. SSPA Consultants Private Limited

Sr. No.	Name Designation DIN Occupation	Age	Address	Director of the Company since	Details of other directorship
2.	Shri Shrikant Rege DIN 06554826 Independent Director Professional	62	R: 402, F:4 W:P.845/848, Raheja Princess Agar Bazar, Raobahadur S K Bole road, Dadar (west) Mumbai 400 028	November 7, 2013	1. Youfirst Ventures Private Limited
3.	Ms. Deena Mehta DIN 00168992 Independent Director Professional	57	17A, Abhilasha Bldg, 17 th Floor, 46 August Kranti Marg, Gaumdevi Mumbai 400 036	August 1, 2014	1. Asit C Mehta Financial Services Limited 2. Asit C Mehta Investment Intermediates Limited 3. Reliance Home Finance Limited 4. Gandhar Oil Refinery (India) Limited 5. Reliance Commercial Finance Limited 6. NMIMS Business School Alumini Association. 7. Edgytal Digital Marketing Private Limited
4.	Dr. R. B. Barman DIN 02612871 Independent Director Professional	70	A/1/1006, Ridhi Gardens Film City Road, Malad – East Mumbai – 400 097	May 15, 2013	1. Asomi Finance Private Limited 2. Sarvatra Technologies Private Limited 3. Techprocess Payment Services Limited. 4. Dhanvikas Fiscal Services Private Limited
5.	Shri Lav Chaturvedi DIN 02859336 Nominee Director Service	42	Golden Rays, 403-04 Shastri Nagar Andheri (west), Mumbai 400 053	September 22, 2014	1. Reliance Financial Limited 2. Reliance AIF Management Company Limited 3. Reliance Commercial Finance Limited 4. Indian Commodity Exchange Limited 5. Reliance General Insurance Company Limited
6.	Shri V. Muthukrishnan DIN 03113886 Nominee Director	57	305, Krishna Apartments, Juhu Lane, Near Navneet Motors, Andheri West Mumbai 400058	November 27, 2018	1. Corpbank Securities Limited

Sr. No.	Name Designation DIN Occupation Service	Age	Address	Director of the Company since	Details of other directorship	
7.	Shri Mahesh Kumar Bajaj DIN 08080244 Nominee Director	53	Flat No.112, Casablanca Flats, Cuffe Parade, Mumbai 400 055	April 26, 2018	1.	Experian Credit Information Company of Indian Private Limited
8.	Shri Ravindra S. Rao DIN 08079570 Executive Director & CEO Service	48	D-305/306, Lake Lucerne, Phase 3, Lake Homes, Off Adi Shankaracharya Marg, Powai, Mumbai - 400076	May 30, 2018	1.	Reliance Corporate Advisory Limited

None of our directors appear in the RBI defaulter list and/or ECGC defaulter list.

g. Details of change in directors since last three years:-

Name Designation DIN	Date of Appointment / Resignation	Director of the Company since (in case of resignation)	Remarks
Shri V. Muthukrishnan Nominee Director DIN 03113886	27/11/2018	-	Appointment
Shri U. C. Nayak Nominee Director DIN 07422169	27/11/2018	01/02/2016	Withdrawal of nomination
Shri Ravindra S. Rao Executive Director & CEO DIN 08079570	30/05/2018	-	Appointment
Shri Mahesh Kumar Bajaj Nominee Director DIN 08080244	26/04/2018	-	Appointment
Shri Ramu A. Nominee Director DIN 07912624	26/04/2018	13/11/2017	Withdrawal of nomination
Shri Balasubramanian Ramiah Nominee Director DIN 07622474	13/11/2017	17/11/2016	Withdrawal of nomination
Shri V. R. Mohan Nominee Director DIN 01072442	31/03/2017	30/04/2015	Resignation
Shri Balasubramanian Ramiah Nominee Director DIN 07622474	17/11/2016	-	Appointment

Name Designation DIN	Date of Appointment / Resignation	Director of the Company since (in case of resignation)	Remarks
Shri Venkatesa Perumal Nominee Director DIN 07420566	17/11/2016	11/02/2016	Withdrawal of nomination
Shri Venkatesa Perumal Nominee Director DIN 07420566	11/02/2016	-	Appointment
Shri U. C. Nayak Nominee Director DIN 07422169	01/02/2016	-	Appointment
Shri Vipon Malhotra Nominee Director DIN 06802507	18/09/2014	11/02/2016	Withdrawal of nomination
Shri Rishi Pal Arora Nominee Director DIN 06899397	18/06/2014	21/12/2015	Withdrawal of nomination

h. Remuneration of directors (during the current year and last three financial years):-

The Company has not paid any remuneration to directors during the last three financial years.

During the period half year ended September 30, 2018, Shri Ravindra S. Rao, Executive Director & CEO of the Company has been paid a remuneration of Rs. 49.11 Lakh as per terms of his appointment approved by the Shareholders by a resolution passed at the Annual General Meeting held on August 14, 2018.

All non-executive directors are entitled for sitting fees for attending each meeting of the Board and its committees.

i. Key Operational and Financial Parameters (Standalone) for the last three audited years

(Rs. in crore)

Parameters	2017-18	2016-17	2015-16
Networth			
Total Debt of which –			
- Non Current Maturities of Long Term Borrowing	-	-	100.00
- Short Term Borrowing	122.35	144.55	-
Net Fixed Assets	0.80	0.61	0.14
Non Current Assets	280.46	285.32	225.53
Cash and Bank balances	0.02	0.04	9.95
Current Investments	0.40	-	0.16
Current Assets	7.12	13.90	15.68
Non-Current Liabilities	0.02	0.26	0.11
Current Liabilities	16.06	10.52	15.83
Assets Under Management	1864	1829	1,487.34
Off Balance Sheet Assets			
Interest / Finance Income	0.09	0.78	0.61

Parameters	2017-18	2016-17	2015-16
Interest Expense	15.48	12.50	7.53
Provisioning & Write-offs	0.04	0.02	1.41
PAT	9.04	9.02	9.70
Dividend (including interim dividend)	0.3	0.3	0.3
Interest Coverage Ratio (Cash PAT + Interest)			

Gross Debt Equity Ratio of the Issuer:

Before the issue of the Debentures	0.82*
After the issue of the Debentures	-

* As on March 31, 2018

- j. **A brief history of the issuer since its incorporation giving details of its activities including any re-organisation, reconstruction or amalgamation, changes in its capital structure (authorised, issued and subscribed) and borrowings, if any:**

History

The Company was incorporated as Reliance Asset Reconstruction Company Limited on April 17, 2006 under the Companies Act, 1956 and obtained the certificate of commencement of business on May 24, 2006.

The authorised share capital of the Company was modified from time to time by passing requisite resolutions at the meeting of the members. The details of the authorised share capital at the time of incorporation at its subsequent modifications are as under:

In Rs.

Date of Modification	Equity Share Capital	Preference Share Capital	Unclassified Capital	Total Authorised Capital
November 22, 2006	4,00,00,000	-	-	4,00,00,000
February 25, 2008	100,00,00,000	-	-	100,00,00,000
March 12, 2008	100,00,00,000	10,00,00,000	-	110,00,00,000
August 31, 2015	150,00,00,000	10,00,00,000	-	160,00,00,000

The details of issued and subscribed share capital and any changes thereto are provided as equity share capital history under the heading corporate structure of the Company.

The details of borrowing i.e. secured and unsecured are provided as the Annexures to this Document.

- k. **Brief particulars of the management of the Company**

Board of Directors – Profile
Shri Sujal Shah,

Shri Sujal Shah A Chartered Accountant by profession, Mr Shah is a partner of SSPA & Co, Chartered Accountants, He has been into consulting practice for Mergers/Acquisitions and Corporate Restructuring for almost two decades.

Shri Shrikant Rege

Shri Shrikant Rege, with more than 31 years of experience, is a professional with wide ranging qualifications including B.Com, LLB, Diploma in Financial Management, CA, CS, and CAIIB. He started his career with RBI in 1982 and soon after moved to American Express Bank (AMEX), where he rose to the level of Chief Executive and Country Operations Officer International Operations in 2003. He has handled various roles in quality, corporate and private banking credit, compliance and treasury in the Bank. Post the takeover of AMEX by Standard Chartered Bank (SCB) in 2008, he led the complex integration of AMEX with SCB, before moving to the UK Government's Foreign Commonwealth Office as its Senior Advisor, where he was involved in building a strategy on reform of IMF and the World Bank. Shri Rege is currently a consultant and Senior Advisor to Deloitte in India, advising Banks and Financial Institutions on engagements with other financial players viz. Banks, Insurance companies, Mutual Funds, and their regulators, focusing on Governance, Regulations and Risk.

Dr R. B. Barman

Dr. R. B. Barman holds a doctorate degree in Economics from IIT Bombay, a Master's degree in Statistics from Guwahati University and is a CFA. Dr. R. B. Barman is well known for his expertise in the core areas of Statistics, Econometrics, Business Information Technology and Payment Systems. Dr. Barman worked as Executive Director in the Reserve Bank of India. In the year 2005, he was given the personal status of a Deputy Governor, from which position he retired in 2008. Dr. Barman is now an independent Adviser and Director in public and private sector companies, including North Eastern Development Finance Corporation Ltd. (NEDFI). He is also associated with academic institutions as Adjunct Professor, Chairman of Research Advisory Committee etc. This rare combination of expertise which gives him unique position in the areas of risk management, analytics for strategic management and payment systems.

Ms. Deena Mehta

Ms. Deena Mehta is Chartered Accountant and Fellow Member of Securities and Investment Institute London. She is the promoter of Asit C Mehta Securities and on the Board on National Payments Corporation of India (NPCI) and the Chairperson of IMC Capital Market Committee. She is an Invitee to International Securities Regulators Organization, and member of Index Committee and Advisory Committee on Mutual Funds of Stock Exchange, Mumbai, and Committee on Review of Eligibility (CORE) norms of SEBI, Derivative Committee of SEBI, Core Committee of Federation of Commodity Exchanges of India and IMC Ladies Wing. She is a Public Nominee on the Board of Director of the Bombay Commodity Exchange Ltd. She was also a Member Code of Ethics Committee of SEBI, First Woman President of The Stock Exchange Mumbai, Member of MAPIN Committee of SEBI, Director on Board of Bank of India (BOI), Share Holding Limited the Clearing Corporation of Stock Exchange Mumbai, Founder Director of Central Depository Services of India, Founder Executive Committee Member of South Asian Federation of Exchanges and Public nominee on the Board of Director of Cotton Association of India. Exceptional Women Achiever Awards, 2014 has been conferred by FICCI, FLO Bombay Chapter & Golden Maharashtra Development Council as the First Woman to Head the Bombay Stock Exchange. She is a Visiting faculty on stock markets at UTI Institute of capital markets, Indian Institute of Management, Ahmedabad. She is the First Indian woman to take part in 8th Jaycee Youth Voyage to Japan, First woman Trustee on board of Prempuri Ashram Trust. Her contribution in the field of capital market, accountancy and finance gives immense value to the Company.

Shri Mahesh Kumar Bajaj

Shri Mahesh Kumar Bajaj has Started his career in Indian Bank in the year 1993 as Probationary Officer. He is post graduate in Science and Bachelor of Education and Certified Associate of Indian Institute of Banking & Finance. He has got experience of 25 years in Corporate Banking, Retail Banking, Rural Banking, Integrated Treasury Management, NPA recovery management, Foreign Trade and Trade Finance, Personal Management & Audit and Inspection.

During the career he has headed the Large Corporate branches of Indian Bank for five years. Presently working as Deputy General Manager and Department Head (International Division & Treasury). He is also overseeing foreign branches of Indian Bank situated at Singapore and Colombo.

Shri V. Muthukrishnan

Shri V. Muthukrishnan is Nominee of Corporation Bank. Shri V. Muthukrishnan joined Corporation Bank as Probationary Officer in 1984. During the past 34 years of career in the Corporation Bank, he has worked in Branch operations, Treasury, Credit Monitoring and headed circle Officer operations.

Shri Lav Chaturvedi

Shri Lav Chaturvedi is a Nominee Director (Nominee of Reliance Capital Limited) of the Company. He is the Chief Risk Officer of Reliance Capital Limited since October 2008. He is responsible for assessing and managing enterprise-wide risks at the group level covering various risks such as credit, market, operations, etc. across all businesses and geographies and risk aggregation for centralized risk and capital management. He is responsible for integral Internal Audit function at group level. He has been instrumental in developing best-in-class risk management capabilities and culture by creating a clear direct line of sight from risk management to stakeholder value. Before this, he was the Head, Risk Management in Reliance Mutual Fund, which he joined in January 2007. Mr. Lav Chaturvedi has worked with Ips Sendero, subsidiary of Fiserv (a Fortune 500 company), in Scottsdale, Arizona, USA at the senior management level, providing strategic and tactical consulting on balance sheet management to the clients and assisting in the resolution of advanced analytical and policy issues. He has rich and in-depth exposure to the entire spectrum of commercial as well as financial functions in the corporate finance, banking and consulting industries at the domestic as well as international level.

Mr. Lav Chaturvedi has an MBA from Syracuse University, New York. He is also a Chartered Financial Analyst from the CFA Institute, USA.

Shri Ravindra S. Rao

Shri Ravindra S. Rao has more than 22 years of experience across consumer lending and has worked in risk management, compliance, distribution, operations and technology. Prior to joining, Shri Ravindra Rao has worked with Fullerton India where he worked in different roles for over six years, with his last assignment being the CEO of the home finance subsidiary. Prior to Fullerton, Mr. Rao was head of Collections and Fraud Risk Management at Standard Chartered for South Asia. He also headed Retail Collections at HDFC Bank for five years. At the start of his career, he had worked in regional roles in ABN Amro and Bank of America.

Key Management Personnel

Shri Mehul Gandhi is Chief Finance Officer

Shri Mehul Gandhi is Chief Financial Officer of the Company. He is the members of Institute of Chartered Accountants of India.

Ms. Preeti K. Chhapru is Company Secretary

Ms. Preeti K. Chhapru is Company Secretary of the Company. She is the member of Institute of Company Secretaries of India. She is a law graduate and commerce post graduate from the University of Mumbai.

I. Details regarding the auditors of the Company
1. Details of the statutory auditors of the Company:-

Name	Address	Auditor Since
Pathak H. D & Associates	814-815, Tulsiani Chambers, 212, Nariman Point, Mumbai – 400021	Date of AGM May 29, 2017

2. Details of change in auditor since last three years:-

Name	Address	Date of Appointment / Resignation	Auditors of the Company since (in case of resignation)	Remarks
Pathak H.D. & Associates	814-815, Tulsiani Chambers, 212, Nariman Point, Mumbai 400 021	May 29, 2017	-	Appointed to hold office until the conclusion of 16 th Annual General Meeting of the Company.
Price Waterhouse & Co Chartered Accountants LLP	252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai 400 028	May 28, 2007	-	Retired pursuant to the provisions of Section 139 of the Act with the Rules made thereunder.

- m. **Details of borrowings of the Company, as on the latest quarter end i.e. September 30, 2018:**
1. **Details of Secured Loan Facilities**
Please refer Annexure IV
 2. **Details of Unsecured Loan Facilities**
Please refer Annexure VI
 3. **Details of Non-Convertible Debentures (NCDs)**
Annexure VII
 4. **List of Top 10 Debenture Holders as on September 30, 2018.**
Annexure VIII
 5. **The amount of corporate guarantee issued by the Issuer along with name of the counterparty (like name of the subsidiary, JV entity, group company, etc.) on behalf of whom it has been issued**
Annexure IX
 6. **Details of Commercial Paper**
Annexure X
 7. **Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on September 30, 2018.**
Nil
 8. **Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 5 years**
Nil
- n. **Details of Promoters of the Company: -**
Details of Promoter Holding in the Company as on the latest quarter end i.e. September 30, 2018.
Please refer Annexure XI
- o. **Abridged version of Audited ~~Consolidated~~ and Standalone Financial Information (like Profit & Loss statement, Balance Sheet and Cash Flow statement) for at least last three years and auditor qualifications, if any.**
Please refer Annexure XII – XIIA and XIIB
- p. **Abridged version of Latest Limited Review ~~Consolidated~~ and Standalone Financial Information (like Profit & Loss statement, and Balance Sheet) and auditor qualifications, if any.**

Please refer Annexure XIII
- q. **Details of debt securities issued and sought to be listed including face value, nature of debt securities mode of issue i.e. private placement.**

The Company proposes to issue and list NCDs of Face Value of Rs. 1,00,000/- (Rupees One Lakh

Only) each, and these would be issued in dematerialized form. The Issue is on private placement basis. The detailed features of the NCDs are given in the SUMMARY TERM SHEET.

r. Issue Size

The Issue of Debentures is INR 2,00,00,000 (Rupees Two Crore Only) with an option to retain oversubscription aggregating to INR 3,00,00,000 (Rupees Three Crore Only) (For details please refer SUMMARY TERM SHEET)

s. Minimum Subscription Size

The minimum subscription size for this Issue is Rs.25 (Twenty-Five) Lakhs and in multiples of Rs.1 (One) lakh thereafter.

t. Utilisation of Issue Proceeds / Objects of the issue

The NCDs have been issued to raise resources to meet the ongoing funding requirements for the Company's business activities, for general corporate purposes and refinancing of the existing debt obligations of the Company. The issue proceeds shall be utilized for the said.

u. A statement containing particulars of the dates of, and parties to all material contracts, agreements involving financial obligations of the Issuer.

By very nature of its business, the Company is involved in large number of transactions involving financial obligations and, therefore it may not be possible to furnish details of all material contracts and agreements involving financial obligations of the Company. However, the contracts/documents referred below (not being contracts entered into in the ordinary course of the business carried on by the Company) which are or may be deemed to be material, have been entered into by the Company. Copies of these contracts /documents shall be available for inspection at the registered office of the Company between 10.00 a.m. and 5.00 p.m. on all days except Saturdays, Sundays and public holidays.

Sr. No.	Material contracts / documents
1)	Memorandum and Articles of Association of the Company.
2)	Certified copy of the resolution under Section 180(1)(c) of the Companies Act, 2013 passed by the members of the Company in their Annual General Meeting held on August 2, 2014.
3)	Certified true copy of the resolution of the Board of Directors of the Company for raising the debentures in its meeting held on April 19, 2018.
4)	Certified true copy of the resolution of the Board of Directors of the Company for issuance of Information Memorandum in its meeting held on July 19, 2018
5)	Financial Statements of financial year 2015-2016, 2016-2017 and 2017-2018.
6)	Copy of consent letter of Vistra ITCL (India) Limited (formerly IL & FS Trust Company Limited) to act as debenture trustee for the proposed issue.
7)	Copy of the Debenture Trust Deed(s) to secure debentures under this Information Memorandum.
8)	Copy of credit rating letter along with credit rationale of Brickwork Ratings India Private Limited
9)	Copy of consent letter of Karvy Fintech Private Limited to act as Registrar & Transfer Agent for the proposed issue.
10)	Copy(ies) of the Agreement(s) with Depository(ies).

- v. **Any material event/development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event, etc.) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.**
There are no material event/development having an implication on the financials/credit quality. There are no litigations by or against the Company whose likely outcome will have a material adverse effect on the operations of the Company. Further, there are no outstanding litigations or defaults which pertain to matters which are likely to affect the operations and finances of the Company including disputed tax liabilities, prosecution under any enactment in respect of Schedule V to the Companies Act. There are no penalties that have been imposed on the Company by any statutory authority.
- w. **Particulars of any outstanding ~~borrowings taken~~/debt securities issued ~~where taken/issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option.~~**
Nil
- x. **An undertaking that the Issuer shall use a common form of transfer.**
Please refer to the 'GENERAL TERMS AND CONDITIONS'.
- y. **Redemption amount, period of maturity, yield on redemption.**
The details of redemption amount, maturity period and yield on redemption are given in the 'Summary Term Sheet'.
- z. **Information relating to terms of offer or purchase**
Please refer to 'Summary Term Sheet' and 'GENERAL TERMS AND CONDITIONS'.
- aa. **The discount at which such offer is made and the effective price for the investor as a result of such discount.**
Please refer to Summary Term Sheet.
- ab. **Servicing behavior on existing debt securities, payment of due interest on due dates on term loans and debt securities.**
The payment of interest & repayment of principal is made on the respective due dates.
- ac. **That the permission/consent from the prior creditor for a second or pari passu charge being created in favor of the trustees to the proposed issue has been obtained.**
The Company has obtained permission / consent from the existing lenders and trustees for the holders of debentures who hold charge on the Company's properties, for a pari passu charge in favor of the Debenture Trustee to the proposed issue of NCDs.
- ad. **The names of the debenture trustee(s) shall be mentioned with a statement to the effect that debenture trustee(s) has given his consent to the issuer for his appointment under regulation 4(4) and also in all the subsequent periodical communications sent to the holders of debt securities.**
The debenture trustee for the proposed issue is Vistra ITCL (India) Limited (formerly IL & FS Trust Company Limited). The Company has obtained consent from debenture trustee for the proposed issuances. The copy of the consent letter from the Debenture Trustee has been annexed at Annexure – 2.

- ae. The detailed rating rationale(s) adopted (not older than one year on the date of opening of the issue)/credit rating letter issued (not older than one month on the date of opening of the issue) by the rating agencies shall be disclosed.**

Brickwork Ratings India Private Limited ("Brickwork") having its head office at 3rd Floor, Raj Alkaa Park, Kalena Agrahara, Bannerghatta Road, Bengaluru – 560 076 Tel.: +91 80 4040 9940 and Fax: +91 80 4040 9941, has assigned BWR PP MLD AA-) rating to these debentures.

Please refer to Credit Rating Letter from Brickwork, attached as Annexure – 1 for the rating rationale.

- af. Names of all the recognized stock exchanges where the debt securities are proposed to be listed clearly indicating the designated stock exchange.**

The Debentures are proposed to be listed on the stock exchange i.e. BSE Limited.

- ag. Payment and invocation details if the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent.**

Not Applicable

- ah. Security creation**

The Security has been created vide Debenture Trust Deed for allotment of the Debentures as per each issue under this Information Memorandum.

In case of delay in execution of the Debenture Trust Deed and charge documents (where applicable), the Company will refund the subscription with agreed rate of interest or will pay penal interest of at least 2% p.a. over the coupon rate (if applicable as per the Summary Term Sheet) till these conditions are complied with at the option of the investor.

- ai. Default in payment**

In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of at least @ 2% p.a. over the coupon rate (if applicable as per Summary Term Sheet) will be payable by the Company for the defaulting period

- aj. Delay in listing**

In case of delay in listing of the debt securities beyond 20 days from the deemed date of allotment, the Company will pay penal interest of at least 1 % p.a. over the coupon rate (if applicable as per the Summary Term Sheet) from the expiry of 30 days from the deemed date of allotment till the listing of such debt securities to the investor. The investor should make the necessary claim on the Company for the same.

PART A – SUMMARY TERM SHEET

Sr. No.	Particulars	Details
1.	Security Name	Reliance Asset Reconstruction Company Limited Market Linked Debentures RARC MLD Series RARC/A03(“ Debentures ”)
2.	Issuer / Company	Reliance Asset Reconstruction Company Limited
3.	Category of Debentures	Category A Debentures
4.	Type of Instrument / Kind of Security	Rated, Listed, Secured, Redeemable Non-Convertible, Principal Protected Market Linked Debentures
5.	Series Number	RARC MLD Series RARC/A03
6.	Board Resolution for raising the Debentures	April 19, 2018
7.	Shareholders’ General Meeting Resolution Dated	August 2, 2014
8.	Nature of instrument	Secured
9.	Seniority	Senior The Debentures Holders shall have a pari-passu first charge over the Security created among the Trustee and the other lenders
10.	Mode of Issue	Private Placement
11.	Eligible Investor(s)	As mentioned in “Eligible Investors” on page 64 of the Information Memorandum
12.	Listing	The Issuer proposes to submit the listing document relating to the Debentures issued under this Information Memorandum to the BSE Limited (“BSE”) within 15 (fifteen) days of the Date of Allotment.
13.	Rating of the Instrument	BWR PP-MLD AA- by Brickwork Ratings
14.	Principal Amount / Face Value per Debenture	INR 1,00,000/- (Rupees One Lakh Only)
15.	Minimum Application and in multiples of thereafter	Minimum application shall be for 25 (Twenty-Five) Debenture(s) and in multiples of 1 (One) thereafter.
16.	Issue size / Amount which the Company intends to raise	INR 2,00,00,000 (Rupees Two Crore Only) (i.e. 200 Debentures)
17.	Option to retain oversubscription (amount)	INR 3,00,00,000 (Rupees Three Crore Only)
18.	Utilisation of Issue Proceeds / Objects of the Issue	The Debentures have been issued to raise resources to meet the ongoing funding requirements for the Company’s business activities, for general corporate purposes and refinancing of the existing debt obligations of the Company

PART A – SUMMARY TERM SHEET

Sr. No.	Particulars	Details
19.	Details of utilization of the Proceeds	The Issue Proceeds shall be utilized in accordance with the “Utilisation of Issue Proceeds / Objects of the Issue” provision above
20.	Interest on Application Money	Not Applicable
21.	Default Interest Rate	Please refer to the “Default in payment” section page 45 of the Information Memorandum
22.	Call Option (Redemption at the Option of the Company)	<p>The Issuer may at its sole discretion on any Business Day starting from the Call Option Start Date upto one day prior to the Final Redemption Date / Final Maturity Date, exercise a Call Option on the outstanding Debentures. The date as elected by the Issuer will be known as the Call Option Exercise Date.</p> <p>If the Call Option is exercised, the outstanding Debentures will be redeemed on the Call Option Payout Date at the Call Option Price.</p>
	Call Option Start Date	January 06, 2021
	Call Option Payout Date	1 business day after the Call Option Exercise Date
	Call Option Price	100% of Principal Amount + Coupon Amount / Rate as calculated on the Call Option Exercise Date.
	Call Notification Time	By 3:00 pm on the Call Option Exercise Date
23.	Put Option (Redemption at the Option of Debenture holders)	<p>The Debenture holder may at its sole discretion on any Business Day starting from the Put Option Start Date upto one day prior to the Final Redemption Date / Final Maturity Date, exercise a Put Option on the outstanding Debentures. The date as elected by the Debenture holders will be known as the Put Option Exercise Date.</p> <p>If the Put Option is exercised, the outstanding Debentures will be redeemed on the Put Option Payout Date at the Put Option Price.</p>
	Put Option Start Date	January 06, 2021
	Put Option Payout Date	1 business day after the Put Option Exercise Date
	Put Option Price	100% of Principal Amount + Coupon Amount / Rate as calculated on the Put Option Exercise Date
	Put Notification Time	By 3:00 pm on the Put Option Exercise Date

PART A – SUMMARY TERM SHEET

Sr. No.	Particulars	Details
24.	Issue Timing / Proposed Time Schedule 1. Issue Open Date 2. Issue Close Date 3. Pay in Date 4. Deemed Date of Allotment	January 08, 2019 January 09, 2019 Between the Issue Open Date and Issue Close Date (both inclusive) January 09, 2019 The Company reserves the right to change the above Issue Schedule, with the understanding that the Issue Close Date / Pay-in Date may be rescheduled, at the sole discretion of the Company, to a date falling not later than 07 (seven) working days from the date mentioned herein. The actual Issue Close Date / Pay-in Date shall be communicated to each investor in the allotment advice (“ Allotment Advice ”).
25.	Issuance mode of the Instrument	These Debentures would be issued only in Dematerialized form (Demat) through authorized DP
26.	Trading mode of the Instrument	Demat mode only
27.	Settlement mode of the Instrument	RTGS / NEFT / Fund Transfer to the bank details as per Depository records
28.	Depository(ies)	NSDL and CDSL
29.	Business Day Convention	Please refer to the “Effect of Holidays” section on page 68 of the Information Memorandum
30.	Record Date	15 days prior to each Coupon Payment / Final Redemption Date / Contingent Early Redemption Date (if applicable).
31.	Security	(a) a first pari passu charge and mortgage over the Company’s, Maharashtra Immovable Property (for details refer Annexure V hereto); and (b) Hypothecation of Security Receipts (for details refer Annexure V hereto)
32.	Security Cover	The Company shall maintain a minimum asset cover of 100% at all times to the extent that part (1) of the Security consists of Security Receipts with a rating of RR1 and higher (or equivalent). The Company shall maintain a minimum asset cover of 133% at all times to the extent that part (2) of the Security consists of Security Receipts with a rating of RR2 (or equivalent)
33.	Contribution being made by the Promoters or directors either as	Nil

PART A – SUMMARY TERM SHEET

Sr. No.	Particulars	Details
	part of the offer or separately in furtherance of such objects	
34.	Transaction Documents	1. Debenture Trust Deed; 2. Information Memorandum; 3. Rating letter from Brickwork; 4. Consent letter of Karvy Fintech Private Limited to act as Registrar & Transfer Agent for the proposed issue; 5. Tripartite agreement(s) between the Company, Depository(ies) and the Registrar and Transfer Agent; and 6. Uniform Listing Agreement with BSE Limited.
35.	Conditions Precedent to Disbursement	Not applicable
36.	Condition Subsequent to Disbursement	Not applicable
37.	Events of Default	Please refer to the “Main events of default and remedies under the Debenture Trust Deed” section on page 74 of the Information Memorandum
38.	Provisions related to Cross Default Clause	Not Applicable
39.	Role and Responsibilities of Debenture Trustee	Please refer to the “Main events of default and remedies under the Debenture Trust Deed” section on page 74 of the Information Memorandum
40.	Governing Law and Jurisdiction	Please refer to the “Governing Law and Jurisdiction” section on page 76 of the Information Memorandum
41.	Payment Details	Settlement Bank : HDFC Bank Limited Branch : Tulsiani Chambers, Nariman Point Account Number: 57500000293242 Account Name: Reliance Asset Reconstruction Company Limited RTGS / IFSC Code: HDFC0000001
42.	Registrar and Transfer Agent	Karvy Fintech Private Limited
43.	Trustees	Vistra ITCL (India) Limited
44.	Placement Fee	For each of the Debenture applied for, a placement Fee of up to 3.00% of the Issue Price may be payable to the distributor (if any) by the Investor over and above the Issue Price. Note: For each of the Debenture applied for, the Issuer shall collect the Placement Fee, in addition to the Issue Price of the Debenture, from the Investor and credit such Placement Fee to the account of the distributor (if any). For the avoidance of doubt such Placement Fee is not and should not be construed as payment of commission as mentioned under section 40 of the Companies Act, 2013 and the rules made thereunder.

PART A – SUMMARY TERM SHEET

Sr. No.	Particulars	Details
45.	Early Redemption for Extraordinary Reason, Illegality and Force Majeure	<p>If, for reasons beyond the control of the Company, the performance of the Company's obligations under the Debentures is prevented by reason of force majeure including but not limited to an act of state or situations beyond the reasonable control of the Company, occurring after such obligation is entered into, or has become illegal or impossible in whole or in part or in the exercising of its rights, the Company may at its discretion and without obligation to do so, redeem and/or arrange for the purchase of all but not some of the Debentures, by giving notice of not less than 5 (five) Business Days to the Debenture Holders which notice shall be irrevocable and shall specify the date upon which the Debentures shall be redeemed (such date on which the Debentures become immediately due and payable, the "Early Redemption Date").</p> <p>Provided however that if the Company believes or is advised that it is necessary to only redeem and/or arrange for the purchase of the Debentures held by only certain class of Debenture Holders to overcome or mitigate any such force majeure, then the Company may without obligation to do so, redeem and/or arrange for the purchase of only such number of the Debentures actually held by such class of Debenture Holders at the relevant time.</p> <p>If the Debentures are bought by the Company, the Company will, if and to the extent permitted by applicable law, pay to each Debenture Holder in respect of each of the Debentures held by such Debenture Holder an amount equal to the Early Redemption Amount of a Debenture notwithstanding the illegality or impracticability, as determined by the Company in its sole and absolute discretion.</p>
46.	Premature Exit	<p>At the request of an Investor, the Company shall at its discretion and without being obliged to do so, arrange for the buyback ("Premature Exit") of such number of Debentures as the Investor shall request.</p> <p>Such Premature Exit shall occur at a price which shall take into consideration the market value of the Debentures, all costs incurred by the Company as a result of the Investor's request to early terminate the relevant number of Debentures (including costs of unwinding any hedge).</p> <p>Provided that, the price computed above may be further reduced by such amount not exceeding 10.00% of the face value of the Debentures, to be determined by the Company at its sole discretion.</p> <p>A request for Premature Exit by an Investor shall not be considered if made within 03 (three) months from the Deemed Date of Allotment.</p>

PROVISIONS RELATING TO COUPON (IF ANY) AND REDEMPTION AMOUNT PAYABLE

1.	Issue Price per Debenture/ Price of the Debenture & Justification	96.50% of Principal Amount (Face Value) (The security is being issued at discount, with the Coupon Amount / Rate and Coupon Payment Frequency as mentioned below which is in accordance with the prevailing market conditions at the time of issue)
2.	Discount at which security is issued and the effective yield as a result of such discount	The security is being issued at 96.50% of the Principal Amount. Please refer to "Coupon Amount/Rate" below
3.	Initial Valuation Date	January 09, 2019 The Initial Valuation Date may be rescheduled, at the sole discretion of the Issuer, to a date falling not later than 07 (seven) working days from the date mentioned herein. The actual Initial Valuation Date shall be communicated to each investor in the Allotment Advice.
4.	Final Valuation Date	The NSE Bond futures expiry date in the month of December 2020 (i.e. December 31, 2020, provided that, if such date is not a scheduled NSE Bond futures expiry date, then the NSE Bond futures expiry date as notified by the National Stock Exchange for that month will be considered as the Final Valuation Date)
5.	Final Redemption Date / Final Maturity Date	<ul style="list-style-type: none"> • In case of exercise of either Call Option / Put Option: 1 business day after the Call Option Exercise Date / Put Option Exercise Date • In case Call Option / Put Option is not exercised: January 12, 2022 <p>Since the Deemed Date of Allotment, Initial Valuation Date may be rescheduled at the sole discretion of the Issuer, to a date falling not later than 07 (seven) working days from the respective dates mentioned herein, this could result in change in the Final Redemption Date / Final Maturity Date.</p> <p>The actual Final Redemption Date / Final Maturity Date shall be communicated to each investor in the Allotment Advice.</p>
6.	Tenor	1,099 (One Thousand Ninety Nine) days from the Deemed Date of Allotment
7.	Redemption Amount	On the Final Redemption Date / Final Maturity Date, each Debenture Holder will receive per Debenture held an amount equal to 100% of Principal Amount + Coupon Amount
8.	Redemption Premium / Discount	Not applicable
9.	Coupon Type / Basis (a) Reference Index (b) Index Sponsor	Reference Index Linked Nifty 10 YR Benchmark G-Sec (Clean Price) index India Index Services & Products Limited (IISL)
10.	Change of Coupon Basis/Step Up/Step Down Coupon Rate	Not Applicable
11.	Coupon Payment Dates/ Frequency	Final Redemption Date / Final Maturity Date Only
12.	Observation Dates	The Initial Observation Date and each Subsequent Observation Date as below. <u>Initial Observation Date:</u>

		<p>The Initial Valuation Date (i.e. January 09, 2019)</p> <p><u>Subsequent Observation Dates:</u></p> <p>The NSE Bond futures expiry date in the months of October 2020 to December 2020 (both inclusive), which are expected to be as below*:</p> <table border="1" data-bbox="657 427 1211 613"> <thead> <tr> <th>Sr.No. (i)</th> <th>Subsequent Observation Date(i)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>October 29, 2020</td> </tr> <tr> <td>2</td> <td>November 26, 2020</td> </tr> <tr> <td>3</td> <td>December 31, 2020</td> </tr> </tbody> </table> <p>* Provided that, if any such date is not a scheduled NSE Bond futures expiry date, then the NSE Bond futures expiry date as notified by the National Stock Exchange for that month will be considered as the observation date.</p>	Sr.No. (i)	Subsequent Observation Date(i)	1	October 29, 2020	2	November 26, 2020	3	December 31, 2020
Sr.No. (i)	Subsequent Observation Date(i)									
1	October 29, 2020									
2	November 26, 2020									
3	December 31, 2020									
13.	Coupon Amount / Rate	<p>100% of Principal Amount * (Coupon A + Coupon B)</p> <p>Where,</p> <p>“Coupon A” shall mean:</p> <p style="padding-left: 40px;">A) If Final Level \geq 30% of Initial Level (i.e. $0.30 * \text{Initial Level}$), Rebate</p> <p style="padding-left: 40px;">Or</p> <p style="padding-left: 40px;">B) If Final Level $<$ 30% of Initial Level (i.e. $0.30 * \text{Initial Level}$), Nil</p> <p>“Coupon B” shall mean:</p> <p style="padding-left: 40px;">$(1 + \text{Coupon A}) * 10.50\% * (\text{Day-Count}/365)$</p> <p>“Rebate” = 21.00%</p> <p>“Final Level” = $\left(\frac{1}{3}\right) \times \sum_{i=1}^3 \text{Level}(i)$</p> <p style="padding-left: 40px;">“Level(i)” = Official Closing Level of the Reference Index on the Subsequent Observation Date(i)</p> <p>“Initial Level” = Official Closing Level of the Reference Index on the Initial Observation Date</p> <p>“Day-Count” = Total number of days in the period starting from one day after the Call Option Start Date up to (and including) the Call Option Payout Date / Put Option Payout Date / Final Redemption Date / Final Maturity Date (as the case maybe)</p>								
14.	Valuation Agency	<p>The Valuation Agency CRISIL Limited shall be appointed by the Issuer and communicated to each Investor in the Allotment Advice.</p> <p>CRISIL Limited: The Valuation Agency will publish a valuation on its website at least once every calendar week. The valuation shall be available on the website of the Valuation Agency at http://crisil.com/capital-markets/mld-valuations.html</p>								

**ASSET
RECONSTRUCTION**

		<p>The Issuer will also make available, as soon as practicable, the valuation provided by the Valuation Agency on its website at www.rarcl.com.</p> <p>The cost of valuation shall be upto 0.10% p.a. of issue size and shall be borne by the Issuer.</p> <p>The latest and historical valuations for the the Debentures will be published on the website of the Issuer at www.rarcl.com and the website of the Valuation Agency at http://crisil.com/capital-markets/mld-valuations.html</p> <p>Upon request by any Debenture Holder for the valuation of the Debentures, the Issuer shall provide them with the latest valuation.</p>
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**ASSET
RECONSTRUCTION**
Disclosure of Cash Flows as per SEBI Circular No. CIR/IMD/DF/18/2013 dated October 29, 2013

Company	Reliance Asset Reconstruction Company Limited
Principal Amount / Face Value per Debenture	Rs. 1,00,000/- (Rupees One Lakh Only)
Issue Date	January 08, 2019
Date of Allotment	January 09, 2019
Final Redemption Date	January 12, 2022
Coupon Rate	Market Linked
Frequency of Coupon Payment with specified dates	On the Final Maturity Date/ Final Redemption Date only
Day Count Convention	Not Applicable

Cash Flows	Date (of actual payment)	No. of Days in Coupon Period	Amount in Rupees
Coupon	January 12, 2022	1,099	Market Linked
Principal Redemption	January 12, 2022	1,099	INR 1,00,000
Total			INR 1,00,000 + Market Linked Coupon

Note: Payment dates are subject to change as per holidays declared in that particular year. Payment convention as specified in SEBI Circular CIR/IMD/DF/18/2013 dated October 29, 2013 shall be followed.



**ASSET
RECONSTRUCTION**

Scenario Analysis

The scenario analysis set out below is an illustrative representation of the returns on the Debentures in the following scenarios. (Assuming Initial level of the Reference Index is 925)

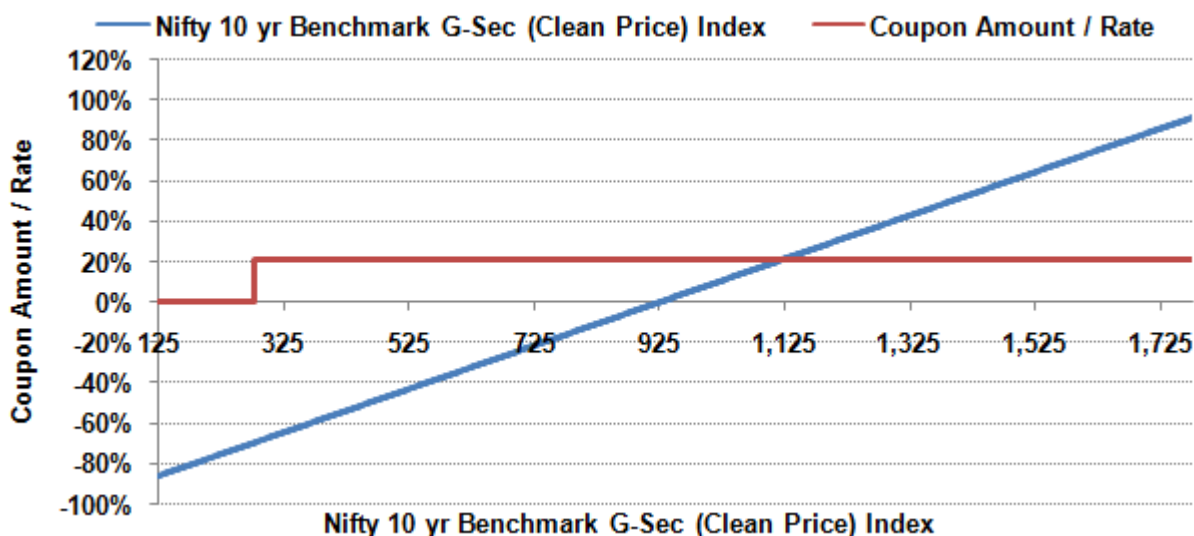
In the following Tabular and Graphical Representation, it is assumed that the Issuer has exercised the Call Option on the Call Option Start Date or the Debenture holder has exercised the Put Option on the Put Option Start Date.

A. Tabular Representation

Scenarios	Initial Level	Final Level	Performance of Reference Index	Coupon Amount / Rate	Initial Investment Amount	Redemption Amount	Return on Debenture (Annualized)*
					(in INR)	(in INR)	
Rising Market Conditions	925	1,156	25.00%	21.00%	9,650,000	12,100,000	10.01%
	925	1,064	15.00%	21.00%	9,650,000	12,100,000	10.01%
	925	1,018	10.00%	21.00%	9,650,000	12,100,000	10.01%
	925	999	8.00%	21.00%	9,650,000	12,100,000	10.01%
Stable Market Conditions	925	971	5.00%	21.00%	9,650,000	12,100,000	10.01%
	925	934	1.00%	21.00%	9,650,000	12,100,000	10.01%
	925	925	0.00%	21.00%	9,650,000	12,100,000	10.01%
Falling Market Conditions	925	833	-10.00%	21.00%	9,650,000	12,100,000	10.01%
	925	648	-30.00%	21.00%	9,650,000	12,100,000	10.01%
	925	231	-75.00%	0.00%	9,650,000	10,000,000	0.00%

*Return on Debenture (Annualised) is calculated on the Face Value of Debenture

B. Graphical Representation



NOTE: This scenario analysis is being provided for illustrative purposes only. It does not represent all possible outcomes.

DISCLOSURES AND INFORMATION RELATING TO THE REFERENCE UNDERLYING(S)
TERMS AND CONDITIONS RELATING TO THE REFERENCE INDEX(ICES)

Applicable for the Type of Debentures as specified in the Summary Term Sheet which are “Reference Index Linked”

The information contained herein with respect to the Reference Index is of limited scope and consists only of extracts from, or summaries of, documents, or information or data which are publicly available and have been assumed to be reliable. However, this information is provided to prospective investors for their convenience only. The Company accepts no responsibility for the accuracy or completeness of the information concerning the Reference Index or for the occurrence of any event which would affect the accuracy or completeness of such information. In deciding whether to subscribe to the Debentures, prospective investors should form their own view of the merits of investing in the Debentures based upon their own investigation, including consultation with their own professional advisers as they may consider appropriate, and not in reliance upon the information herein.

NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX

The Nifty 10 yr Benchmark G-Sec (Clean Price) Index is constructed using the clean price of 10 year bond issued by the Central Government, India. This index will provide a measure of price movement of a 10 year benchmark bond on the basis of clean price only. Accrued Interest and coupon payments are not considered for index calculations.

The index has a base date of Jan 03, 2011 and base value of 1000.

Methodology:

- The Index tracks only one single 10 year on the run GSEC Bond identified as benchmark by FIMMDA
- The index is computed using a clean price return methodology
- The index values will be published at end of the day
- The FIMMDA prices are used for valuation of the bond

Historical Performance:


Source: www.nseindia.com

Disclaimer by the Sponsor

The Debentures are not sponsored, endorsed, sold or promoted by India Index Services & Products Limited ("IISL"). IISL does not make any representation or warranty, express or implied, to the owners of the Debentures or any member of the public regarding the advisability of investing in securities generally or in the Debentures particularly or the ability of the Nifty 10 yr Benchmark G-Sec (Clean Price) Index to track general stock market performance in India. The relationship of IISL to the Issuer is only in respect of the licensing of the Indices and certain trademarks and trade names associated with such Indices which is determined, composed and calculated by IISL without regard to the Issuer or the Debentures. IISL does not have any obligation to take

the needs of the Issuer or the owners of the Debentures into consideration in determining, composing or calculating the Nifty 10 yr Benchmark G-Sec (Clean Price) Index. IISL is not responsible for or has participated in the determination of the timing of, prices at, or quantities of the Debentures to be issued or in the determination or calculation of the equation by which the Debentures is to be converted into cash. IISL has no obligation or liability in connection with the administration, marketing or trading of the Debentures.

IISL do not guarantee the accuracy and/or the completeness of the Nifty 10 yr Benchmark G-Sec (Clean Price) Index or any data included therein and they shall have no liability for any errors, omissions, or interruptions therein. IISL does not make any warranty, express or implied, as to results to be obtained by the Issuer, owners of the Debentures, or any other person or entity from the use of the Nifty 10 yr Benchmark G-Sec (Clean Price) Index or any data included therein. IISL makes no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the index or any data included therein. Without limiting any of the foregoing, IISL expressly disclaim any and all liability for any claims, damages or losses arising out of or related to the Products, including any and all direct, special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

An investor, by subscribing or purchasing an interest in the Debentures, will be regarded as having acknowledged, understood and accepted the disclaimer referred to in Clauses above and will be bound by it.

1. DEFINITIONS

1.1 “Additional Disruption Event” means, in respect of the Reference Index, any of Change in Law, Hedging Disruption or Increased Cost of Hedging.

1.2 “Change in Law” means that, on or after the Deemed Date of Allotment (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Company determines in its sole and absolute discretion that (i) it has become illegal for it or any of its affiliates or agents acting on its behalf to hold, acquire or dispose of any Component Asset, or (ii) the Company will incur a materially increased cost in performing its obligations in relation to the Debentures (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Company and/or any of its affiliates or agents acting on its behalf)

1.3 “Component Asset” means,

a) in respect of Type of Debentures where the Reference Index is the Nifty 10 Yr Benchmark G-Sec (Clean Price) Index , any G-sec comprised within the Reference Index from time to time.

1.4 “Disrupted Day” means, any Scheduled Trading Day on which a relevant Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

1.5 “Early Closure” means, the closure on an Exchange Business Day of the Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange system for execution at the Valuation Time on such Exchange Business Day.

1.6 “Exchange” means,

in respect of Type of Debentures where the Reference Index is the Nifty 10 Yr Benchmark G-Sec (Clean Price) Index, the [.] , any successor to such exchange or any substitute exchange or quotation system to which trading in such G-secs underlying such Reference Index has temporarily relocated (provided that the Issuer has determined that there is comparable liquidity relative to such G-secs underlying such Reference Index on such temporary substitute exchange or quotation system as on the original Exchange).

1.7 “Exchange Business Day” means, any Scheduled Trading Day on which the Exchange is open for trading during its regular trading sessions, notwithstanding such Exchange closing prior to its Scheduled Closing Time.

1.8 “Exchange Disruption” means, any event (other than an Early Closure) that disrupts or impairs (as determined by the Company) the ability of market participants in general to obtain market values for, the Reference Index on the Exchange.

1.9 “Hedging Disruption” means that if at any time the Issuer is unable to obtain a “value of Reference Index based on an actual executed price of the constituent of such index”, whether by virtue of its inability to unwind any relevant hedge position, prevailing market conditions or such other events and/or circumstances which are beyond the control of the Issuer, then the Company shall reasonably determine the “value of Reference Index” to be applied in such circumstances; or redeem the Debentures in full (but not in part only) at their fair market value minus associated costs by giving notice to Debentures Holders.

1.10 “Increased Cost of Hedging” means that the Company and/or any of its affiliates or agents acting on its behalf would incur a materially increased (as compared with circumstances existing on the Initial Valuation Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Company issuing and performing its obligations with respect to the Debentures, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s); provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Company and/or any of its affiliates or agents acting on its behalf shall not be deemed an Increased Cost of Hedging.

1.11 “Market Disruption Event” means, in respect of Type of Debentures where the Reference Index is the Nifty 10 Yr Benchmark G-Sec (Clean Price) Index, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Company determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure. For the purpose of determining whether a Market Disruption Event exists in relation to the Reference Index at any time, if a Market Disruption Event occurs in respect of a security included in the Reference Index at any time, then the relevant percentage contribution of that security to the level of the Reference Index shall be based on a comparison of (a) the portion of the level of the Reference Index attributable to that security and (b) the overall level of the Reference Index, in each case immediately before the occurrence of such Market Disruption Event. The Company shall, as soon as reasonably practicable, notify the Debenture holder of the existence or occurrence of a Disrupted Day on any day that but for the occurrence or existence of a Disrupted Day would have been a Observation Date;

1.12 “Observation Date” shall mean each Date as specified in the Summary Term Sheet above, provided that if such day is not a Scheduled Trading Day then, as per Modified Following Business Day Convention or if the day which would otherwise be the Observation Date, is a Disrupted Day, then the relevant Observation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Observation Date is a Disrupted Day. In that case (a) that the eighth Scheduled Trading Day shall be deemed to be the relevant Observation Date (notwithstanding the fact that such day is a Disrupted Day) and (b) the Company shall determine the level of the Reference Index as of the Observation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Reference Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Observation Time on that eighth Scheduled Trading Day of each security comprising the Reference Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day); provided always that the final Observation Date will not be later than the eighth Business Day after the Final Valuation Date and if the eighth Scheduled Trading Day would be later than the eighth Business Day after the Final Valuation Date, references to the eighth Scheduled Trading Day shall be deemed to be the eighth Business Day after the Final Valuation Date.

1.13 “Observation Time” means any time within normal business hours;

1.14 “Official Closing Level” means (subject to what is provided below in reference to Adjustments to the Reference Index), the official closing level of the Reference Index of a given day as published by the National Stock Exchange;

1.15 “Scheduled Closing Time” means,

- a) in respect of Type of Debentures where the Reference Index is the Nifty 10 Yr Benchmark G-Sec (Clean Price) Index, in respect of the Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

1.16 “Scheduled Trading Day” means any weekday on which the Exchange is scheduled to be open for trading for their respective regular trading sessions (other than special trading sessions);

1.17 “Sponsor” means,

in respect of Type of Debentures where the Reference Index is the Nifty 10 Yr Benchmark G-Sec (Clean Price) Index, IISL

a)

1.18 “Trading Disruption” means, in respect of Type of Debentures where the Reference Index is the Nifty 10 Yr Benchmark G-Sec (Clean Price) Index, any suspension of or limitation imposed on trading by the relevant Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or otherwise on the Exchange relating to the relevant G-sec that comprise 20.00% or more level of the Reference Index;

1.19 “Valuation Time” means the Scheduled Closing Time on the Exchange. If the Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

2. ADJUSTMENTS TO THE REFERENCE INDEX

If the Reference Index:

- (a) is not calculated and published by the Sponsor but is calculated and published by a successor to the Sponsor acceptable to the Company; or
- (b) is replaced by a successor index using, in the determination of the Sponsor, the same or a substantially similar formula for and method of calculating the Reference Index, then in each case that index (the **Successor Reference Index**) will be deemed to be the Reference Index.

If:

- (a) on or prior to any Observation Date or any other relevant date, the Sponsor announces that it will make a material change in the formula for or the method of calculating the Reference Index or in any other way materially modifies the Reference Index (other than a modification prescribed in that formula or method to maintain the Reference Index in the event of changes in constituent stock and capitalisation and other routine events) (a **“Reference Index Modification”**); or
- (b) on a Observation Date, the Sponsor fails to calculate and announce the Reference Index (a **“Reference Index Disruption”**) and, together with a Reference Index Modification and a Reference Index Cancellation each a **“Reference Index Adjustment Index”**),

then the Company shall, in its the sole and absolute discretion, determine if such Reference Index Adjustment Event has a material effect on the Debentures and, if so, the Company will in good faith calculate the Official Closing Level using, in lieu of a published level for the Reference Index, the level for the Reference Index as at the Valuation Time on the relevant Observation Date in accordance with the formula for and method of calculating the Reference Index last in effect prior to that change, failure or cancellation but using only the Component Asset that comprised the Reference Index immediately prior to that Reference Index Adjustment Event.

If the level of the Reference Index in relation to a Observation Date used or to be used to determine the Final Redemption Amount is subsequently corrected and such correction is published by the Sponsor no later than the second Business Day prior to the Final Maturity Date, then the level of the Reference Index for that Observation Date shall be the level of the Reference Index as so corrected.

If, on or prior to any Observation Date, the Sponsor permanently cancels the Reference Index and no

Successor Reference Index exists (a “**Reference Index Cancellation**”), this shall constitute an Early Redemption Event for Extraordinary Reason as referred to in the Terms and Conditions above and accordingly consequent early redemption of the Debentures by the Company if so elected for by the Company.

3. ADDITIONAL DISRUPTION EVENTS

- 3.1** If an Additional Disruption Event occurs, the Company in its sole and absolute discretion may either:
- (i) determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any terms of the Debentures to account for the Additional Disruption Event and determine the effective date of that adjustment; or
 - (ii) redeem the Debentures in full (but not in part only) at their fair market value minus associated costs by giving notice to Debentures holders.
- 3.2** Upon the occurrence of an Additional Disruption Event, the Company shall give notice as soon as practicable to the Debenture Holders stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event.

CERTAIN IMPORTANT DISCLAIMERS, INCLUDING IN RELATION TO THE REFERENCE UNDERLYINGS

- A. This Information Memorandum in relation to the Debentures is made available by the Issuer to the applicant on the further strict understanding that (i) in providing this Information Memorandum to the applicant, there will be no violation of rules, regulations and byelaws issued by any applicable authority including those issued by the Securities and Exchange Board Of India; (ii) the applicant has sufficient knowledge, experience, and professional advice to make its own evaluation of the merits and risks of a transaction of the type under this Information Memorandum and (iii) the applicant is not relying on the Issuer nor on any of the affiliates of the Issuer for information, advice or recommendations of any sort except for the accuracy of specific factual information about the possible terms of the transaction.

The Issuer is not acting as the advisor or agent of the applicant. This Information Memorandum does not purport to identify for the applicant, the risks (direct or indirect) or other material considerations, which may be associated with the applicant entering into the proposed transaction. Prior to entering into any proposed transaction, the applicant should independently determine, without reliance upon the Issuer or the affiliates of the Issuer, the economic risks and merits, as well as the legal, tax, and accounting characterizations and consequences of the transaction and including that the applicant is able to assume these risks. The Issuer, and/or the affiliates of the Issuer, may act as principal or agent in similar transactions and/or in transactions with respect to instruments underlying a proposed transaction. The Issuer, and/or the affiliates of the Issuer may, from time to time, have a long or short proprietary position/s and/or actively trade, by making markets to its clients, in financial products identical to or economically related to those financial products described in this Information Memorandum. The Issuer may also undertake hedging transactions related to the initiation or termination of a transaction, that may adversely affect the market price, rate, index or other market factors(s) underlying the financial product and consequently its value. The Issuer may have a commercial relationship with and access to information of reference securities, financial products, or other interests underlying a transaction.

This Information Memorandum and the contents herein are the Issuer's property, and are to be considered proprietary information and may not be reproduced or otherwise disseminated in whole or in part without the Issuer's written consent unless required to by judicial or administrative proceeding, and then with prior notice to the Issuer.

Applicants must understand that while the Debentures would be listed, in view of the nature and complexity of the Debentures, marketability may be impacted in a manner that cannot be determined.

Past performance is not indicative of future performance. Investment in the Debentures may be subject to the risk of loss, meaning the allottee may lose some or all of its investment especially where changes in the value of the transaction may be accentuated by leverage. There is a risk that the occurrence of a force majeure or illegality, may result in the loss of part of the investment.

No liability whatsoever is accepted for any loss arising (whether direct or consequential) from any use of the information contained in this communication. The Issuer undertakes no obligation to effect any updates on information. Any prices used herein, other than in relation to final term sheets, are indicative. Any opinions attributed to the Issuer, and/or the affiliates of the Issuer constitute the Issuer's judgment as of the date of the material and are subject to change without notice. Provision of information may cease at any time without reason or notice being given. Commissions and other transaction costs may not have been taken into consideration. Any scenario analysis is provided for illustrative purposes only and does not represent actual termination or unwind prices, nor does it present all possible outcomes or describe all factors that may affect the value of your investment.

The return on the Debentures is dependent on the Reference Index. The Company has the authority (i) to determine whether certain specified events and/or matters so specified in the conditions relating to the Debentures have occurred, and (ii) to determine any resulting adjustments and calculations as described in such conditions. Prospective purchasers should be aware that any determination made by the Company may have an impact on the value and financial return of the Debentures

- B. Notwithstanding anything herein contained the Issuer shall not bear responsibility or liability for any losses arising out of any delay in or interruptions of performance of (a) the Sponsor's obligations with

regard to the Reference Index(ices), , or (b) the Issuer's obligations under this Information Memorandum due to any Force Majeure Event, act of God, act of governmental authority, act of the public enemy or due to war, the outbreak or escalation of hostilities, riot, fire, flood, civil commotion, insurrection, labour difficulty (including, without limitation, any strike, or other work stoppage or slow down), severe or adverse weather conditions, communications line failure, or other similar cause beyond the reasonable control of the Issuer.

"Force Majeure Event" for the purposes of the clause above, means any war, strike, lock-out, national disaster, act of terrorism, an act of Issuer occurring after such obligation is entered into, or such obligation has become illegal or impossible in whole or in part, or any breakdown, failure or malfunction beyond the control of the Issuer of any telecommunication or computer system including, without limitation unavailability of any communication system, systems outages breakdowns, breach or virus in the processes or payment and delivery mechanism, sabotage, fire, flood, explosion, acts of God, civil commotion, strikes or industrial action of any kind, riots, insurrection, acts of government, computer hacking unauthorised access to computer data and storage devices, computer crashes, etc.



PART B - GENERAL TERMS AND CONDITIONS

I. Issue of Debentures

The Issuer will issue the Debentures in dematerialised form and has made depository arrangements with NSDL/ CDSL in this respect. The Investors will have to trade the Debentures in dematerialised form and deal with the same as per the provisions of Depositories Act, 1996 and rules notified by NSDL / CDSL from time to time.

Applicants should mention their Depository Participants (DP) name, DP-ID and Beneficiary Account Number in the appropriate place in the Application Form. The Company or the Registrar and Transfer Agent (RTA) shall take necessary steps to credit the Depository Account of the allottee(s) with the amount of Debentures allotted.

The initial credit of the Debentures in the beneficiary account of the Investor will be akin to the Letter of Allotment.

II. Mode of Transfer

The Debentures are being issued in dematerialised form and shall be transferable and transmittable in dematerialised form and to the same extent and be subject to the same restrictions and limitations as in the case of the existing equity shares of the Company. The provisions relating to transfer and transmission and other related matters in respect of equity shares of the Company, contained in the Articles of Association of the Company, shall apply *mutatis mutandis* to the transfer and transmission of the Debentures. Transfer of Debentures would be in accordance with the rules / procedures as prescribed by NSDL / CDSL/ Depository Participant. Nothing provided herein shall prejudice any power of the Company to register as Debenture Holder any person to whom the right to any Debenture of the Company has been transmitted by operation of law.

Transfer of Debentures to and from Non-Resident Indians (“NRI”)/ Overseas Corporate Bodies (“OCBs”) in case they seek to hold the Debentures and are eligible to do so, will be governed by then prevailing guidelines of RBI.

III. Succession

In the event of demise of the sole/first holder of the Debentures, the Company will recognize the executor or administrator of the deceased Debenture Holder, or the holder of succession certificate or other legal representative as having title to the Debentures. The Company shall not be bound to recognize such executor, administrator or holder of the succession certificate, unless such executor or administrator obtains probate or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a court in India having jurisdiction over the matter. The Directors of the Company may, in their absolute discretion, where they think fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Debentures standing in the name of the deceased Debenture holder on production of sufficient documentary proof or indemnity.

IV. Right to Re-purchase ,Re-issue and Consolidate the Debentures

The Company may repurchase the Debentures, in the secondary market, at any time and from time to time prior to the specified date of redemption. In the event of the Debentures being bought back, or redeemed before maturity in any circumstances whatsoever, the Company shall be deemed to have always the right to re-issue and consolidate the Debentures. The Company shall have the right to do all such acts in relation to re-issuance and consolidation of Debentures as may be permitted by SEBI from time to time.

V. Terms of Payment

The full-face value of Debenture(s) to be paid along with the Application Form.

The details specific to the issuance will be communicated to the potential investors through the Summary Term Sheet.

VI. Early Redemption for Extraordinary Reason, Illegality and Force Majeure

If, for reasons beyond the control of the Company, the performance of the Company's obligations under the Debentures is prevented by reason of *force majeure* including but not limited to an act of state or situations beyond the reasonable control of the Company, occurring after such obligation is entered into, or has become illegal or impossible in whole or in part or in the exercising of its rights. The Company may at its discretion and without obligation to do so, redeem and/or arrange for the purchase of all but not some of the Debentures, by giving notice of not less than 5 (five) Business Days to the Debenture Holders which notice shall be irrevocable and shall specify the date upon which the Debentures shall be redeemed (such date on which the Debentures become immediately due and payable, the "Early Redemption Date").

Provided however if the Company believes or is advised that it is necessary to only redeem and/or arrange for the purchase of Debentures held by only certain class of Debenture Holders to overcome or mitigate any such force majeure, then the Company may without obligation to do so, redeem and/or arrange for the purchase of only such number of Debentures actually held by such class of Debenture Holders at the relevant time.

If the Debentures are bought by the Company, the Company will, if and to the extent permitted by applicable law, pay to each Debenture Holder in respect of each Debenture held by such holder an amount equal to the Early Redemption Amount of a Debenture notwithstanding the illegality or impracticability, as determined by the Company in its sole and absolute discretion.

Early Redemption Amount means fair market value minus associated costs.

VII. Premature Exit

At the request of an Investor, the Company shall at its discretion and without being obliged to do so, arrange for the buyback ("Premature Exit") of such number of Debentures as the Investor shall request.

Such Premature Exit shall occur at a price which shall take into consideration the market value of the Debentures, all costs incurred by the Company as a result of the Investor's request to early terminate the relevant number of Debentures (including costs of unwinding any hedge).

See Summary Term Sheet above for further details (if any).

VIII. Categories of Investors

Only persons to whom an offer is specifically made under this Information Memorandum will be eligible to apply.

Investors in the following categories are eligible to apply for Non-Convertible Debentures of the Company under Information Memorandum:

- Companies, Body Corporates, Financial Institutions, NBFCs, Statutory Corporations;
- Scheduled Commercial Banks including but not restricted to commercial, private, foreign, co-operative and regional rural banks;
- Provident funds/ Superannuation funds or gratuity funds, private trusts, as may be permitted by respective rules and guidelines of such funds/ trusts;
- Registered societies;
- Partnership firms;
- HUFs;
- High Net worth Individuals;
- Insurance companies;
- Mutual Funds;
- Portfolio Manager registered with SEBI;
- Application under Power of Attorney / Relevant Authority;
- SEBI registered FPIs; and
- Any other investor permitted to invest in debentures of Indian body corporate.

Abundant pre-caution

As a matter of abundant caution and although not applicable in the case of Debentures, attention of applicants is specially drawn to any person who: (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of her / his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to her / him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013.

How to apply

All applications for the Debenture(s) must be in the prescribed Application Form and be completed in block letters in English. It is presumed that the application is signed and made by persons duly empowered and authorized by the entity on whose behalf the application is made. Application forms must be accompanied by either a Demand Draft or a Cheque, drawn in favour of "Reliance Asset Reconstruction Company Limited" and duly crossed "Account payee only" or through Electronic Clearing System ("ECS"), Real Time Gross Settlement ("RTGS") or National Electronic Funds Transfer ("NEFT"). All cheques/ DDs/Pay orders of banks are to be made payable at Mumbai. Outstation cheques, money orders, postal orders will not be accepted. The Company will not be responsible or accountable in any manner for any instruments or applications lost in transit or mail.

It may be noted that a separate application can be made in respect of each scheme of an Indian Mutual Fund/ Asset Management Companies registered with SEBI and such applications would not be treated as multiple applications.

The application form will be made available along with the Summary Term Sheet at the time of offer. The applicant should mention their PAN at the appropriate place in the application form.

Applications to be accompanied by bank account details

Every application must be accompanied by the bank account details of the applicant and the MICR code of the bank for the purpose of availing direct credit and all other amounts payable to the debenture holder through ECS, RTGS or NEFT.

Documents to be provided by Investors

1. **Applications by Body Corporates / Companies / Financial Institutions / NBFCs / Statutory Corporations**
The applications must be accompanied by certified true copies of (i) Memorandum and Articles of Association / constitutional documents / bye-laws; (ii) resolution authorizing investment and containing operating instructions; (iii) specimen signatures of authorized signatories; (iv) PAN Cards.
2. **Application by Scheduled Commercial Banks**
The application must be accompanied by certified true copies of (i) Board Resolution authorising investments or letter of authorization or Power of Attorney; and (ii) specimen signatures of authorized signatories.
3. **Application by Co-operative Banks**
The application must be accompanied by certified true copies of (i) resolution authorising investment along with operating instructions/power of attorney; and (ii) specimen signatures of authorised signatories.

4. **Application by Regional Rural Banks**

The applications must be accompanied by certified true copies of (i) Government notification / Certificate of Incorporation / Memorandum and Articles of Association / other documents governing the constitution; (ii) resolution authorizing investment and containing operating instructions; and (iii) specimen signature of authorized signatories.

5. **Applications by Provident Funds, Superannuation Funds and Gratuity Funds**

The application must be accompanied by certified true copies of (i) trust deed / bye-laws / regulations; (ii) resolution authorising investment; and (iii) specimen signatures of authorised signatories.

6. **Application by Registered Societies**

The application should be accompanied by certified true copies of (i) Memorandum of Association / deed/any other instrument regulating or governing the constitution of the society, and rules and regulations / bye-laws of the Society; (ii) resolution authorising investment along with operating instructions/power of attorney; (iii) proof of registration with relevant statutory authority; and (iv) specimen signatures of authorised signatories.

7. **Application by Partnership Firm**

The applications must be accompanied by certified true copies of (i) the PAN Card of the partnership firm; (ii) copy of the partnership deed; (iii) the photo identity proof like Passport / PAN Card / Driving License, etc. of the partner(s) signing the Application Form and specimen signatures of authorised signatories; and (iv) an authority letter from all partners authorising such investment.

8. **Application by HUFs**

The applications must be accompanied by (i) certified true copies of the PAN Card of the HUF; (ii) the photo identity proof like Passport / PAN Card / Driving License, etc. of the Karta of the HUF; (iii) telephone bill/electricity bill/bank account statement, etc.; and (iv) declaration from the Karta and co-parceners authorizing such investment also need to be provided to the Company.

9. **Application by High Net worth Individuals**

The applications must be accompanied by certified true copies of photo identity proof like Passport / PAN Card / Driving License, etc.

10. **Application by Insurance Companies**

The applications must be accompanied by certified true copies of (i) Memorandum and Articles of Association; (ii) power of attorney; (iii) resolution authorising investment and containing operating instructions; (iv) specimen signatures of authorised signatories; and (v) copy of PAN.

11. **Application by Mutual Funds**

A separate application can be made in respect of each scheme of an Indian mutual fund registered with the SEBI and such applications shall not be treated as multiple applications. The applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made.

The applications must be accompanied by certified true copies of (i) SEBI Registration Certificate and trust deed; (ii) resolution authorizing investment and containing operating instructions; and (iii) specimen signatures of authorized signatories.

12. **Application by a Portfolio Manager registered with SEBI**

The application should be accompanied by certified true copy of (i) resolution of the Board of Director, authorizing, and with all particulars relating to the investment in these Debentures, and the acceptance of the terms of these Debentures alongwith authorized signatory list; and (ii) certified copy of registration certificate issued by the SEBI to undertake Portfolio Management activities.

13. Application under Power of Attorney/ Relevant Authority

In case of an application made under a Power of Attorney or resolution or authority or mandate a certified true copy thereof along with Memorandum and Articles of Association and / or bye laws must be attached to the application at the time of making the application, failing which the Company reserves the full, unqualified and absolute rights to accept or reject any application in whole or in part and in either case without assigning any reasons thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the completed application forms.

14. Application by SEBI registered FPIs

The applications must be accompanied by certified true copies of (i) PAN Card; (ii) constitutional documents; (iii) resolution authorizing investment and containing operating instructions; and (iv) tax residency certificate.

DISCLAIMER: PLEASE NOTE THAT ONLY THOSE PERSONS TO WHOM THE INFORMATION MEMORANDUM HAS BEEN SPECIFICALLY ADDRESSED ARE ELIGIBLE TO APPLY. HOWEVER, AN APPLICATION, EVEN IF COMPLETE IN ALL RESPECTS, IS LIABLE TO BE REJECTED WITHOUT ASSIGNING ANY REASONS FOR THE SAME. THE LIST OF DOCUMENTS PROVIDED ABOVE IS ONLY INDICATIVE, AND AN INVESTOR IS REQUIRED TO PROVIDE ALL THOSE DOCUMENTS/AUTHORISATIONS/ INFORMATION, WHICH ARE LIKELY TO BE REQUIRED BY THE COMPANY. THE COMPANY MAY, BUT IS NOT BOUND TO, REVERT TO ANY INVESTOR FOR ANY ADDITIONAL DOCUMENTS/INFORMATION, AND CAN ACCEPT OR REJECT AN APPLICATION AS IT DEEMS FIT. THE REGULATIONS/NOTIFICATIONS REGARDING INVESTMENT MENTIONED ABOVE ARE MERELY IN THE FORM OF GUIDELINES AND THE COMPANY DOES NOT WARRANT THAT THEY ARE ACCURATE, OR HAVE NOT BEEN MODIFIED. EACH OF THE ABOVE CATEGORIES OF INVESTORS IS REQUIRED TO CHECK AND COMPLY WITH EXTANT RULES/REGULATIONS/ GUIDELINES, ETC. GOVERNING OR REGULATING THEIR INVESTMENTS AS ISSUED BY THEIR RESPECTIVE REGULATORY AUTHORITIES, AND THE COMPANY IS NOT, IN ANY WAY, DIRECTLY OR INDIRECTLY, RESPONSIBLE FOR ANY STATUTORY OR REGULATORY BREACHES BY ANY INVESTOR, NEITHER IS THE COMPANY REQUIRED TO CHECK OR CONFIRM THE SAME.

IX. Nomination Facility

Debenture Holders can avail the nomination facility as per the provisions of Section 72 of the Companies Act, 2013.

X. Right to accept or reject applications

The Company is entitled at its sole and absolute discretion, to accept or reject any application in part or in full, without assigning any reason. Incomplete Application Forms are liable to be rejected. The full amount of Debenture(s) has to be submitted along with the Application Form. Also, in case of over subscription, the Company reserves the right to increase the size of the placement subject to necessary approvals/certifications, and the basis of allotment shall be decided by the Company.

XI. Payment of Interest on Application Money

For applicants whose applications have been rejected or allotted in part, interest on their refundable application money will be dispatched within 15 working days of the Deemed Date Allotment and the Company shall ensure adequate funds for the same. Interest will be computed at applicable rate (to be finalized at the time of the Issue), on refundable application money from the date of realization of cheque/draft/credit in the account. For the successful allottees the interest on application money on the allotted amount will be paid within 15 working days of the Deemed Date Allotment. The interest on application money will be computed on actual/actual basis.

XII. Allotment Intimation

The Company would make depository arrangements with the NSDL/CDSL for the issue of these Debentures in electronic (dematerialised) Form. The Investors holding these Debentures in the electronic (dematerialised) Form will be governed as per the provisions of the Depository Act, 1996, the SEBI (Depositories and Participants) Regulations, 1996, rules notified by NSDL and CDSL from time to time and other applicable laws and rules notified in respect thereof.

Investors should mention their NSDL/CDSL Depository Participant's name ("**DP**"), DP-ID and Beneficiary Account Number (Client Id) at the appropriate place in the Application Form. The Company shall take reasonable steps to credit the Beneficiary Account of the Allottee(s), with the NSDL/CDSL Depository Participant as mentioned in the Application Form, with the number of Debentures allotted. The applicant is responsible for the correctness of its details given in the Application Form vis-à-vis those with its DP. In case the information is incorrect or insufficient, the Company would not be liable for losses, if any.

The Company shall credit the letter(s) of allotment in electronic form to the dematerialised account of the Investors as per the details furnished in the Application Form. The Allotment Intimation will be sent to the Allottee(s). This Allotment Intimation should neither be construed as a Letter(s) of Allotment nor as a credit advice; and hence it is non-transferable/non-transmittable and not tradable. The Company will credit the Debentures into the investor(s)' demat account with the investor's DP within 2 working days from Date of Allotment.

XIII. Register of Debenture Holder(s)

A register of all Registered Debenture Holder(s) containing necessary particulars will be maintained by the Company's Registrar and Transfer Agent.

The Company shall request the Depository to provide a list of beneficial owners as at end of day of the Record Date. This list shall be considered for payment of interest, repayment of principal and amortisation, as the case maybe. The Company shall credit interest on Debentures and/or redemption amount of Debentures as per NSDL/CDSL records. Debenture Holders are required to keep the records updated with respective Depository with whom they have their accounts.

XIV. Rights of all Debenture Holders

The Debenture Holders will not be entitled to any rights and privileges of shareholders other than those available to them under statutory requirements. The Debentures shall not confer upon the Debenture Holders the right to receive notice, or to attend and vote at the general meetings of shareholders of the Company. The principal amount and interest, if any, on the Debentures will be paid to the Debenture Holder only, or in the case of joint holders, to the one whose name stands first. The Debentures will be subject to other usual terms and conditions incorporated in the Debenture certificate(s) that will be issued to the allottee(s) of such Debentures by the Company and also in the Debenture Trustee Agreement / Debenture Trust Deed.

XV. Modification of Rights

The rights, privileges, terms and conditions attached to the Debentures may be varied, modified or abrogated with the consent, in writing, of those holders of the Debentures who hold at least three-fourth of the outstanding amount of the Debentures or with the sanction accorded pursuant to a resolution passed at a meeting of the Debenture Holders, provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions of the Debentures, if the same are not acceptable to the Company.

XVI. Effect of Holidays

If any date except the date of allotment, falls on a public holiday, the Modified Following Business Day convention shall be considered. In case any Interest Payment Date(s) falls on a Sunday or a holiday the coupon payment shall be made on the next working day. In case the Date(s) of Redemption falls on a Sunday or a holiday, the redemption proceeds and accrued interest (if any) shall be paid on the previous working day. Working day, for the purpose of this clause, shall mean a day on which scheduled commercial banks are open for business in the city of Mumbai, Maharashtra.

XVII. Notices

All notices required to be given by the Company to the Debenture Holders will be deemed to have been given if published in one English and one regional daily newspaper in the area where the debentures are listed.

XVIII. Tax Deduction at Source

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, will be deducted at source. Tax exemption certificate/document, under the relevant provisions of the Income

Tax Act, 1961, if any, must be lodged at the office of the Company, at least 30 days before the payment becoming due.

XIX. Additional Risk Disclosures

The initial subscriber by subscribing to and any subsequent purchaser by purchasing the Debentures shall be deemed to have agreed that and accordingly the Company shall be entitled to presume that each of the initial subscriber and any subsequent purchaser (Debenture Holder, as referred to hereinabove and hereinafter):

- (a) has (1)sufficient knowledge, experience and expertise as an Investor, to make investment in the Debentures; (2)not relied on the Issuer Group or any person acting in its or their behalf (“**Agents**”) for any information, advice or recommendations of any sort except as regards the accuracy of the specific factual information about the terms of the Debentures as set out in this Information Memorandum; (3)understood that information contained in this Information Memorandum, or any other document issued by the Company is not to be construed as business or investment advice; and (4)made an independent evaluation and judgment of all risks and merits before investing in the Debentures;
- (b) has understood that the Issuer Group, including the Company, or any Agents, from time to time may act as an arranger, underwriter and/or distributor of similar instruments securities or transactions, the returns and/or payments on which or performance of which, may be at variance with or asymmetrical to those on the Debentures, and they may engage in other public and private financial transactions (including the purchase of privately placed investments or securities or other assets and entering into over the counter derivatives). The foregoing activities of the Issuer Group, including the Company, or any Agents may affect the value of the Debentures. In particular, the value of the Debentures could be adversely impacted by a movement in the interest rates, or activities in related markets, by any acts or inactions of the Issuer Group, including the Company, or any Agents;
- (c) has understood that without prejudice to (a)and(b) above, (1)the method and manner of computation, returns and calculations on the Debentures shall be solely determined by and/or on behalf of the Company, whose decision shall be final and binding; (2)in the event of any discretions to be exercised, in relation to method and manner of any of the above computations including due to any disruptions in any of the financial or other related markets or if for any other reason the calculations cannot be made as per the method and manner originally stipulated or referred to or implied, such alternative methods or approach shall be used as deemed fit by and/or on behalf of the Company, and may include the use of estimates and approximations. All such computations shall be valid and binding on the Debenture Holder, and no liability thereof will attach to the Company and/or the Agents;
- (d) has understood that in the event that the Debenture Holder suffers adverse consequences or loss, the Debenture Holder shall be solely responsible for the same and the Company, the Issuer Group and/or the Agents shall not be responsible, in any manner whatsoever, for any adverse consequences or loss suffered by the Debenture Holder including but not limited to on the basis of any claim that no adequate disclosure regarding the risks involved were made or that the full risks involved were not explained or understood;
- (e) has reviewed the terms and conditions applicable to the Debentures as contained in this Information Memorandum and has understood the same, and, on an independent assessment thereof, confirmed the same to be correct and, found the same acceptable for the investment made and has also reviewed the risk disclosures contained herein and has understood the risks, and determined that the Debentures are a suitable investment and that the Debenture Holder can bear the economic risk of that investment, including the possibility of receiving lower than expected or negligible returns;
- (f) has received all the information believed to be necessary and appropriate or material in connection with, and for, the investment in the Debentures;
- (g) holds the Debentures as an investment, and has not purchased the Debentures on a speculative basis;
- (h) as an Investor, is knowledgeable and experienced in making investments , including in debt instruments having variable or unpredictable returns and also investments similar to the Debentures;
- (i) investing in the Debentures:
 - (i) has obtained such independent and appropriate financial, tax, accounting and legal advice as required and/or deemed necessary, to enable the Debenture Holder to independently evaluate, assess and understand the appropriateness, merits and risks associated with investing in the Debentures, and also as to the Debenture Holders legal competency and ability (including under applicable laws and regulations), to invest in and/or hold (including as to the duration of holding) the Debentures; and
 - (ii) has not relied on any advice or statements made or rendered by Issuer Group or their Agents, the Company or its Agents or any person acting on its or their behalf, with respect to the Debentures, including as to the nature of returns or any erosion in the value of the Debentures over its life, or on

- maturity, redemption, sale or disposal, and none of such entities or persons have made any representations to the Debenture Holder, express or implied, with respect to any of the above;
- (j) has assumed on its own account, all risk of loss that may occur or be suffered including as to the returns on and/or the sale value of the Debentures and shall not look directly or indirectly to the Issuer Group or their Agents or the Company or its Agents (or to any person acting on its or their behalf) to indemnify or otherwise hold the Debenture Holder harmless in respect of any such loss and/or damage;
- (k) understands that the actual quantum of returns on the Debentures are not guaranteed or insured in any manner by the Company;
- (l) undertakes that, if the Debenture Holder sells the Debentures to subsequent Investors, the Debenture Holder shall ensure, and it is the Debenture Holder's obligation in that regard, that (1) the subsequent Investors receive the terms and conditions, risks and representations contained in this Information Memorandum and any other related document and fully understand that the Debentures are a structured product, (2) the sale to subsequent Investors will be effected by the Debenture Holder only on such Investors having confirmed the receipt of all of (1) above, (3) the sale and transfer of the Debentures shall be effected only in the manner stipulated;
- (m) understands that the Issuer Group or their Agents or the Company or its Agents or any person acting on behalf of the Issuer Group or the Company, may have an interest / position as regards the issue of the Debentures and/or may have an existing banking relationship, financial, advisory or other relationship with them and/or may be in negotiation/discussion with them as to transactions of any kind;
- (n) understands that at any time during the life of the Debentures the value of the Debentures may be substantially less than its redemption value.
- (o) understands that the valuation of the Debentures provided on the websites of the Issuer and /or the Valuation Agency do not represent the actual price of the Debentures that may be received upon sale or redemption and that the actual price received may be significantly different from what is reflected in the valuation;
- (p) has the legal ability to invest in the Debentures, and the investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture Holder, or its assets;
- (q) where the Debenture Holder is a **company**, it also confirms that:
- (i) notwithstanding the variable nature of the return on the Debentures, the Debenture Holder is not precluded under any law, rules, regulations and/ or circular/s issued by any statutory authority/ies including under the Companies Act from investing in the Debentures,
 - (ii) all necessary corporate or other necessary action has been taken to authorize, and that the Debenture Holder has corporate ability and authority, to invest in the Debentures, and
 - (iii) investment in the Debentures does not contravene any provisions of the Memorandum and the Articles of Association, or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture Holder or the Debenture Holder's assets;
- (r) where the Debenture Holder is a **partnership firm**, it also confirms that:
- (i) investing in the Debentures on the terms and conditions stated herein is within the scope of the partnership's investment policy and does not conflict with the provisions of the partnership deed as currently in force,
 - (ii) the investment in Debentures is being made by and on behalf of the partners (and binds all the partners jointly and severally), and that the partnership is in force and existing, and the investment has been ratified by all of the partners, jointly and severally,
 - (iii) the investment in Debentures has been duly authorized by all the partners, and does not contravene any provisions of the partnership deed, or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the partnership or its assets or any of the partners or their respective assets,
 - (iv) for any minor as may have been admitted to the benefits of the partnership, the legal guardian of the minor has confirmed that the above applies equally to the minor as if the minor were a partner, and
 - (v) for any Hindu Undivided Family ("**HUF**") that may be partner, the Karta declares that the above equally binds each of the co-parceners and beneficiaries of the HUF;
- (s) where the Debenture Holder is a **mutual fund / provident fund / superannuation fund / gratuity funds (each a "fund")** it also confirms that:
- (i) investing in the Debentures on the terms and conditions stated herein is within the scope of the fund's investment policy and does not conflict with the provisions of the trust deed/bye-laws/regulations as currently in force,
 - (ii) the investment in Debentures is being made by and on behalf of the fund and that the fund is in force and existing, and the investment has been ratified by appropriate resolutions, and

- (iii) the investment in Debentures has been duly authorized and does not contravene any provisions of the trust deed/bye-laws/regulations as currently in force, or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the fund or its assets;
- (t) where the Debenture Holder is a **HUF**, it also confirms that:
 - (i) the Karta declares that the above equally binds each of the co-parcenors and beneficiaries of the HUF, and
 - (ii) the Karta declares that the investment is for the benefit of each of the co-parcenors and beneficiaries of the HUF;
- (u) where the Debenture Holder is an **individual**, also confirms that the investment in Debentures does not contravene any provisions of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the individual or its assets and he can invest in such Debentures; and
- (v) where the Debenture Holder or initial Applicant is a **Portfolio Manager** registered with SEBI, and is investing in the Debentures are as a **Discretionary Portfolio Manager**, it also confirms that:
 - (i) it is fully in compliance with the laws and regulations applicable to it including the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 ("**Portfolio Manager Regulations**"), the Structured Products Guidelines the Prevention of Money Laundering Act, 2002 ("**PML Act**"), the Prevention of Money Laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 ("**PML Rules**"), the requirements of Circular dated 20th March 2006 "Guidelines on Anti-Money Laundering Standards" of the SEBI ("**AML Guidelines**") together with the PML Act and the PML Rules, the "**AML Laws & Rules**") and all applicable know-your-client norms ("**KYC Guidelines**") issued by any relevant regulator, as amended, from time to time,
 - (ii) the Debenture Holder is appropriately investing in the Debentures on behalf of its clients, ("**Clients**") and the investment in the Debentures is within the scope of its authority including pursuant to the agreement entered into by the Debenture Holder with each of the Clients, as provided for by Regulation 14 of the Portfolio Manager Regulations) (the "**Agreement**"), and accordingly binds each of the Clients. The Debenture Holder has independently satisfied itself (a) as to the suitability and appropriateness of the investment in the Debentures as regards each of the Clients, (b) as to the capacity and authority of each of the Clients to invest in such Debentures, and (c) that the investment in such Debentures will not contravene any applicable law,
 - (iii) Should there be any dispute by the Clients as regards the investment in the Debentures including but not limited to the scope of its authority with regard to such investment, it shall be dealt with entirely by the Portfolio Manager with each of the Clients, with no reference to the Issuer,
 - (iv) the Portfolio Manager has conducted suitability and appropriateness checks on each of its clients pursuant to the PM Regulations (as applicable) and the Structured Products Guidelines, and the Portfolio Manager has fully advised each of its clients of the risks relating to investment in the Debentures and of its rights against the Portfolio Manager as its principal and accepts responsibility for such advice,
 - (v) the Portfolio Manager has strictly complied with all applicable AML Laws & Rules and KYC Guidelines in relation to each of the Clients,
 - (vi) the Portfolio Manager consents to the disclosure or provision by the Issuer to any governmental or regulatory authority, or under any requirement of law, any information regarding the Client (to the extent made available to the Issuer by the Portfolio Manager) and the investment in the Debenture, as required of the Issuer under applicable regulations and/or as requested by any governmental or regulatory authority or under a provision of law,
 - (vii) the Portfolio Manager shall ensure that each Client understands the risks involved in investment in the Debentures and is capable of taking the risks posed by such Debentures and shall satisfy itself that the Debentures are suitable to the risk profile of the Client;
 - (viii) the Portfolio Manager shall provide its Clients with a copy of the information memorandum;
 - (ix) the Portfolio Manager shall guide the Clients as to where the valuations (of the Debentures) will be available;
 - (x) the Portfolio Manager shall guide the Clients as to the applicable exit loads/exit options/liquidity support, (if any) etc. being provided by the Company or through the secondary market;
 - (xi) the Portfolio Manager further agrees to provide to the Issuer such additional information that the Issuer deems necessary or appropriate in order for the Issuer to comply with any such regulations and/or requests or requirements,
 - (xii) the Portfolio Manager also further agrees (including on the basis of any request made by the Issuer in this regard), to provide, to any governmental or regulatory authority any information

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regarding any or all of the Clients, the investment in the Debenture as required under regulations and/or as requested by any governmental or regulatory or other authority, and

- (xiii) the Portfolio Manager further agrees that the it is appropriately investing in these Debentures on behalf of its Clients and that the activities of the Portfolio Manager have not violated and will not violate the RBI Private Placement Directions. The Portfolio Manager further confirms and undertakes that the Debenture Holder has not and will not use the name of the Issuer or any of its group entities or any of the words in any of its advertisement or any marketing material and the Portfolio Manager has not acted and shall not act in a manner that would render this Issue of Debentures, an offer to the public.
- (w) where the Debenture Holder or initial Applicant is a Portfolio Manager registered with SEBI and is investing in the Debentures as **Non Discretionary Portfolio Manager**, it also confirms that:
- (i) it is fully in compliance with the laws and regulations applicable to it including the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 (“Portfolio Manager Regulations”), the Structured Products Guidelines the Prevention of Money Laundering Act,2002 (“PML Act”), the Prevention of Money Laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 (“PML Rules”), the requirements of Circular dated 20th March 2006 “Guidelines on Anti-Money Laundering Standards” of the SEBI (“AML Guidelines”) together with the PML Act and the PML Rules, the “AML Laws & Rules”) and all applicable know-your-client norms (“KYC Guidelines”) issued by any relevant regulator,
 - (ii) the Portfolio Manager is selling the Debentures, to appropriate Clients/the investor(s) or is investing on behalf of its Clients /the investor(s) appropriately and such sale / investment in the Debentures is within the scope of its authority and accordingly binds each of the Clients/ investor(s); further, the intermediary has satisfied itself as to the capacity and authority of each of the Clients / investor(s) to invest in such Debentures;
 - (iii) Should there be any dispute by the Clients / investor(s) as regards the investment in the Debentures including but not limited to the scope of its authority with regard to such investment the same shall be dealt with entirely by the Intermediary with each of the Clients / investor(s), with no reference to the Issuer;
 - (iv) the Portfolio Manager has conducted a risk profiling of each Client / Investor (s) pursuant to the Structured Products Guidelines and has satisfied itself that the Debentures are suitable to the risk profile of the Client / investor; has fully advised each of its Clients / the investor(s) of the risks relating to investment in the Debentures and ensured that the Client / investor has understood the risks involved in investment in the Debentures and is capable of taking the risks posed by the Debentures. The Portfolio Manager as required under the SEBI (Portfolio Managers) Regulations, 1993 has fully advised each of its Clients / the investor(s) of the rights of such Clients / investor(s) against the Intermediary as its principal and accepts responsibility for such advice;
 - (v) the Portfolio Manager has strictly complied with all applicable AML Laws & Rules and KYC Guidelines in relation to each of the Clients,
 - (vi) the Portfolio Manager consents to the disclosure or provision by the Issuer to any governmental or regulatory authority, or under any requirement of law, any information regarding the Client (to the extent made available to the Issuer by the Portfolio Manager) and the investment in the Debenture, as required of the Issuer under applicable regulations and/or as requested by any governmental or regulatory authority or under a provision of law,
 - (vii) the Portfolio Manager shall ensure that the Client understands the risks involved in investment in the Debentures and is capable of taking the risks posed by such Debentures and shall satisfy itself that the Debentures are suitable to the risk profile of the Client;
 - (viii) the Portfolio Manager shall provide its Clients the Information Memorandum;
 - (ix) the Portfolio Manager shall guide the Clients as to where the valuations (of the Debentures) will be available;
 - (x) the Portfolio Manager shall guide the Clients as to the applicable exit loads/exit options/liquidity support, (if any) etc. being provided by the Company or through the secondary market;
 - (xi) the Portfolio Manager also further agrees (including on the basis of any request made by the Issuer in this regard), to provide, to any governmental or regulatory authority any information regarding any or all of the Clients, the investment in the Debentures as required under regulations and/or as requested by any governmental or regulatory or other authority, and the Portfolio Manager further agrees that the it is appropriately investing in these Debentures on behalf of its Clients and that the activities of the Portfolio Manager have not violated and will not violate the RBI

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Private Placement Directions. The Portfolio Manager further confirms and undertakes that it has not and will not use the name of the Issuer or any of its group entities or any of the words in any of its advertisement or any marketing material.

XX. Payment of Interest on Allotted Debenture(s)

Interest on the face value of the Debentures outstanding (subject to deduction of Income Tax at the prescribed rate under the Income Tax Act, 1961 or any statutory modification or re-enactment being in force) shall be due from the Date of Allotment up to the Redemption Date as provided in the Summary Term Sheet.

Interest amount will be electronically credited to the bank account of those Debenture Holder(s) whose names appear on the list of beneficial owners as on the Record Date, provided to the Company by the Depository. In case of dispute of interest claim, the matter should be settled between the transferor(s) and the transferee(s), and not with the Company. All interest on the Debenture(s) shall cease on the date of re-purchase of the Debenture(s) by or on date of redemption on maturity of Debenture(s), whichever is earlier. In case Debenture holders do not provide their correct bank particulars for electronic credit of interest the same may either be rejected or returned and the Issuer shall not be held liable for the same in any manner whatsoever.

XXI. Book closure / Record Date

The Book closure / Record date will be 15 (fifteen) days prior to the Interest Payment / Final Maturity Date or as may be directed by SEBI from time to time. The list of beneficial owner(s) provided by the Depository as at end of day of Record Date shall be used to determine the name(s) of person(s) to whom the Interest and/or Principal installment is to be paid.

XXII. Redemption on Maturity of Debenture(s)

Principal shall be credited to the account of Debenture Holders whose names appear in the register of registered Debenture Holder(s) in the list of beneficial owner(s) provided to the Company by the Depository as on the Record Date.

Principal payment will be made on the principal repayment date by crediting the bank account of beneficial owner(s) whose names appear on the list of beneficial owner(s) as on the Record Date, as provided to the Company by the Depository. The payment shall be released only after the Debentures have been discharged by the Debenture Holder by signing the discharge form that shall be sent to the Debenture Holders immediately after the Record Date and after the consequent extinguishment of the Debentures by the Company through the Depository.

The Company's liability towards the beneficial owner(s) for any payment or otherwise shall stand extinguished on the Maturity Date, in all events and upon the Company crediting the redemption amounts to the account of the beneficial owner(s). Further, the Company shall not be liable to pay any interest, income or compensation of any kind from the Maturity Date, or the date of redemption of the Debenture.

For this purpose bank details of Debenture Holders registered against their depository account will be used by the Company for payment of interest and redemption of principal amount. The Debenture Holders shall immediately intimate the Depository Participants with whom their depository accounts are maintained, about any change in their address or bank details.

Investors may also request for principal payment by way of an ECS/ RTGS fund transfer. In such case, the investor will have to request the Company by way of an application, in formats required. Investors must note that NECS essentially operates on the new and unique bank account number, allotted by banks post implementation of Core Banking Solutions (CBS). Therefore, Debenture Holders are requested to furnish the new bank account number allotted by banks post implementation of CBS.

In case Debenture Holders do not provide their correct bank particulars for electronic credit of redemption proceeds the same may either be rejected or returned and the issuer shall not be held liable for the same in any manner whatsoever.

XXIII. Future borrowings

The Company shall be entitled to make further issue(s) of debentures, raise further loans or advances and/or avail further deferred payment guarantees or other financial facilities from time to time from such persons/banks/financial institutions or body corporate/or any other agency. However, until the Debentures are fully redeemed, the Company shall not create any further charge on the Security without the prior written approval of the Debenture Trustee.

XXIV. Debenture Trustees

The Company has appointed Vistra ITCL (India) Limited (formerly IL & FS Trust Company Limited) as Debenture Trustee for this issue of debentures. All the rights and remedies of the Debenture Holders will vest in and will be exercised by the trustees without the same having to be referred to the Debenture Holders. The Company and Debenture Trustee has entered/ will enter into a Debenture Trust Deed(s) specifying, *inter-alia*, the powers, authorities and obligations of the Debenture Trustee and Company. No Debenture Holder shall be entitled to proceed directly against the Company, unless Debenture Trustee having become bound to do so or fail to do so. The Debenture Trustee will endeavor to protect the interest of the Debenture Holders under this Information Memorandum in the event of default in regard to timely payment of interest and principal by the Company.

XXV. Main events of default and remedies under the Debenture Trust Deed are as under:

- (A) Upon the occurrence of any of the events specified in sub-clause (B) below (each, an “**Event of Default**”), the Debenture Trustee may, in its discretion, and shall, upon request in writing of the majority Debentures Holders/beneficial owners declare the principal amount of the Debentures, all interest and all other monies to be due and payable forthwith and the security created shall become enforceable, and the Debenture Trustee shall have the following rights namely:-
- (a) Subject to Section 69 of the Transfer of Property Act, 1882 to sell, assign or otherwise liquidate or direct the Company to sell, assign or otherwise liquidate the Navi Mumbai Immovable Property, in such manner, at such time, at such place or places and on such terms as the Debenture Trustee may, in compliance with the requirements of law, determine in its absolute discretion and to take possession of the proceeds of any such sale or liquidation;
 - (b) to take possession of the Navi Mumbai Immovable Property or any part thereof, by directing the Company in writing to deliver the same to the Debenture Trustee at any place or places designated by the Debenture Trustee, in which event the Company shall, at its own expense:
 - (i) forthwith cause the same to be moved and delivered to the place or places so designated by the Debenture Trustee;
 - (ii) keep the Navi Mumbai Immovable Property to be delivered to the Debenture Trustee (to the extent not physically delivered to the Debenture Trustee) at such place or places pending further action by the Debenture Trustee as provided in the Debenture Trust Deed; and
 - (iii) while such security shall be so kept, provide such guards and maintenance services as shall be necessary to protect the same; and
 - (c) to retain all cash proceeds received or receivable by the Company in respect of the Security including enjoy the receipts from the Security Receipts and to use such funds, in whole or part, towards repayment of the Company's obligations to the beneficial owner(s)/ Debenture Holder(s) and/or the Debenture Trustee under the Debenture Trust Deed.
- (B) The occurrence of any one of the following events shall constitute an Event of Default by the Company:
- (i) Default is committed in payment of the principal amount of the Debentures on the due date(s);
 - (ii) Default is committed in the payment of any interest on the Debentures on the due date(s);
 - (iii) Default is committed in the performance or observance of any covenant, condition or provision

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contained in the Debenture Trust Deed and/or the financial covenants and conditions (other than the obligation to pay principal and interest) and, except where the Debenture Holders/beneficial owners/ Debenture Trustee certify that such default is in its opinion incapable of remedy (in which case no notice shall be required), such default continues for thirty days after written notice has been given thereof by the Debenture Trustee to the Company requiring the same to be remedied;

- (iv) Any indebtedness of the Company for borrowed monies, that is, indebtedness for and in respect of monies borrowed or raised (whether or not for cash consideration) by whatever means (including acceptance, credits, deposits and leasing) becomes due prior to its stated maturity by reason of default of the terms thereof or any such indebtedness is not paid at its stated maturity;
- (v) Any information given by the Company to the beneficial owner(s)/ Debenture Holder(s) or the Debenture Trustee and the warranties given or deemed to have been given by it to the beneficial owner(s)/Debenture Holder(s) or the Debenture Trustee is misleading or incorrect in any material respect;
- (vi) If there is reasonable apprehension that the Company is unable to pay its debts or proceedings for taking it into liquidation, whether voluntarily or compulsorily, may be or have been commenced or any resolution for voluntary winding-up is passed or any petition for winding-up is admitted by a competent Court;
- (vii) If the security have not been kept insured or depreciate in value to such an extent that in the opinion of the Debenture Holders/beneficial owners further security should be given and on advising the Company to the effect such security has not been given to the satisfaction of the Debenture Holders/beneficial owners;
- (viii) If without the prior written approval of the Debenture Trustee, the security or any part thereof are sold, disposed off, charged, encumbered or alienated or any of the buildings, structures, plant and machinery forming part of this security are removed, pulled down or demolished;
- (ix) The Company has voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency law or the Company is voluntarily or involuntarily dissolved;
- (x) The Company is unable to or has admitted in writing its inability to pay its debts as and when the same are due or it is certified by an accountant appointed by the Debenture Trustee that the Company's liabilities exceed its assets;
- (xi) The Company has taken or suffered to be taken any action for reorganisation of its capital, without the prior written consent of the Debenture Trustee;
- (xii) An encumbrancer, receiver or liquidator takes possession of the Security or any part thereof, or has been appointed or allowed to be appointed of all or any part of the undertaking of the Company and such appointment is, in the opinion of the Debenture Trustee, prejudicial to the security created;
- (xiii) If an attachment or distraint has been levied on the Security or any part thereof or certificate proceedings have been taken or commenced for recovery of any dues from the Company;
- (xiv) If any extra-ordinary circumstances have occurred which make it improbable for the Company to fulfil its obligations under the Debenture Trust Deed and/or the Debentures;
- (xv) The Company ceases or threatens to cease to carry on its business or gives notice of its intention to do so;
- (xvi) If the Company is unable to pay its debts within the meaning of Section 434 of the Companies Act or if the Company is carrying on business at a loss and it appears to the Debenture Trustee that continuation of its business will endanger the security created;
- (xvii) If in the opinion of the Debenture Trustee, the Security of the beneficial owner(s)/Debenture Holder(s) is in jeopardy;
- (xviii) Except for the charges created by the Company as set forth in the Debenture Trust Deed, if the Company creates any mortgage, charge, lien or other encumbrance over or assigns or transfers or attempts to assign or transfer any of the Security, without the prior consent in writing of the Debenture Trustee;
- (xix) If the Company enters into amalgamation, reorganisation or reconstruction without the prior consent of the Debenture Trustee in writing; and
- (xx) If the Company shall, without the prior consent of the Debenture Trustee in writing, make or attempt to make any alteration to its Memorandum and Articles of Association, which affects the interest of the beneficial owner(s)/Debenture Holder(s).

- (C) If any Event of Default or any event which, after the notice, or lapse of time, or both, would constitute an Event of Default has happened, the Company shall, forthwith give notice thereof to the Debenture

Trustee in writing specifying the nature of such Event of Default or of such event.

- (D) At any time after the Debentures become repayable and have not been repaid, the Debenture Trustee may at their discretion and without further notice institute such proceedings against the Company as they may think fit to enforce repayment thereof together with accrued interest and all other monies payable in respect thereof but they shall not be bound to take any such proceedings or take any actions with respect to enforcement of the Security unless:-
- (a) The Debenture Trustee is so requested in writing by majority beneficial owner(s)/ Debenture Holder(s);
 - (b) Sufficient monies are advanced by the beneficial owner(s)/Debenture Holder(s) to the Debenture Trustee for enforcement of their rights and security; and
 - (c) The Debenture Trustee is indemnified to their satisfaction by the Debenture holders/beneficial owner(s).
- (E) Notwithstanding the above clause, all costs, charges and expenses that may be incurred by the Debenture Trustee in connection with the creation, enforcement, preservation, realisation of the Security with interest thereon from the time of the same having been so incurred and that until such repayment shall be payable by the Company and be a charge upon the Security is granted, assigned, transferred and assured or expressed so to be under the terms of the Debenture Trust Deed.
- (F) In case the Security created under the Debenture Trust Deed becomes enforceable, the Company shall forthwith upon demand by the Debenture Trustee do all things necessary to enable the Debenture Trustee to realize the Security in the manner permitted under applicable law.

(All capitalized terms used in this section but not defined herein shall have the meanings assigned to them respectively in the Debenture Trust Deed)

XXVI. Debentures subject to the Summary Term Sheet, Debenture Trust Deed, etc.

Over and above the aforesaid terms and conditions, the Debentures, issued to this Information Memorandum, shall be subject to the terms and conditions incorporated in the Summary Term Sheet, relevant Debenture Trust Deed and also be subject to the provisions of the Memorandum and Articles of Association of the Company. In the event of a contradiction between the Summary Term Sheet and this Information Memorandum, the Summary Term Sheet will prevail.

XXVII. Cost of the Issue

For the Debentures under the proposed issue, the Issuer will pay up to 2.50% of the Principal Amount.

XXVIII. Governing Law and Jurisdiction

The Debentures are governed by and will be construed in accordance with the Indian Laws. The Issuer irrevocably agrees for the exclusive benefit of each Debenture Holder that the competent courts and tribunals at Mumbai are to have jurisdiction to settle any disputes which may arise out of or in connection with the Debentures and that accordingly any suit, action or proceeding. (“**Proceedings**”) arising out of or in connection with the Debentures may be brought in such courts. The Issuer agrees that the process in connection with Proceedings in the competent courts and tribunals at Mumbai will be validly served on it if served upon it at its registered office.

XXIX. Confidentiality

The information and data contained herein is submitted to each recipient of this Information Memorandum on a strictly private and confidential basis. By accepting a copy of this Information Memorandum, each recipient agrees that neither she/he nor any of its employees or advisors will use the information contained herein for any purpose other than evaluating the specific transactions described herein or will divulge to any other party any such information. This Information Memorandum must not be photocopied, reproduced, extracted, transmitted or distributed in full or in part to any person whatsoever without the prior written consent of the Company. If at any time any such reproduction or disclosure is made and the Company suffers any loss, damage or incurs liability of any kind whatsoever arising out of or in connection with any such reproduction or



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disclosure, the recipient of this Information Memorandum breaching the restriction on reproduction or disclosure agrees to hold harmless and indemnify the Company from and against any such loss, damage or liability.

XXX Debenture Redemption Reserve

The Company shall maintain a debenture redemption reserve as required under Rule 18 of the Companies (Share Capital and Debenture) Rules, 2014.

OTHER INFORMATION
(A) DECLARATION OF RBI ABOUT NON-RESPONSIBILITY FOR FINANCIAL SOUNDNESS OR CORRECTNESS OF STATEMENTS

It must be distinctly understood, that the issuing of license and granting of approval by RBI should not in any way, be deemed or construed to be an approval by RBI, to this Information Memorandum nor should it be deemed that RBI has approved it nor does RBI take any responsibility either for the financial soundness of the Company or for the correctness of the statements made or opinions expressed in this connection.

(B) CONSENTS

Consents in writing from the Debenture Trustee, the Rating Agency and the RTA to act in their respective capacities have been obtained.

Consents in writing of Executive Director & Chief Executive Officer, Chief Financial Officer, Compliance Officer, Solicitors/Advocates, and other experts, have been obtained and such consents have not been withdrawn upto the time of filing this Information Memorandum with the BSE.

(C) DECLARATION BY THE DIRECTORS THAT

- a. the company has complied with the provisions of the Act and the Rules made thereunder;
- b. the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government; and
- c. the monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter.

(D) DECLARATION:

We, Executive Director & CEO, Chief Financial Officer and Company Secretary of the Company, declare that: (a) the Company has complied with all the relevant provisions of the Companies Act, 1956 and the Companies Act 2013 (the "Act") and Rules made thereunder, the guidelines issued by the Government and the guidelines and circulars issued by SEBI established under Section 3 of the Securities and Exchange Board of India Act, 1992 have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 1956 and the notified sections of the Companies Act, 2013 or the Securities and Exchange Board of India Act, 1992 or rules, guidelines and circulars issued thereunder; (b) the compliance with the said Act and the Rules made thereunder do not imply that payment of interest or repayment of debentures is guaranteed by Central Government; and (c) the monies received under this offer shall be used only for the purposes and objects indicated in this Information Memorandum.

We, Executive Director & CEO, Chief Financial Officer and Company Secretary of the Company are authorised by the Board of Directors of the Company vide resolution number 13 dated July 19, 2018 to sign this form and Information Memorandum and declare that all the requirements of Companies Act, 2013 and the Rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and Information Memorandum and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form and Information Memorandum has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form and Information Memorandum.

For Reliance
Reconstruction
Limited



Ravindra S. Rao
Executive Director & CEO

Asset
Company

For Reliance
Reconstruction
Limited



Mehul Gandhi
Chief Financial Officer

Asset
Company

For Reliance
Reconstruction
Company Limited



Preeti K. Chhapru
Company Secretary
& Compliance Officer

Place: Mumbai
Date : January 8, 2019

Annexure I

Details of material litigation

Civil Cases filed against the Company:

1. State of Madhya Pradesh & Union Bank of India has filed case WP 12775/2016, before Hon'ble High Court of Madhya Pradesh at Jabalpur. Fact of the case is that Collector of stamps (Dist. Raisen) passed an order directing Reliance ARC to pay a deficit stamp duty of Rs.1,43,63,010/- on Assignment agreement executed with Union Bank of India and the same was upheld by Board of Revenue Madhya Pradesh. Present Writ Petition ("WP") is filed to set aside such order. Currently, Ad-interim stay granted by Madhya Pradesh High Court. Matter pending for final hearing. WP is not yet listed.

Details of criminal prosecution pending against the Promoter

Nil

Civil Cases filed against the Promoter:

1. Mrs. Pratibha Pramod Khandelwal has filed Special Civil Suit No. 890/2017 against Reliance Infratel Ltd including 7 persons namely – (1) Mrs. Sowmya Narayanan Charry, (2) Mr. Anil Dhirubhai Ambani, (3) Hasit Navinchandra Shukla, (4) Jainarayan Ramchandran, (5) Suresh Madihally (6) Rajnarayan Bharadwaj, (7) Chaya Virani before Civil Judge Senior Division, Nagpur for recovery of an amount of Rs.14,47,397/- against the lease rent as per lease agreement 5th November 2008 executed for the purpose of lease premises for installation of mobile tower. We have received summons along-with the Plaint and supporting documents for defending the claim. The Hon'ble Court has fixed the next date on 26.10.2018 for filling of the written statement.
2. Gurumurthy Mohanty has filed Civil case No- 136/2015, before Civil Judge (Sr. Div.) Jeypore, Odisha against Patitaoaban Behara & Ors. (Including Sh. ADA) for recovery of Rs. 7,00,000/- along with interest, which is due against OFC related work done by plaintiff, we are in process to file WS in the matter, next date of hearing in this case will be on 03.10.2018.


Annexure II

Shareholding pattern of the Company as on last quarter end i.e. September 30, 2018:

Sr. No.	Particulars	Total No. of Equity Shares	Number of shares held in dematerialised Form	Total Shareholding as % of Total No. of equity shares
(A)	Promoter & Promoter Group	4,90,00,000	4,89,64,000	49.00
(B)	Public	5,10,00,000	4,15,00,000	51.00
(C)	Non Promoter – Non Public	-	-	-
(C1)	Shares underlying DRs	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-
	GRAND TOTAL (A)+(B)+(C)	10,00,00,000	9,04,64,000	100.00

Details of category – wise shareholding:

Sr. No.	Category	Pre-issue & Post-issue *	
		No. of shares held	% of shareholding
A	Promoters' holding		
1	Indian		
	(a) Individual	0.00	0.00
	(b) Bodies Corporate	4,90,00,000	49.00
	Sub-total	4,90,00,000	49.00
2	Foreign promoters	0.00	0.00
	Sub-total (A)	4,90,00,000	49.00
B	Non-promoters' holding		
1	Institutional investors	3,20,00,000	32.00
2	Non-institutional investors		
	(a) Private corporate bodies	0.00	0.00
	(b) Directors and relatives	0.00	0.00
	(c) Indian public	0.00	0.00
	(d) Others [including Non-resident Indians (NRIs)] Foreign Companies	1,90,00,000	19.00
	Sub-total (B)	5,10,00,000	51.00
	GRAND TOTAL (A) + (B)	10,00,00,000	100.00

* As the Issue is of Non-Convertible Debentures there is no change in the Pre-issue and Post-issue shareholding pattern of the Company.


Annexure III

List of top 10 holders of equity shares of the Company as on the latest quarter end i.e. September 30, 2018:-

Sr. No.	Name of the Shareholder(s)	Total No. of Equity Shares	No. of shares in demat form	Total Shareholding as % of total no. of equity shares
1.	Reliance Capital Limited	4,90,00,000	4,89,64,000	49.00
2.	Corporation Bank	1,15,00,000	1,15,00,000	11.50
3.	Indian Bank	1,15,00,000	1,15,00,000	11.50
4.	Dacecroft Limited	95,00,000	-	9.50
5.	General Insurance Corporation of India	90,00,000	90,00,000	9.00
6.	Blue Ridge Limited Partnership	58,90,000	58,90,000	5.89
7.	Blue Ridge Offshore Master Limited	36,10,000	36,10,000	3.61
		10,00,00,000	9,04,64,000	100.00


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Annexure IV
Details of Secured Loan Facilities as on September 30, 2018:

Lender's Name	Facility	Amount Sanctioned (Rs. In crore)	Principal Amount Outstanding (Rs. In crore)	Repayment Date / Schedule	Security
Andhra Bank Limited	Secured Overdraft	75.00	65.22	January, 2019	Hypothecation of Security receipts as mentioned in the respective security document



**FIRST SCHEDULE REFERRED IN THE DEBENTURE TRUST DEED DATED AUGUST 24, 2018
ENTERED BETWEEN THE COMPANY AND TRUSTEE**

DESCRIPTION OF THE IMMOVABLE PROPERTY

A first charge on immovable property situated at All that office No.101 on the first floor, admeasuring about 111 sq.ft, carpet area in the building known as "HAWARE'S FANTASIA BUSINESS PARK", on plot No.47, Sector 30 A, Vashi, Dist. Thane alongwith furniture and fixtures lying therein.

**SECOND SCHEDULE REFERRED IN THE DEBENTURE TRUST DEED DATED AUGUST 24, 2018
ENTERED BETWEEN THE COMPANY AND TRUSTEE**

HYPOTHECATION OF SECURITY RECEIPTS

(i) Category A Debentures:

A first exclusive charge on present and future investments in Security Receipts by way of hypothecation (excluding investments in Security Receipts in favour to banks towards Working Capital facility).

(ii) Category B Debentures:

A second charge on the excess / additional security over and above the 100% asset cover on the Security Receipts hypothecated in favour to Banks towards Working Capital facility and a first Charge on present and future investments in Security Receipts by way of hypothecation excluding Security Receipts given as security towards securing Category A Debentures more specifically described in Clause (i).

Provided that the assets of the Company over and above the security coverage required for outstanding debentures shall be available to the Company for providing security in favour of any other lender.

**DESCRIPTION OF SECURITY TOWARDS SECURING OUTSTANDING TERM LOAN AND CASH CREDIT
LIMIT**

Hypothecation of Security Receipts



Annexure VI

Details of Unsecured Loan Facilities as on September 30, 2018:

(Rs. in crore)

Lender's Name	Type of Facility	Amount Sanctioned (Rs. In crore)	Principal Amount Outstanding (Rs. In crore)	Repayment Date / Schedule
Reliance Nippon Life Asset Management Limited	Term Loan	100	85	February, 2019
Spectrum Trimpex Private Limited.	Term Loan	5	5	October, 2018
Reliance Capital Limited	Line of Credit	100	-	March, 2019


Annexure VII
Details of NCDs as on September 30, 2018

Debenture Series		Tenor/ Period of Maturity (in days)	Coupon	Face Value / Issue Price (in Rs.)	Amount (in Rs.)	No. of Allottees	Date of Allotment	Redemption Date / Schedule	Secured/ Unsecured
INE407107019	958267	822	Market Linked	6,50,00,000	6,50,00,000	2	14-Sep-18	In case call option/ put option not exercised : 14-12-2020	Secured
INE407107027	958271	1189	Market Linked	3,50,00,000	3,50,00,000	3	18-Sep-18	In case call option/ put option not exercised : 20-12-2021	Secured


Annexure VIII
**List of Top 10 Debenture Holders as on September 30, 2018
(in value terms, on cumulative basis for all outstanding debentures issues)**

Sr. No.	Name of Debentureholder	Amount (Rs. in crore)
1.	Sri Gopal Gupta	5.00
2.	Shivani Sumit Agarwal	2.35
3.	Gopal Corpco Limited	1.50
4.	Sumit Agarwal	0.90
5.	Vijay Ratilal Kothari	0.25



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Annexure IX

The amount of corporate guarantee issued by the Issuer along with name of the counterparty (like name of the subsidiary, JV entity, group company, etc.) on behalf of whom it has been issued as on September 30, 2018:

Nil



Annexure X

Details of Commercial Paper

Nil



Annexure XI

Details of Promoters of the Issuer
Details of Promoter Holding in the Issuer as on the latest quarter end i.e. September 30, 2018:-

Sr. No.	Name of the shareholders	Total No. of Equity Shares	No. of shares in demat form	Total shareholding as % of total no. of equity shares	No. of Shares Pledged	% of Shares pledged with respect to shares owned
1	Reliance Capital Limited	4,90,00,000	4,89,64,000	49.00	-	-

Annexure XII

Abridged version of Standalone and Consolidated Financial Information (like Profit & Loss Statement, Balance Sheet and Cash Flow statement) for at least last three years and auditor qualifications, if any.

Annexure XII – A

Balance Sheet as at March 31, 2018, March 31, 2017 and March 31, 2016

(Rs in Crore)

		As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
I	EQUITY AND LIABILITIES			
1)	Shareholders' funds	149.96	145	135
2)	Non-current liabilities	0.02	0.27	100
3)	Current liabilities	138.40	154.61	16
	Total	288.38	299.88	251
II	ASSETS			
1)	Non-current assets	280.45	285	225
2)	Current assets	7.93	14.88	26
	Total	288.38	299.88	251

Statement of Profit and Loss for the year ended March 31, 2018, March 31, 2017 and March 31, 2016

(Rs. in crore)

		2017-18	2016-17	2015-16
A	Total Revenue	42.73	37.79	30.81
B	Total Expenses	29.91	23.99	16.31
C	Profit before exceptional items and tax (A-B)	12.82	13.79	14.51
D	Exceptional items (net)	0.00	0.00	0.00
E	Profit before tax (C-D)	12.82	13.79	14.51
F	Tax Expenses (net)	3.79	4.77	4.80
G	Profit after tax (E-F)	9.03	9.02	9.71
H	Earnings per equity share face value of Rs. 10 each fully paid up (basic/diluted)	0.90	0.90	0.97



Annexure XII – B

Cash flow statement for the year ended March 31, 2018, March 31, 2017 and March 31, 2016

		(Rs. in crore)		
		2017-18	2016-17	2015-16
A	Cash flows from operating activities	37.25	21.67	16.56
B	Cash flows from investing activities	3.96	(60.02)	(57.24)
C	Cash flows from financing activities	(41.22)	28.44	50.47
	Net increase / (decrease) in cash and cash equivalents (A + B + C)	(0.02)	(9.91)	9.80
	Cash and cash equivalents at the beginning of the year	0.04	9.95	0.15
	Cash and cash equivalents at the end of the year	0.02	0.04	9.95

There have been no audit qualifications in the last three years.

Annexure XIII

Abridged version of Latest Limited Review Consolidated and Standalone Financial Information (like Profit & Loss statement, and Balance Sheet) and auditor qualifications, if any.

(Rs. in 000, except per share data)

Sl. No.	Particulars	Half year ended 30-Sept-2018 unaudited	Half year ended 30-Sept-2017 unaudited
1.	Total income from operations	2,38,409	3,06,956
2.	Net Profit /(Loss) for the period before tax	91,953	1,61,831
3.	Net Profit /(Loss) for the period after tax	64,124	1,79,386
4.	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	63,989	1,79,251
5.	Paid-up Equity Share Capital	10,00,000	-
6.	Reserves (excluding Revaluation Reserve)	8,15,765	-
7.	Net worth	18,15,765	-
8.	Paid-up Debt Capital /Outstanding Debt	1,00,000	-
9.	Debt Equity Ratio	0.90	-
10.	Earning Per Share (of Rs. 10/- each Fully paid-up) -**		
	1. Basic:	0.64	1.79
	2. Diluted:	0.64	1.79
11.	Debenture Redemption Reserve (DRR)	700	-

** Not annualised for half years

2. The above is an extract of the detailed format of the Statement of Unaudited Financial Results filed with Stock Exchanges on October 16, 2018 under Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Financial Results are available on the Company's website, www.rarcl.com and on the website of the Stock Exchanges, www.bseindia.com.

RELIANCE

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Credit Rating LetterBWR/NCD/HO/ERC/MM/0566/2018-19
13 December 2018

Mr. Mehul Gandhi
Chief Financial Officer
Reliance Asset Reconstruction Company Limited
Reliance Centre
6th Floor, North Wing,
Santacruz East,
Mumbai, 400055
Tele: 022-3303 1000
fax no : 022-3076 2525

Dear Sir,

Subject: Rating Revalidation for Principal Protected Market Linked Debenture (PPMLD) issue up to Rs. 100 Cr (INR One Hundred Crores Only) of Reliance Asset Reconstruction Company Limited- our BWR/NCD/HO/SRC/MM/0141/2018-19 dated June 15, 2018

Ref: your e-mail of December 6, 2018

With reference to your email of December 6, 2018, Brickwork Ratings wishes to inform that Reliance Asset Reconstruction Company Limited's Proposed Principal Protected Market Linked Debenture of Rs. 100 Crore carries a **BWR PP-MLD AA- {Pronounced BWR Principal Protected Market Linked Debenture Double A minus}** Rating. **Outlook: Stable.** Please refer to BWR website www.brickworkratings.com for definition of the rating assigned.

Of the Rs. 100 crores PP- MLD issue rated, BWR note that the Company has raised PP- MLD aggregating to Rs. 10 crores and the current unutilized portion is Rs. 90 crores. Against the said proposed issue.

Please note that all terms and conditions of our letter BWR/NCD/HO/SRC/MM/0141/2018-19 dated June 15, 2018 remain unchanged.

On completion of borrowing, please furnish details of security and other aspects related to the borrowing.

You are also requested to provide non-default declaration on monthly basis.

Best Regards,

Mr. MSR Manjunatha
Head – Ratings Administration

Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. Brickwork Ratings India Pvt. Ltd.

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RBI Accredited
NSIC EmpanelledBWR/NCD/HO/SRC/MM/0141/2018-19
June 15 2018

Mr. Mehul Gandhi
Chief Financial Officer
Reliance Asset Reconstruction Company Limited
Reliance Centre,
6th Floor, North Wing,
Santacruz East,
Mumbai, 400055
Tele: 022-3303 1000
fax no : 022-3076 2525

Dear Sir,

Subject: Review of Rating for the proposed Principal Protected Market Linked Debenture (PPMLD) issue up to Rs. 100 Cr (INR One Hundred Crores Only) of Reliance Asset Reconstruction Company Limited

On review of Reliance Asset Reconstruction Company Limited's performance based on the information furnished to us by you and as available in public sources, Brickwork Ratings has reaffirmed **BWR PP-MLD AA- {Pronounced BWR Principal Protected Market Linked Debenture Double A minus) Rating. Outlook: Stable**

The Rating is subject to completion and submission of the Debenture Trust Deed that also includes the term sheet in line with the draft provided by the company to Brickwork Ratings

The Rating is valid for one year from the date of this letter. Brickwork Ratings would conduct surveillance on a continuous basis until the maturity period / redemption of the instrument.

Any material information that may affect company's performance/ rating is required to be provided to us without any delay. The above Rating is subject to terms and conditions that were agreed in your mandate and other correspondence, if any and Brickwork Ratings standard disclaimer appended below.

You are also requested to provide non-default declaration on monthly basis.

Best Regards,

Mr. MSR Manjunatha
Head – Ratings Administration

Note: In case of all accepted Ratings, respective Rating Rationale is published on Brickwork Ratings website. Interested persons are well advised to refer to our website www.brickworkratings.com, if they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com

Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

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CIN: U67190KA2007PTC043591

RELIANCE

ASSET
RECONSTRUCTION



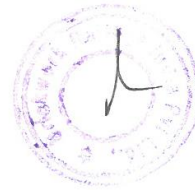
SEBI Registered
RBI Accredited
NSIC Empanelled

Reliance Asset Reconstruction Company Limited

Annexure-I

The following documents/ information should be submitted to BWR:

1. Confirmation from the firm that all the terms and conditions stipulated in the Bank's sanction letter has been fully complied with.
2. Certified copy of periodical book debts/bills receivables statements submitted to the bank.
3. Confirmation about payment of installment and interest as and when paid.
4. Schedule of Term Loan installments and Interest due and payment made so far.
5. Certified copy of Quarterly Information Statements (QIS) and Half Yearly Information Statements (HYIS) submitted to the bank.
6. Certified copy of Banks' Statements of Accounts on a quarterly basis.
7. Non-default declaration on monthly basis.
8. Quarterly / Half yearly financial statements (unaudited or with limited review) and Annual financial statements (provisional as well as audited).
9. Information on delays/default in servicing bank loans, letters of credit, letters of guarantee, and other borrowings, if any, immediately
10. Any other statement / information sought by BWR from time to time.
11. All the aforesaid information shall be mailed to dat@brickworkratings.com



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**ASSET
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Annexure 2

Letter from the Debenture Trustee



Ref. No.: 705

April 23, 2018

Reliance Asset Reconstruction Company Limited
Reliance Centre, 6th Floor,
North Wing, Off Western Express Highway,
Mumbai - 400055

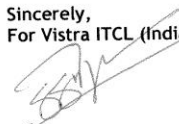
Sub : Consent to act as Debenture Trustee for the issue of Secured, Rated, Non-Convertible Debentures aggregating up to Rs. 500,00,00,000 (Rupees Five Hundred Crores) to be issued by Reliance Asset Reconstruction Company Limited (Company).

Dear Sir,

This is with reference to our discussion regarding appointment of Vistra ITCL (India) Limited for issue of Secured, Rated, Non-Convertible Debentures aggregating up to Rs. 500,00,00,000 (Rupees Five Hundred Crores) to be issued by the Company. In this regards, we do hereby give our consent to act as the Debenture Trustee subject to the Company agreeing to the following conditions.

1. The Company shall create security to secure the aforesaid NCDs on such terms and conditions as disclosed in the Debenture Trustee Appointment Agreement dated April 19, 2018 and execute requisite documents as agreed upon by the Company under the Debenture Trustee Deed.
2. The Company shall pay Debenture Trustee so long as they hold the office of the Debenture Trustee, remuneration as stated in appointment letter dated February 21, 2018 for the services as Debenture Trustee in addition to all legal, travelling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and all other documents affecting the Security till the monies in respect of the Debentures have been fully paid-off and the requisite formalities for satisfaction of charge in all respects, have been complied with
3. The Company shall comply with the provisions of SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and other applicable provisions as amended from time to time and agrees to furnish to Trustee such information in terms of the same on regular basis

Sincerely,
For Vistra ITCL (India) Limited



Authorized Signatory



Registered office:
The IL&FS Financial Centre,
Plot C- 22, G Block, 7th Floor
Bandra Kurla Complex, Bandra (East),

Tel +91 22 2659 3535
Fax: +912226533297
Email: mumbai@vistra.com

Vistra ITCL (India) Limited
(Formerly know as IL & FS Trust Company Limited)



Shareholders Resolution dated August 2, 2014

Certified true copy of the resolution alongwith the statement passed at the Annual General Meeting of the Members of the Company held on August 2, 2014.

“RESOLVED THAT in supersession to the ordinary resolution passed by the Shareholders on November 22, 2006, the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorised, in accordance with Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), read with the rules made thereunder, as may be amended from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and provisions of the Articles of Association of the Company, to borrow any sum or sums of money, in Indian Rupees and/ or in any foreign currency from time to time, at their discretion, for the purpose of the business of the Company, which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) may exceed at any time, the aggregate of the paid up capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) by a sum not exceeding Rupees One Thousand crore only (Rs.1000 crore) and that the Board be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment security or otherwise as they may think fit.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized to do and execute all such acts, deeds and things as may be necessary for giving effect to the above resolution.”

Statement pursuant to Section 102 of the Companies Act, 2013:

In terms of the provisions of the Section 180 of the Companies Act, 2013, the Board of Directors cannot, except, with the consent of the Company in general meeting, borrow monies, apart from temporary loans obtained from the Company’s bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and free reserves of the Company.

In order to enable the Board of Directors, as and when required, to meet the requirement of funds for future expansion/ growth plans/ any other corporate purpose, it is proposed to authorize the Board of Directors to borrow the amount by a sum not exceeding Rs.1000 crore at any time, the aggregate of the paid up capital of the Company and its free reserves , that is to say reserves not set apart for any specific purpose .

The Board recommends the resolution set forth in Item No.12 for the approval of the members as a special resolution.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said resolution, except to the extent of their equity holdings in the Company.

Certified to be true

For **Reliance Asset Reconstruction Company Limited**

Sd/-

Preeti K. Chhapru
Company Secretary



Board Resolution dated April 19, 2018

Certified true copy of the resolution passed by the Board of Directors of the Company at their meeting held on April 19, 2018.

Issuance of Rated, Listed, Secured, Redeemable, Non-Convertible, Market Linked Debentures on private placement basis.

“RESOLVED THAT in accordance with and subject to the provisions of the Articles of Association of the Company, the Company do borrow monies by issuing from time to time, Rated, Listed, Secured, Redeemable, Non-Convertible, Market Linked Debentures not exceeding 20% of amount sanctioned from time to time for raising of debentures, on Private Placement basis, on the terms and conditions to be mutually agreed upon with the respective allottees.

RESOLVED FURTHER THAT necessary entries be made in the Register of Debentureholders and that Letter(s) of Allotment be issued to the allottee(s) and the same be signed severally by the Shri Ravindra S. Rao, Executive Director & CEO, Shri Mehul Gandhi, Chief Financial Officer and Ms. Preeti K. Chhapru, Company Secretary of the Company.

RESOLVED FURTHER THAT the said Debentures be credited in demat form and necessary application(s) be made to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the Depositories to hold the debentures in demat form and the Shri Ravindra S. Rao, Executive Director & CEO, Shri Mehul Gandhi, Chief Financial Officer and Ms. Preeti K. Chhapru, Company Secretary of the Company, be and are hereby severally authorised to take necessary steps to induct the said Debentures into the Depository System.

RESOLVED FURTHER THAT applications, if required, be made to the National StockExchange of India Limited and/or the BSE Limited (“Stock Exchanges”) for seeking permission to deal in and for official quotation of the said Debentures and that Shri Ravindra S. Rao, Executive Director & CEO, Shri Mehul Gandhi, Chief Financial Officer and Ms. Preeti K. Chhapru, Company Secretary of the Company, be and are hereby severally authorised to sign application forms/other documents and comply with all other formalities and requirements as may required by the Stock Exchange(s) in connection with the said enlistment and that the Common Seal of the Company be affixed, if necessary, in terms of the Articles of Association of the Company.

RESOLVED FURTHER THAT the Shri Ravindra S. Rao, Executive Director & CEO, Shri Mehul Gandhi, Chief Financial Officer and Ms. Preeti K. Chhapru, Company Secretary of the Company be and are hereby severally authorised to create mortgage/charge/ pledge on all or any of the movable/immovable properties of the Company, for securing the said Debentures, as may be deemed necessary and appoint Trustees and finalise and settle various documents in consultation with the subscribers / holders / trustees / solicitors of the Company, and to do all such acts and things and deal with all such matters and take all such steps as may be necessary to give effect to this resolution including to delegate authorities to executives of the Company/others to take steps to create security and to sign and execute any deeds / documents / agreements / papers / writings, as may be required in this regard under the Common Seal of the Company or otherwise.”

For **Reliance Asset Reconstruction Company Limited**

Sd/-
Preeti K. Chhapru
Company Secretary



Board Resolution dated April 19, 2018

Certified true copy of the resolution passed by the Board of Directors of the Company at their meeting held on April 19, 2018.

Borrowing through issuance of secured, listed, redeemable non convertible debentures on private placement basis.

“RESOLVED THAT in supersession of the resolution passed by the Board of Directors at its meeting held on October 9, 2017 and in accordance with and subject to the provisions of the Articles of Association of the Company, the Company do borrow monies by issuing from time to time, Secured Redeemable Non-Convertible Debentures (“Debentures”) including Market Linked Debentures (MLDs) upto an outstanding amount of Rs.500 crore (Rupees Five Hundred crore) at any point of time, on Private Placement basis, on the terms and conditions to be mutually agreed upon with the respective allottees.

RESOLVED FURTHER THAT necessary entries be made in the Register of Debentureholders and that Letter(s) of Allotment be issued to the allottee(s) and the same be signed severally by Shri Ravindra S. Rao, Executive Director & CEO, Shri Mehul Gandhi, Chief Financial Officer and Ms. Preeti K. Chhapru, Company Secretary of the Company.

RESOLVED FURTHER THAT the said Debentures be credited in demat form and necessary application(s) be made to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the Depositories to hold the debentures in demat form and Shri Ravindra S. Rao, Executive Director & CEO, Shri Mehul Gandhi, Chief Financial Officer and Ms. Preeti K. Chhapru, Company Secretary of the Company, be and are hereby severally authorised to take necessary steps to induct the said Debentures into the Depository System.

RESOLVED FURTHER THAT applications, if required, be made to the National Stock Exchange of India Limited and/or the BSE Limited (“Stock Exchanges”) for seeking permission to deal in and for official quotation of the said Debentures and that Shri Ravindra S. Rao, Executive Director & CEO, Shri Mehul Gandhi, Chief Financial Officer and Ms. Preeti K. Chhapru, Company Secretary of the Company, be and are hereby severally authorised to sign application forms/other documents and comply with all other formalities and requirements as may required by the Stock Exchange(s) in connection with the said enlistment and that the Common Seal of the Company be affixed, if necessary, in terms of the Articles of Association of the Company.

RESOLVED FURTHER THAT Shri Ravindra S. Rao, Executive Director & CEO, Shri Mehul Gandhi, Chief Financial Officer and Ms. Preeti K. Chhapru, Company Secretary of the Company, be and are hereby severally authorised to create mortgage/charge/ pledge on all or any of the movable/immovable properties of the Company, for securing the said Debentures, as may be deemed necessary and appoint Trustees and finalise and settle various documents in consultation with the subscribers / holders / trustees / solicitors of the Company, and to do all such acts and things and deal with all such matters and take all such steps as may be necessary to give effect to this resolution including to delegate authorities to executives of the Company/others to take steps to create security and to sign and execute any deeds / documents / agreements / papers / writings, as may be required in this regard under the Common Seal of the Company or otherwise.”

Certified to be true
For **Reliance Asset Reconstruction Company Limited**

Sd/-
Preeti K. Chhapru
Company Secretary



**ASSET
RECONSTRUCTION**

Annexure 6

Board Resolution dated July 19, 2018

Certified true copy of the resolution passed by the Board of Directors of the Company at their meeting held on July 19, 2018.

“RESOLVED THAT Shri Ravindra S. Rao, Executive Director & CEO, Shri Mehul Gandhi, Chief Financial Officer and Ms. Preeti K. Chhapru, Company Secretary of the Company be and are hereby severally authorised to sign and execute all deeds / documents / agreements / papers / writings in connection with Private Placement of Non-Convertible Debentures and to do all acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this resolution and deal with all matters connected therewith or incidental thereto.

RESOLVED FURTHER THAT Shri Ravindra S. Rao, Executive Director & CEO, Shri Mehul Gandhi, Chief Financial Officer and Ms. Preeti K. Chhapru, Company Secretary of the Company be and are hereby severally authorised to make the allotment of Non-Convertible Debentures upon such terms and conditions, as may be deemed appropriate from time to time.”

Certified to be true
For **Reliance Asset Reconstruction Company Limited**

Sd/-
Preeti K. Chhapru
Company Secretary



**ASSET
RECONSTRUCTION**

Annexure 7

The Abridged Standalone financial statements for the financial year ended March 31, 2018, March 31, 2017 and March 31, 2016.



Reliance Asset Reconstruction Company Limited

Independent Auditor's Report

To
The Members,
Reliance Asset Reconstruction Company Limited
Report on the Financial Statements

We have audited the accompanying financial statements of **Reliance Asset Reconstruction Company Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2018, and the Statement of Profit and Loss, the Statement of Cash Flow for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial statements").

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in sub-Section 5 of section 134 of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued there under. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial

statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of financial position of the Company as at 31st March 2018, and its profit and its cash flows for the year ended on that date.

Other Matters

The comparative financial information of the company for the year ended 31st March 2017 included in these financial statements are audited by Price Waterhouse, Chartered Accountants whose report for the year ended 31st March 2017 dated April 20, 2017 expressed an unmodified opinion on those financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub section (11) of Section 143 of the Act, we enclose in Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by sub section (3) of Section 143 of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, Statement of Cash Flows dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribe under Section 133 of the Act read with relevant rules issued thereunder;
 - (e) on the basis of the written representations received from the directors as on 31st March, 2018 taken on

Independent Auditor's Report

record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of sub section (2) of Section 164 of the Act;

- (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";
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in

its financial statements (Refer Note 30 to the financial statements);

- ii. The Company did 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;

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

Parimal Kumar Jha
Partner
Membership No:124262

Place: Mumbai
Date: 19th April 2018

Reliance Asset Reconstruction Company Limited

Annexure A to the Independent Auditor's Report- 31 March, 2018

With reference to the Annexure referred to in the Independent Auditor's Report to the Members of Reliance Asset Reconstruction Company Limited ('the Company') on the financial statements for the year ended 31 March 2018, we report the following:

1. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) As represented and as per the records of the company, the title deeds of immovable properties are held in the name of the Company.
2. The company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provision of Clause 3(ii) of the order is not applicable to the company.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly paragraphs 3(a), (b) and (c) of the Order are not applicable to the Company.
4. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 & 186 of the Act. Therefore, the provision of Clause 3(iv) of the order is not applicable to the company.
5. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits from the public as per directives issued by the Reserve Bank of India under the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the provision of Clause 3(v) of the order is not applicable to the company.
6. As informed to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act. Accordingly, the provision of Clause 3(vi) of the order is not applicable to the company.
7. (a) According to the records of the company, the company is generally regular in depositing with appropriate authorities and undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Goods and Service Tax and any other statutory dues applicable to it. Employee State Insurance is not applicable to the company. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Service Tax, Goods and Service Tax, Cess and any other statutory dues with appropriate authorities were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of Income Tax, Service Tax, Goods and Service Tax which have not been deposited on account of any dispute.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks as at balance sheet date.
9. In our opinion, and information and explanations given to us, the company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provision of Clause 3(ix) of the order is not applicable to the company.
10. According to the information and explanations given to us, no significant fraud on or by the company by its officer or employees, that causes a material misstatement to the financial statements, has been noticed or reported during the year.
11. According to the information and explanations given to us and based on our examination of records the company paid/provided for managerial remuneration in accordance with provisions of section 197 read with Schedule V to the act.
12. As the Company is not a Nidhi Company, the provision of clause 3(xii) of the order is not applicable to the company.
13. According to the information and explanations given to us, the company has made all the transactions with the related parties in compliance with sections 177 & 188 of the Act, and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards. (Refer Note No. 24 to the Financial Statements)
14. According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year as per section 42 of the Act. Accordingly, the provision of Clause 3(xiv) of the order is not applicable to the company.
15. According to the information and explanations given to us, the company has not entered into any non-cash transactions with the directors or persons connected with them as per section 192 of the Act. Accordingly; the provision of Clause 3(xv) of the order is not applicable to the company.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provision of Clause 3(xvi) of the order is not applicable to the company.

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

Parimal Kumar Jha
Partner
Membership No:124262

Place: Mumbai
Date: 19th April 2018

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 Reliance Asset Reconstruction Company Limited ('the Company') as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on 'the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India'. 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 based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls 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 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 financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 Pathak H.D. & Associates
Chartered Accountants
Firm's Registration No:107783W

Parimal Kumar Jha
Partner
Membership No:124262

Place: Mumbai
Date: 19th April 2018

Reliance Asset Reconstruction Company Limited

Balance Sheet as at March 31, 2018

(All amount in ₹)

Particulars	Note	As at	
		March 31, 2018	March 31, 2017
I Equity and Liabilities			
1 Shareholder's Funds			
(a) Share Capital	3	1,00,00,00,000	1,00,00,00,000
(b) Reserves and Surplus	4	49,96,54,474	44,54,02,943
2 Non-Current Liabilities			
(a) Long - Term Provisions	5	1,65,197	17,52,348
3 Current liabilities			
(a) Short Term Borrowings	6	1,22,34,50,552	1,44,54,71,739
(b) Trade payables	7		
- Micro, Medium & Small Enterprises		-	-
- Due to Others		22,95,296	3,53,300
(c) Other Current Liabilities	8	15,52,31,091	10,47,48,295
(d) Short- Term Provisions	9	29,90,304	10,41,672
Total		<u>2,88,37,86,914</u>	<u>2,99,87,70,297</u>
II Assets			
1 Non-Current Assets			
(a) Property, plant and equipment	10		
(i) Tangible assets		44,82,646	9,26,547
(ii) Intangible assets		33,61,371	51,55,943
(iii) Intangible Asset under development		1,32,750	-
(b) Non-Current Investments	11	2,80,45,69,300	2,85,32,30,300
(c) Deferred Tax Assets (Net)	12	10,86,991	10,56,626
(d) Long Term Loans and Advances	13	2,57,56,964	1,72,99,915
2 Current Assets			
(a) Current Investments	11	40,45,000	-
(b) Trade Receivables	14	3,10,16,044	51,93,743
(c) Cash and Cash Equivalents	15	2,45,041	4,26,299
(d) Short - Term Loans and Advances	16	90,90,807	51,48,424
(e) Other Current Assets	17	-	11,03,32,500
Total		<u>2,88,37,86,914</u>	<u>2,99,87,70,297</u>

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

This is the Balance Sheet referred to in our report of even date.

For Pathak H.D. & Associates

Chartered Accountants
Firm Registration No. : 107783W

Parimal Kumar Jha

Partner
Membership No.124262

For and on behalf of the Board of Directors

Directors

Lav Chaturvedi
DIN: 02859336
Sujal Shah
DIN: 00058019
R. B. Barman
DIN: 02612871

Chief Executive Officer

Chief Financial Officer

Company Secretary

Asokan Arumugam

Mehul Gandhi

Preeti K. Chhapru

Place : Mumbai
Date : April 19, 2018

Reliance Asset Reconstruction Company Limited

Statement of Profit and Loss for the year ended March 31, 2018

(All amount in ₹)

	Note	As at	
		Year Ended March 31, 2018	Year Ended March 31, 2017
INCOME			
Revenue from operation (net)	18	42,64,51,673	36,99,48,495
Other Income	19	8,84,463	79,33,983
Total Revenue		42,73,36,136	37,78,82,478
EXPENSES			
Employee Benefits Expense	20	9,17,18,415	6,48,30,577
Finance Cost	21	15,47,82,841	12,49,61,865
Depreciation and Amortisation	10	31,43,793	9,38,840
Other expenses	22	4,94,58,459	4,92,07,163
Total Expenses		29,91,03,508	23,99,38,445
Profit before Tax		12,82,32,628	13,79,44,033
Tax expense:			
Current tax		(3,79,04,166)	(4,75,67,554)
Deferred tax		30,365	(1,75,194)
PROFIT AFTER TAX		9,03,58,827	9,02,01,285
Earning per equity share: {Nominal value per share: ₹ 10 (March 31, 2017: ₹ 10)}			
Basic / Diluted	26	0.90	0.90

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

This is the Statement of Profit and Loss Account referred to in our report of even date.

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

Parimal Kumar Jha
Partner
Membership No.124262

For and on behalf of the Board of Directors

Directors

Lav Chaturvedi
DIN: 02859336
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Chief Executive Officer
Chief Financial Officer
Company Secretary

Asokan Arumugam
Mehul Gandhi
Preeti K. Chhapru

Place : Mumbai
Date : April 19, 2018

Reliance Asset Reconstruction Company Limited

Cash Flow Statement for the year ended March 31, 2018

(All amount in ₹)

Particulars	March 31, 2018	March 31, 2017
A. Cash Flows from Operating Activities		
Profit before Tax	12,82,32,628	13,79,44,033
Adjustments for:		
Depreciation	31,43,793	9,38,840
Provision for SARs	3,54,856	7,28,344
Provision for Receivable (Reversal as per RBI guidelines)	4,18,569	(1,59,320)
Finance Costs	15,41,12,394	12,49,35,903
Interest on Fixed Deposits	-	(67,09,996)
Operating Profit before working capital changes	28,62,62,239	25,76,77,804
Adjustments for working capital changes:		
Receivables and Other Advances	8,01,28,248	3,60,85,024
Trade payables and Other Liabilities	5,24,31,416	(1,61,41,609)
Cash generated from Operations	41,88,21,904	27,76,21,218
Tax paid (net)	(4,63,40,214)	(6,09,43,251)
Net Cash generated from Operating Activities (A)	37,24,81,690	21,66,77,967
B. Cash Flow from Investing Activities		
Investment in Security Receipts	(25,29,90,000)	(80,48,83,000)
Realisation from Security Receipts	29,76,06,000	20,20,18,700
Decrease in Current Investments	-	15,61,000
Purchase of Fixed Assets	(50,38,069)	(55,82,620)
Interest Received	-	67,15,725
Net Cash generated from / (used in) Investing Activities (B)	3,95,77,931	(60,01,70,195)

Reliance Asset Reconstruction Company Limited

Cash Flow Statement for the year ended March 31, 2018

(All amount in ₹)

Particulars	March 31, 2018	March 31, 2017
C. Cash Flow from Financing Activities		
Proceeds from Borrowings	-	44,54,71,739
Repayment of Borrowings	(22,20,21,187)	-
Dividend paid	(3,00,00,000)	(3,00,00,000)
Dividend Distribution Tax	(61,07,296)	(61,07,294)
Finance Costs	(15,41,12,394)	(12,49,35,903)
Net Cash (used in) / generated from Financing Activities (C)	(41,22,40,878)	28,44,28,542
Net (decrease)/increase in Cash and Cash Equivalents (A+B+C)	(1,81,258)	(9,90,63,686)
Cash and Cash Equivalents at the beginning of the year	4,26,299	9,94,89,983
Cash and Cash Equivalents at the end of the year	2,45,041	4,26,299

Note: The above Cash Flow Statement has been prepared under the "Indirect Method" setout in Accounting Standard 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

This is the Cash Flow Statement referred to in our report of even date.

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

Parimal Kumar Jha
Partner
Membership No.124262

For and on behalf of the Board of Directors

Directors

Lav Chaturvedi
DIN: 02859336
Sujal Shah
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Chief Executive Officer
Chief Financial Officer
Company Secretary

Asokan Arumugam
Mehul Gandhi
Preeti K. Chhapru

Place : Mumbai
Date : April 19, 2018

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2018

1. Company Overview

Reliance Asset Reconstruction Company Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company has obtained Certificate of Registration from Reserve Bank of India (RBI) on February 14, 2008, to act as a Securitization Company/ Reconstruction Company. The Company is in the business of asset reconstruction and securitization in all forms and to acquire, hold, manage, assign NPA loan assets (of Banks or Financial Institutions) with or without underlying securities, and recover from the Borrower/ underlying securities or dispose off the loan assets to other body corporate, co-operative societies, firms or individuals.

2. Significant Accounting policies

Basis of preparation

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 as amended by Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 ('the Act'), to the extent applicable and the guidelines prescribed by the RBI, to the extent applicable.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

A) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reported period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of facts and circumstances as at the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

B) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation. Cost comprises the purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any costs directly attributable to bringing

the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

The Company has adopted estimate useful life of Property, Plant and Equipment as stipulated under Schedule II to the Companies Act, 2013 and accordingly the depreciation is calculated on the Straight Line Basis over the useful life prescribed under schedule II to the Act. As follows.

Sr No.	Asset	Useful life
1	Computers	3 Years
2	Computer Software	3 Years
3	Furniture & Fixtures	10 Years
4	Office Equipment	5 Years
5	Building	60 Years

Assets costing less than ₹ 5,000 are fully depreciated in the year of purchase.

C) Intangible Assets

Intangible fixed assets are stated at cost of acquisition or internal generation, less accumulated amortization and impairment losses. An intangible asset is recognized, where it is probable that the future economic benefits attributable to the assets will flow to the enterprise and where its cost can be reliably measured. The depreciable amount of the intangible assets is allocated over the best estimate of its useful life on a straight line basis.

Intangible assets are amortized over their useful life of 3 Years.

D) Investments :

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Considering RBI guidelines on Investment in Security Receipts where underlying cash flows are dependent on realization from non performing assets, it is classified as available for sale. Hence an investment in SRs has been aggregated for the purpose of arriving at net depreciation/ appreciation of investments under the category. Net depreciation, if any has been provided for Net Appreciation, if any has been ignored.

E) Contractual Rights in Loan Assets

The Company acquires contractual rights in Non Performing Loans (NPLs) from Banks and Financial Institutions. Contractual Rights in NPLs pending resolutions/ realisation are carried at cost. The Company follows the Guidelines issued by the Reserve Bank of India to provide for NPLs as applicable for Assets Reconstruction Company / Securitisation

Company on own loan assets and provision for NPLs are made accordingly.

F) Impairment of Loan Assets

The carrying amount of the Company's Contractual Rights in Loan Assets (NPLs) is reviewed at each balance sheet date based on internal / external factors, impairment loss, if any, is recognised whenever the carrying amount of an asset exceeds its recoverable amount. An impairment loss, if any, is charged to the statement of profit and loss in the year, in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

G) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured and realiability is reasonably certain with no significant uncertainty as to the ultimate collection. In case of significant uncertainty as to the ultimate collection, revenue recognition is postponed till such uncertainty is removed.

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

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

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

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

ii) Coupon on Security Receipts:

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

iii) Profit on Redemption of Security Receipts:

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

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

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

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

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

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

vi) Interest Income:

Interest is recognised on a time proportion basis.

H) Retirement and other employee benefits

Provident Fund:

Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Gratuity:

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise. The gratuity plan is funded through a Gratuity Trust fund set up during the year with Reliance Nipon Life Insurance Company Limited.

Compensated Absences:

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of the each year. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

I) Employees Phantom Stock Plan 2015:

In Financial year 2015-16, the company had announced Cash-settled Employee Phantom Stock Plan 2015 for the eligible employees of the company. Under the scheme, 10,83,200 phantom stock units have been granted on October 01, 2015 vide approval by the board appointed committee resolution dated October 12, 2015. Phantom Stock Options granted under Scheme would vest at 20% per year, within not less than 1 year and not more than 5 years from the last date of vesting of such Options.

The option as per scheme is being calculated at Excess of fair market value of a share on the date of exercise being Net worth multiplied by two (2) determined over and above the predetermined Base Price. The first vesting would happen on October 01, 2016.

The company has recognised the liability towards this in accordance with the guidance note issued by Institute of Chartered Accountants of India on accounting for Employee Share-based Payments. Since these are cash settled, the company has followed the accounting guidance applicable to share appreciation rights (SAR) per the guidance note.

J) Current and Deferred Tax

Tax expense comprises current and deferred tax.

Current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

K) Earnings Per Share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of

equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion or the dilutive potential equity shares.

L) Provisions and Contingencies

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

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

Expenses incurred by the company on behalf of the trust post such provisions are shown as recoverable from trusts and immediately provided for in the statement of profit and loss.

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2018

(All amount in ₹)

	As at March 31, 2018	As at March 31, 2017
3 Share Capital		
Authorised		
150,000,000 (March 31, 2017:150,000,000) Equity Shares of ₹ 10 each	1,50,00,00,000	1,50,00,00,000
10,000,000 (March 31, 2017:10,000,000) Preference Shares of ₹ 10 each	10,00,00,000	10,00,00,000
Total	<u>1,60,00,00,000</u>	<u>1,60,00,00,000</u>
Issued, Subscribed and Fully Paid Up		
100,000,000 (March 31, 2017:100,000,000) Equity Shares of ₹ 10 each	1,00,00,00,000	1,00,00,00,000
Total	<u>1,00,00,00,000</u>	<u>1,00,00,00,000</u>

(a) Reconciliation of Number of Shares

Equity Shares	As at March 31, 2018		As at March 31, 2017	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	10,00,00,000	1,00,00,00,000	10,00,00,000	1,00,00,00,000
Add: Shares issued during the year	-	-	-	-
Balance as at the end of the year	<u>10,00,00,000</u>	<u>1,00,00,00,000</u>	<u>10,00,00,000</u>	<u>1,00,00,00,000</u>

(b) Terms / Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 10 per share. Each Equity Share holder is entitled to one vote per share.

For the year ended March 31, 2018 the amount of per share dividend recognised as distributable to Equity Share holders is NIL (March 31, 2017 ₹ 0.30). The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Director is subject to the approval of the Share holders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of Equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distributions will be in proportion to the number of Equity Shares held by the shareholders.

(c) Shares held by Sponsor Companies

	As at March 31, 2018		As at March 31, 2017	
	Number of shares	Amount	Number of shares	Amount
Equity Shares of ₹ 10 each fully paid held by				
Reliance Capital Limited	4,90,00,000	49,00,00,000	4,90,00,000	49,00,00,000
Corporation Bank	1,15,00,000	11,50,00,000	1,15,00,000	1,15,00,000
Indian Bank	1,15,00,000	11,50,00,000	1,15,00,000	1,15,00,000

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

	As at March 31, 2018		As at March 31, 2017	
	Number of shares	% Holding	Number of shares	% Holding
Reliance Capital Limited	4,90,00,000	49.00%	4,90,00,000	49.00%
Corporation Bank	1,15,00,000	11.50%	1,15,00,000	11.50%
Indian Bank	1,15,00,000	11.50%	1,15,00,000	11.50%
Dacecroft Limited	95,00,000	9.50%	95,00,000	9.50%
General Insurance Corporation of India	90,00,000	9.00%	90,00,000	9.00%
Blue Ridge Limited Partnership	58,90,000	5.89%	58,90,000	5.89%
	<u>9,63,90,000</u>	<u>96.39%</u>	<u>9,63,90,000</u>	<u>96.39%</u>

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2018

	(All amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
4 Reserves and Surplus		
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	44,54,02,943	35,52,01,658
Profit for the year	9,03,58,827	9,02,01,285
Less: Dividend paid	3,00,00,000	-
Less: Tax on Dividend paid	61,07,296	-
Balance as at the end of the year	<u>49,96,54,474</u>	<u>44,54,02,943</u>
5 Long- Term Provisions		
Provision for Employee Benefits		
- Provision for Compensated Absences	1,65,197	10,55,651
- Provision for Interest on Staff Loan	-	6,96,697
	<u>1,65,197</u>	<u>17,52,348</u>
6 Short- Term Borrowings		
Loans from banks		
- Secured		
Secured Bank Over Draft*	37,34,50,552	44,54,71,739
	<u>37,34,50,552</u>	<u>44,54,71,739</u>
* During the current year Company has renewed overdraft facility from Andhra Bank. This facility is secured by exclusive charge on security receipts in Demat form. Except SRs of assets purchase from Andhra Bank, first charge on the cash flows coming to RARC on its investment in SRs and exclusive first charge on all other current assets including financial assets and investments in SRs (excluding specifically charges SRs)		
Unsecured		
Inter Corporate Loans	85,00,00,000	1,00,00,00,000
	<u>85,00,00,000</u>	<u>1,00,00,00,000</u>
Total	<u>1,22,34,50,552</u>	<u>1,44,54,71,739</u>
7 Trade Payables		
(a) Micro, Medium & Small Enterprises*	-	-
(b) Others	22,95,296	3,53,300
	<u>22,95,296</u>	<u>3,53,300</u>
* The Company has not received any information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. To the extent of information available with the Company, the Company does not owe any sum including interest to such parties.		
8 Other Current Liabilities		
Income Received in Advance	10,46,81,152	8,29,86,758
Employee Benefits Payable	1,78,13,954	79,39,702
Statutory due including Provident Fund and Tax Deducted at Source Payable	2,42,62,556	31,28,107
Other Payables*	84,73,428	1,06,93,728
	<u>15,52,31,091</u>	<u>10,47,48,295</u>
* Other payables including provision for expenses.		

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2018

(All amount in ₹)

As at As at
March 31, 2018 March 31, 2017

9 Short term Provisions

Provision for Employee Benefit		
- Provision for Gratuity (Refer note 23)	10,22,888	43,138
- Provision for Compensated Absences	10,69,216	53,550
- Provision for Stock Appreciation Rights (Refer note 28)	8,98,200	9,44,984
	29,90,304	10,41,672

10 Property, Plant & Equipments

(All amount in ₹)

Particulars	Gross Block				Depreciation /Amortisation				Net Block	
	As at April 1, 2017	Additions during the year	Deductions during the year	As at March 31, 2018	As at April 01, 2017	For the Year	Deductions during the year	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Tangible Assets										
Building		24,75,150	-	24,75,150	-	3,617	-	3,617	24,71,533	-
Computers	20,06,620	8,68,086	-	28,74,706	11,51,922	7,96,846	-	19,48,768	9,25,938	8,54,698
Office equipments	36,469	1,31,187	-	1,67,656	13,908	18,189	-	32,097	1,35,559	22,561
Furniture and Fixtures	62,748	13,56,373	-	14,19,121	13,460	4,56,046	-	4,69,506	9,49,616	49,288
Total (A)	21,05,837	48,30,796	-	69,36,633	11,79,290	12,74,698	-	24,53,988	44,82,646	9,26,547
Previous Year (C)	17,37,217	4,07,620	39,000	21,05,837	5,70,634	6,47,656	39,000	11,79,290	9,26,547	11,66,583
Intangible Assets										
Software	56,24,440	74,523	-	56,98,963	4,68,497	18,69,095	-	23,37,592	33,61,371	51,55,943
Total (B)	56,24,440	74,523	-	56,98,963	4,68,497	18,69,095	-	23,37,592	33,61,371	51,55,943
Previous Year (D)	4,49,440	51,75,000	-	56,24,440	1,77,313	2,91,184	-	4,68,497	51,55,943	2,72,127
Grand Total (A+B)	77,30,277	49,05,319	-	1,26,35,596	16,47,787	31,43,793	-	47,91,580	78,44,017	60,82,490
Grand Total (C+D)	21,86,657	55,82,620	39,000	77,30,277	7,47,947	9,38,840	39,000	16,47,787	60,82,490	14,38,710
Intangible Assets under development									1,32,750	-

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2018

	(All amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
11 Non-Current Investments		
Investments in Security Receipts	16,28,000	16,28,000
Reliance ARC – VB PILVE Trust # 1,628 (Previous year: 1,628) Security Receipts of ₹ 1,000 each		
Reliance ARC – LVB Trust * 9,159 (Previous year: 10,415) Security Receipts of ₹ 1,000 each	91,59,000	1,04,15,000
Reliance ARC – CB SOCL Trust # 2,417 (Previous year: 3,365) Security Receipts of ₹ 1,000 each	24,17,000	33,65,000
Reliance ARC – INB Retail Portfolio Trust (2013)* 273,372 (Previous year: 281,986) Security Receipts of ₹ 1,000 each	27,33,72,000	28,19,86,000
Reliance ARC – CUB (2014) Trust 102,945 (Previous year: 114,877) Security Receipts of ₹ 1,000 each	10,29,45,000	11,48,77,000
Reliance ARC – AUCB 2014 (1) Trust * 14,442 (Previous year: 14,442) Security Receipts of ₹ 1,000 each	1,44,42,000	1,44,42,000
Reliance ARC – CUB Sarvana Trust (2014) * 40,027 (Previous year: 42,374) Security Receipts of ₹ 1,000 each	4,00,27,000	4,23,74,000
Reliance ARC – SBI Maan Sarovar Trust * 8,838 (Previous year: 8,838) Security Receipts of ₹ 1,000 each	88,38,000	88,38,000
Reliance ARC – CUB (HL & SME)(2014) Trust * 18,148 (Previous year 20,678) Security Receipts of ₹ 1,000 each	1,81,48,000	2,06,78,000
Reliance ARC – CUB (CTRPL) (2014) Trust * 13,469 (Previous year: 13,509) Security Receipts of ₹ 1,000 each	1,34,69,000	1,35,09,000
Reliance ARC – CUB SDPL Trust (2014) 30,469 (Previous year: 31,190) Security Receipts of ₹ 1,000 each	3,04,69,000	3,11,90,000
Reliance ARC 001 Trust * 206,676 (Previous year: 206,676) Security Receipts of ₹ 1,000 each	20,66,76,000	20,66,76,000
Reliance ARC 002 Trust 5,993 (Previous year: 6,821) Security Receipts of ₹ 1,000 each	59,93,000	68,21,000
Reliance ARC 004 Trust 251,067 (Previous year: 367,104) Security Receipts of ₹ 1,000 each	25,10,66,800	36,71,04,800
Reliance ARC 006 Trust * 41,460 (Previous year: 42,850) Security Receipts of ₹ 1,000 each	4,14,60,000	4,28,50,000
Reliance ARC 007 Trust 176,977 (Previous year: 176,977) Security Receipts of ₹ 1,000 each	17,69,77,000	17,69,77,000
Reliance ARC 008 Trust 30,173 (Previous year: 34,157) Security Receipts of ₹ 1,000 each	3,01,73,000	3,41,57,000
Reliance ARC 010 Trust * 31,501 (Previous year: 31,501) Security Receipts of ₹ 1,000 each	3,15,01,000	3,15,01,000
Reliance ARC 011 Trust 63,053 (Previous year: 68,866) Security Receipts of ₹ 1,000 each	6,30,52,500	6,58,66,500

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2018

	(All amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Reliance ARC 012 Trust 20,507 (Previous year: 23,190) Security Receipts of ₹ 1,000 each	2,05,07,000	2,31,90,000
Reliance ARC 015 Trust * 116,612 (Previous year: 125,436) Security Receipts of ₹ 1,000 each	11,66,12,000	12,54,36,000
Reliance ARC 016 Trust * 21,619 (Previous year: 21,619) Security Receipts of ₹ 1,000 each	2,16,19,000	2,16,19,000
Reliance ARC 013 Trust * 3,451 (Previous year: 4,213) Security Receipts of ₹ 1,000 each	34,51,000	42,13,000
RELIANCE ARC SBI (HYD) 021 Trust 2,730 (Previous year: 5,552) Security Receipts of ₹ 1,000 each	27,30,000	55,52,000
RELIANCE ARC SBI (CHN) 018 Trust 114,147 (Previous year: 123,324) Security Receipts of ₹ 1,000 each	11,41,47,000	12,33,24,000
RELIANCE ARC SBI (MUM) 020 Trust 7,135 (Previous year: 9,124) Security Receipts of ₹ 1,000 each	71,35,000	91,24,000
RELIANCE ARC SBI (BHO) 019 Trust * 11,239 (Previous year: 12,707) Security Receipts of ₹ 1,000 each	1,12,39,000	1,27,07,000
RELIANCE ARC SBI (CHN) 022 Trust 235,204 (Previous year: 257,656) Security Receipts of ₹ 1,000 each	23,52,04,000	25,76,56,000
RARC SVC 023 Trust 13,865 (Previous year: 31,775) Security Receipts of ₹ 1,000 each	1,38,65,000	3,17,75,000
RARC Dena Bank 024 Trust 24,597 (Previous year: 29,567) Security Receipts of ₹ 1,000 each	2,45,97,000	2,95,67,000
RARC 026 Trust 114,344 (Previous year: 136,504) Security Receipts of ₹ 1,000 each	11,43,44,000	13,65,04,000
RARC Dena Bank 025 Trust 13,050 (Previous year: 13,050) Security Receipts of ₹ 1,000 each	1,30,50,000	1,30,50,000
INB RARC 030 Trust 92,458 (Previous year: 102,090) Security Receipts of ₹ 1,000 each	9,24,58,000	10,20,90,000
RARC 027 Trust 67,834 (Previous year: 89,225) Security Receipts of ₹ 1,000 each	6,78,34,000	8,92,25,000
Magma RARC 031 Trust 18,478 (Previous year: 21,626) Security Receipts of ₹ 1,000 each	1,84,78,000	2,16,26,000
INB RARC 036 Trust 55,515 (Previous year: 55,515) Security Receipts of ₹ 1,000 each	5,55,15,000	5,55,15,000
LVB RARC 029 Trust 23,544 (Previous year: 24,464) Security Receipts of ₹ 1,000 each	2,35,44,000	2,44,64,000
SVC Bank RARC 033 Trust 37,978 (Previous year: 37,978) Security Receipts of ₹ 1,000 each	3,79,78,000	3,79,78,000
SBI RARC 035 Trust 82,830 (Previous year: 94,700) Security Receipts of ₹ 1,000 each	8,28,30,000	9,47,00,000

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2018

	(All amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
LVB RARC O38 Trust 158,660 (Previous year: 158,660) Security Receipts of ₹ 1,000 each	15,86,60,000	15,86,60,000
Andhra Bank RARC O39 Trust 6,600 (Previous year: NIL) Security Receipts of ₹ 1,000 each	66,00,000	-
RARC O40 IB SME TRUST 35,709 (Previous year: NIL) Security Receipts of ₹ 1,000 each	3,57,09,000	-
RARC O45 IB SME 36,180 (Previous year: NIL) Security Receipts of ₹ 1,000 each	3,61,80,000	-
RARC O48 RCFL TRUST 1,72,515 (Previous year: NIL) Security Receipts of ₹ 1,000 each	17,25,15,000	-
Total (A)	<u>2,80,86,14,300</u>	<u>2,85,32,30,300</u>
Current Portion of non current investments *	40,45,000	-
Total Non – current investments	<u>2,80,45,69,300</u>	<u>2,85,32,30,300</u>
Aggregate amount of Unquoted Investments at Cost	<u>2,80,86,14,300</u>	<u>2,85,32,30,300</u>
Aggregate provision for Diminution in value of Investments		-
* Security Receipts which are pledge with Andhra Bank against CC facility.		
12 Deferred Tax (Liabilities) /Assets (Net)		
Deferred Tax Liabilities		
Depreciation	(5,59,532)	(4,51,083)
	(5,59,532)	(4,51,083)
Deferred Tax Assets		
Provision for SARs	2,59,041	3,27,040
Reversal of advance as per RBI guidelines	7,36,477	7,81,868
Provision for Gratuity	2,95,001	14,929
Provision for Compensated Absences	3,56,005	3,83,872
	<u>16,46,524</u>	<u>15,07,709</u>
	<u>10,86,991</u>	<u>10,56,626</u>
13 Long Term Loans and Advances		
Unsecured and Considered Good		
Trust Fund	47,000	43,000
Advance Tax / Tax deducted at source (net of provision for tax ₹ 21,42,32,036 previous year ₹ 17,63,27,870)	2,55,05,464	1,70,69,415
Security deposit	2,04,500	1,87,500
	<u>2,57,56,964</u>	<u>1,72,99,915</u>
14 Trade Receivables		
Unsecured and considered good		
Outstanding for a period more than 6 months	1,05,07,226	73,50,824
Less: Provision for Receivable (Reversal as per RBI guidelines)	(1,05,07,226)	(73,50,824)
	-	-
Others	3,10,16,044	51,93,743
	<u>3,10,16,044</u>	<u>51,93,743</u>

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2018

	(All amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
15 Cash and Cash Equivalent		
Bank Balances in Current Account	2,45,041	4,26,299
	2,45,041	4,26,299
16 Short- Term Loans and Advances		
Unsecured and considered good unless stated otherwise		
GST cenvat credit / Service Tax Receivable	15,59,172	16,00,274
Others	28,58,209	7,05,647
Advances to Trust	72,27,090	51,01,715
Less: Provision for advances (Reversal as per RBI guidelines)	25,53,664	22,59,212
	46,73,426	28,42,503
	90,90,807	51,48,424
17 Other Current Assets		
Assets acquired (Residential Property) in lieu of debt *	-	11,03,32,500
	-	11,03,32,500

* During the earlier year, the Company had acquire a Residential Property by enforcing SARFAESI guidelines. The said asset was acquired in lieu of debt outstanding of ₹ 10,30,00,000 which was under contractual right in Loan Assets as at March 31, 2015. The said asset has been disposed off by the Company during the current year.

	(All amount in ₹)	
	Year ended March 31, 2018	Year ended March 31, 2017
18 Revenue from Operations		
Trusteeship/Management Fees	31,45,69,363	27,35,85,476
Incentive Fees	5,29,99,103	3,80,26,581
Recovery Agent Fees	5,76,33,771	4,33,30,057
Profit on Redemption of Security Receipts	12,49,436	93,22,006
Coupon on Security Receipts	-	56,84,375
	42,64,51,673	36,99,48,495
19 Other Income		
Interest on Fixed Deposits	-	67,09,996
Interest on Advance given to trusts	8,84,463	10,64,667
Reversal of provision for earlier year advances	-	1,59,320
	8,84,463	79,33,983
20 Employee Benefit Expenses		
Salary, Bonus and Allowances	8,43,12,112	5,79,47,462
Staff welfare expenses	22,15,578	21,91,889
Contribution to Provident Fund and other funds	37,30,908	30,93,664
Employee Compensation Expenses - ((SAR), refer note 28))	3,54,856	7,28,344
Gratuity	9,79,749	7,04,819
Compensated Absences	1,25,212	1,64,399
	9,17,18,415	6,48,30,577

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2018

	(All amount in ₹)	
	Year ended March 31, 2018	Year ended March 31, 2017
21 Finance Costs		
Interest on Borrowings	15,41,12,394	12,49,35,903
Processing Charges	6,10,959	-
Bank Charges	59,489	25,962
	<u>15,47,82,841</u>	<u>12,49,61,865</u>
22 Other Expenses		
Professional and Legal Charges	1,51,11,094	1,56,87,322
Premises Rent & Electricity Expenses	1,02,26,879	1,18,30,060
Payment to Auditors		
- Statutory Audit Fees	7,00,000	6,00,000
- Tax Audit Fees	45,000	45,000
- Limited Review Fees	3,27,000	3,00,000
- Out of Pocket Expenses	72,166	68,341
Provision for receivable and advances	4,18,569	-
Recovery Commission	76,82,501	28,15,773
Business Development Expenses	25,064	17,98,076
Expenses on investment	4,10,879	15,96,150
Director's Sitting Fees	16,87,700	20,67,850
Travelling Expenses	30,81,080	27,04,128
Telephone Expenses	5,08,012	6,65,174
Stamp Duty & Processing Fees	5,53,118	29,15,679
Repair & Maintenance	3,65,070	1,98,422
Courier and Postage	5,37,120	3,89,277
Software maintenance Charges	15,79,875	7,73,526
Office Printing and Stationery	3,64,311	4,04,362
Expenditure towards Corporate Social Responsibility (refer note 29)	26,43,251	24,52,632
Loss on sale of Assets	3,32,500	-
Brokerage on sale of Assets	12,29,000	-
Miscellaneous Expenses	15,58,270	18,95,391
	<u>4,94,58,459</u>	<u>4,92,07,163</u>
23 Employee benefits :		
(a) Defined Contribution Plan		
Amount recognised in the Statement of Profit and Loss		
(i) Employer's contribution to provident fund	30,07,888	24,75,259
(ii) Employer's contribution to pension fund	7,22,264	6,18,405
	<u>37,30,152</u>	<u>30,93,664</u>
(b) Gratuity:		
Disclosures required as per the Accounting Standard 15 , Employee Benefits (Revised 2005) (" AS 15"), issued by the Institute of Chartered Accountants of India are as under.		
I. Table Showing change in		
Liability at the beginning of the period	52,79,220	27,01,104
Prior Period Liability Recognised in Current Period	-	12,49,931
Interest Cost	3,80,104	3,18,453
Current Service Cost	5,98,893	4,88,449
(Benefit Paid From the Fund)	(23,73,612)	-
Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	(78,471)	1,61,174
Actuarial (Gains) / Losses on Obligations - Due to Experience	3,71,916	3,60,109
Present Value of Benefit Obligation at the End of the Period	41,78,050	52,79,220

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2018

(All amount in ₹)

	As at March 31, 2018	As at March 31, 2017
II Change in the Fair Value of Plan Assets and the reconciliation thereof :		
Fair Value of Plan Assets at the Beginning of the Period	52,36,082	15,04,302
Expected Return on Plan Assets	3,76,998	1,21,247
Contribution (Benefit Paid from the Fund)	-	22,62,849
Actuarial Gains / (Losses) on Plan Assets - Due to Experience	(23,73,612)	-
Fair Value of Plan Assets at the End of the Period	(84,306)	13,47,684
	31,55,162	52,36,082
III Actual Return on Plan Assets		
Expected Return on Plan Assets	3,76,998	1,21,247
Actuarial Gains / (Losses) on Plan Assets - Due to Experience	(84,306)	13,47,684
Actual Return on Plan Assets	2,92,692	14,68,931
IV Amount Recognised in the Balance Sheet		
(Present Value of Benefit Obligations at the end of the Period)	(41,78,050)	(52,79,220)
Fair Value of Plan Assets at the End of the Period	31,55,162	52,36,082
Funded Status (Surplus / (Deficit))	(10,22,888)	(43,138)
Unrecognised Past Service Cost at the end of the Period	-	-
Net (Liability) / Asset Recognised in the Balance Sheet	(10,22,888)	(43,138)
V Expense recognized in the Statement of Profit or Loss		
Net prior period items recognised in current period	-	12,49,931
Current Service Cost	5,98,893	4,88,449
Net Interest cost	3,106	1,97,206
Actuarial (Gains) /Losses	3,77,751	(8,26,401)
Expense recognized in the Statement of Profit or Loss	9,79,750	11,09,185
VI Amount Recognised in the Balance Sheet		
Opening Net Liability	43,138	11,96,802
Expense Recognised in Statement of Profit or Loss (employer's Contribution)	9,79,750	11,09,185
	-	(22,62,849)
Net Liability/(Asset) Recognised in the Balance Sheet	10,22,888	43,138
VII Assumptions as at		
Discount Rate	8.10%	7.20%
Salary Escalation Rate	6.00%	6.00%
Rate of Return (expected) on Plan Assets	8.10%	7.20%

(All amount in ₹)

	Gratuity for the year ended March 31,			
	2018	2017	2016	2015
VIII Particulars of the amounts for the year and previous year				
Present value of benefit obligation	(41,78,050)	52,79,220	27,01,104	18,72,698
Fair Value of Plan Assets	31,55,162	52,36,082	15,04,302	-
Excess of obligation over plan assets	(10,22,888)	(43,138)	(11,96,802)	(18,72,698)
IX. Experience Adjustment				
Actuarial (Gains)/Losses on Obligations - Due to Experience	3,71,916	3,60,109	3,78,070	6,53,548
Actuarial Gains/(Losses) on Plan Asset - Due to Experience	(84,306)	13,47,684	33,335	-

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2018

24 Related Party Disclosures

(i) List of Related Parties and their relationship

	<u>Nature of relationship</u>	<u>Related Party</u>
A	Investor Company (Significant Influence exists)	Reliance Capital Limited
	Subsidiary of Investor Company	Reliance Nippon Life Asset Management Limited (Cessed w.e.f July 02, 2017)
	Associate of Investor Company	Reliance Nippon Life Asset Management Limited (w e f July 03, 2017)
B	Key Management Personnel	a) Mr. Asokan Arumugam (w.e.f August 01, 2014) Chief Executive Officer b) Mr. Ramesh Shetty (upto April 05, 2017) Chief Financial Officer c) Ms. Mehul Gandhi (w.e.f April 21, 2017) Chief Financial Officer d) Ms. Preeti Chhapru (w.e.f. April 16,2016) Company Secretary

Nature of Transactions	Name of Related Party	Enterprises having significant influence over the Company		Subsidiary / Associate of Investor Company		Key Management Personnel		Trust to whom company acts as a trustee	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
A) Finance									
Unsecured Loans Repaid	Reliance Nippon Life Asset Management Limited			85,00,00,000	1,00,00,00,000	-	-	-	-
Interest on Unsecured Loan	Reliance Nippon Life Asset Management Limited			-	11,98,52,066	12,45,13,698	-	-	-
C) Other Receipts and Payments									
Administrative and Other Expenses Remuneration	Reliance Capital Limited	2,78,137	8,46,948						
	Mr. Asokan Arumugam	-	-			1,85,40,188	1,82,00,005		
	Mr. Ramesh Shetty	-	-			1,61,896	43,34,943		
	Mr. Mehul Gandhi					60,38,900			
	Ms. Neema Tiwari					-	56,702		
	Ms. Preeti Chhapru					9,72,370	8,90,796		

25 Additional disclosures pursuant to The Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 issued vide Circular no. RBI/2007-2008/9 DNBS (PD) CC. No. 7 / SCRC / 10.30.000/ 2007-2008 dated July 2, 2007 and vide notification no. DNBS.PD (SC/RC),8/CGM (ASR) -2010 dated April 21, 2010.

Disclosures made in paragraphs (1) to (xi) below represent total value of the assets in the respective Trusts subscribed by Reliance Asset Reconstruction Company Limited and the co-investors as also assets directly acquired by the Company.

(i) The names and addresses of the Banks/ Financial Institutions from whom Financial Assets were acquired as at March 31, 2018 (since inception) and the value at which such assets were acquired from each such Bank/ Financial Institutions:

Name of the Bank / Financial Institution	Address	Acquisition price (₹)	
		March 31, 2018	March 31, 2017
Asset Reconstruction Company (India) Limited	The Ruby, 10 th Floor, 29, Senapati Bapat Marg, Dadar (West), Mumbai - 400 028	68,18,000	68,18,000
Corporation Bank	Managala Devi Temple Road, Mangalore 575001	2,49,00,000	2,49,00,000
Dena Bank	Dena Corporate Centre, C-10, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051	30,76,62,000	30,76,62,000
Indian Bank	66, Rajaji Salai, Chennai - 600 001	10,63,99,82,000	10,14,74,82,000

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2018

Name of the Bank / Financial Institution	Address	Acquisition price (₹)	
		March 31, 2018	March 31, 2017
Central Bank of India	Chandramukhi, Nariman Point, Mumbai – 400 021, Nariman Point, Mumbai – 400 021	2,43,00,000	2,43,00,000
Vijaya Bank	41/2, M G Road, Bengaluru, Karnataka – 560 001	9,90,00,000	9,90,00,000
IFCI	IFCI Tower, 61, Nehru Place, New Delhi – 110 192	20,00,00,000	20,00,00,000
IDBI Bank Limited	IDBI Tower, Cuffe Parade, Mumbai – 400005	12,26,00,000	12,26,00,000
Union Bank of India	Union Bank Bhavan, 239, Vidhan Bhavan Marg, Mumbai 400 021	6,25,00,000	6,25,00,000
Industrial Investment Bank of India Limited	19, Netaji Subhash Road, Kolkatta – 700 001	5,50,00,000	5,50,00,000
City Union Bank Limited	24-80, Raja Bahadur Compound, Ambalala Doshi Marg, Fort, Mumbai – 400 023	2,83,97,64,000	2,83,97,64,000
Laxmi Vilas Bank	Salem Road, Kathaprai, Karur – 639 006, Tamil Nadu	2,14,09,20,000	2,14,09,20,000
UCO Bank	10, B T M Sarani, Kolkata – 700 001, West Bengal	1,51,00,000	1,51,00,000
Yes Bank	Indiabulls Finance Centre, Tower II, Senapati Marg, Elphinstone (W), Mumbai – 400 013	10,30,00,000	10,30,00,000
The Saraswat Co-operative Bank Ltd.	953, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025	3,75,00,000	3,75,00,000
Abhyudaya Co-operative Bank Limited	Shram Safalya, 63, G D Ambekar Marg, Parel Village, Mumbai – 400 012	3,25,00,000	3,25,00,000
Bank of Baroda	Suraj Plaza-1, Sayaji Ganj, Baroda – 390005	1,13,00,000	1,13,00,000
The Akola Urban Co-operative Bank Limited	"Jankalyan", 58/59, Toshniwal Layout, Murtizapur Road, Behind Govt. Milk Scheme, Akola-444001	42,00,00,000	42,00,00,000
State Bank of India	State Bank Bhavan, Madam Cama Road, Mumbai – 400021	4,84,46,57,000	4,84,46,57,000
ING Vysya Bank	22, MG Road, Bangalore, Karnataka – 560001	1,68,70,00,000	1,68,70,00,000
State Bank of Travancore	Poojappura, Thiruvananthapuram-695012	61,94,00,000	61,94,00,000
State Bank of Hyderabad	Gunfoundry, Hyderabad-500001	16,60,07,000	16,60,07,000
Karur Vysya Bank	Erode Road, Karur-639002, Tamilnadu	3,81,58,000	3,81,58,000
Reliance Capital Limited	Reliance Centre, 6th Floor, Off Western Express Highway, Santacruz (E), Mumbai – 400 055	95,99,11,000	95,99,11,000
Magma Fincorp Limited	Magma House, No. 24 Park Street, Kolkata – 700 016	59,48,32,000	59,48,32,000
Magma Housing Finance	Magma House, No. 24 Park Street, Kolkata-700 016	14,41,71,000	14,41,71,000
SVC Co-operative Bank Limited	SVC Tower, Nehru Road, Vakola, Santacruz (E), Mumbai – 400 055	47,79,01,000	47,79,01,000
Andhra Bank	Mama Paramanand Marg, Opera House, Girgaon, Mumbai, Maharashtra 400004	4,40,00,000	-
RCF	Gr Flr, Manekji Wadia Bldg, Nanik Motwane Marg, Mumbai, Maharashtra 400001	1,15,01,00,000	-
	TOTAL	27,86,89,83,000	26,18,23,83,000

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2018

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

Industry	Acquisition Cost Outstanding (₹)	Percentage to total assets	Acquisition Cost Outstanding (₹)	Percentage to total assets
	March 31, 2018		March 31, 2017	
Agriculture	3,09,87,95,362	11.1%	3,09,87,95,362	11.8%
Education	7,64,46,97,915	27.4%	7,64,46,97,915	29.2%
Housing	56,01,82,567	2.0%	56,01,82,567	2.1%
Micro	2,43,23,77,000	8.7%	2,43,23,77,000	9.3%
Small	4,26,09,76,402	15.3%	4,08,38,55,402	15.6%
Medium	4,37,15,87,235	15.7%	3,99,52,54,235	15.3%
Seeds / Biotech	57,30,00,000	2.1%	57,30,00,000	2.2%
Food processing	93,51,46,000	3.4%	89,40,00,000	3.4%
Power	2,70,00,000	0.1%	2,70,00,000	0.1%
Plastics	2,30,00,000	0.1%	2,30,00,000	0.1%
Casting & Forging	33,43,20,311	1.2%	23,07,01,311	0.9%
Construction	8,01,77,997	0.3%	8,01,77,997	0.3%
Waste Processing	4,40,00,000	0.2%	4,40,00,000	0.2%
Vehicle	52,23,971	0.0%	52,23,971	0.0%
Personal	28,24,36,000	1.0%	3,17,24,000	0.1%
Infrastructure	37,95,66,854	1.4%	28,50,37,854	1.1%
Information Technology	2,93,83,000	0.1%	2,93,83,000	0.1%
Advertisement	2,80,000	0.0%	2,80,000	0.0%
Textile	38,36,70,272	1.4%	34,40,92,272	1.3%
Electricals	5,91,70,000	0.2%	5,91,70,000	0.2%
Gems & Jewellery	5,00,00,000	0.2%	4,50,00,000	0.2%
Others	2,29,39,92,114	8.2%	1,69,54,30,114	6.5%
TOTAL	27,86,89,83,000	100%	26,18,23,83,000	100.0%

(iii) Dispersion of various Financial Assets Sponsor-wise.

Industry	Acquisition Cost Outstanding (₹)	Percentage to total assets	Acquisition Cost Outstanding (₹)	Percentage to total assets
	March 31, 2018		March 31, 2017	
A. Sponsor				
- Indian Bank	10,63,99,82,000	38%	10,14,74,82,000	39%
- Reliance Capital Limited	95,99,11,000	3%	95,99,11,000	4%
- Corporation Bank	-	0%	-	0%
Total (A)	11,59,98,93,000	42%	11,10,73,93,000	42%
B. Non-Sponsors	16,26,90,90,000	58%	15,07,49,90,000	58%
Total (B)	16,26,90,90,000	58%	15,07,49,90,000	58%
TOTAL (A+B)	27,86,89,83,000	100%	26,18,23,83,000	100%

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2018

(All Amount in ₹)

	March 31, 2018	March 31, 2017
(iv) A statement charting the migration of Financial Assets from Standard to Non-Performing.		
Opening balance of Standard Assets	-	-
Opening balance of Non-Performing Assets	-	-
Assets acquired during the year (Standard)	-	-
Assets redeemed during the year (Standard and NPA)	-	-
Downgradation of Assets from Standard to Non-Performing (gross of provisions) during the year	-	-
Closing balance of Standard Assets	-	-
Closing balance of Non-Performing Assets (gross of provisions)	-	-
(v) Value of Financial Assets acquired during the financial year either on its own books or in the books of the Trust	1,68,66,00,000	4,94,36,06,000
(vi) Value of Financial Assets realised during the financial year	1,33,43,18,000	1,53,15,27,447
(vii) Value of Financial Assets outstanding for realisation as at the end of the financial year.	18,63,77,33,000	18,28,54,50,839
(viii) Value of Security Receipts redeemed/Contractual Rights in Loan Assets realised partially and the Security Receipts redeemed /Contractual Rights in Loan Assets realised fully during the financial year.		
- Value of Security Receipts redeemed fully during the financial year	-	27,83,89,000
- Value of Security Receipts redeemed partially during financial year	1,33,43,18,000	1,25,31,38,447
(ix) Value of Security Receipts/Contractual Rights in Loan Assets, pending for redemption as at the end of the financial year	18,63,77,33,000	18,28,54,50,839
(x) Value of Security Receipts which could not be redeemed as a result of non-realisation of the Financial Asset as per the policy formulated by the Securitisation Company or Reconstruction Company under Paragraph 7(6)(ii) or 7(6)(iii) of The Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 as amended from time to time. There were no Security Receipts that were not redeemed during the financial year as a result of non-realisation of the Financial Asset as per the policy formulated.		
(xi) The basis of valuation of assets if the acquisition value of the assets is more than the BV If the security value is higher, the present value of the reliable value of security has been arrived at (based on the expected time frame of resolution), discounted at an appropriate rate for satisfactory return to the SR holders. Lower of this value and the total dues is used to arrive at the acquisition value (which may be more than the BV)		
(xii) The details of the assets disposed of (either by write off or by realisation) during the year at a discount of more than 20% of valuation as on the previous year end and the reasons therefore. During the year there were no assets disposed of (either by write off or by realisation) at a discount of more than 20% of valuation.		
(xiii) The details of the assets where the value of the SRs has declined more than 20% below the acquisition value During the year SR value of Reliance ARC LVB Trust, Reliance ARC CUB Sarvana Trust and Reliance ARC SDPL Trust Trust has been declined by more than 20% of the acquisition value.		

(All amount in ₹)

	Year Ended March 31, 2018	Year Ended March 31, 2017
26 Earning per Equity Share		
Basic/ Diluted		
Profit after tax attributable to Equity Shareholders	9,03,58,827	9,02,01,285
Weighted average number of Equity Shares	10,00,00,000	10,00,00,000
Basic Earning Per Share	0.90	0.90

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2018

(All amount in ₹)

	Year Ended March 31, 2018	Year Ended March 31, 2017
27 Dividend remitted in foreign currency		
Dividend paid during the year	28,50,000	28,50,000
Number of non-resident shareholder	1	1
Number of equity shares held by non-resident shareholder	95,00,000	95,00,000
Year to which the dividends relates to	2016 - 2017	2015 - 2016

28. Stock Appreciation Rights (SAR):

Statement of Employees Phantom Stock Option Scheme as on March 31, 2018:

Particulars	No of Option	
Granted as on 15.10.2015	10,83,200	
Vested	4,33,280	
Exercise	1,33,880	
Forfeited	2,00,820	
Exercise Period	3 year from the date of last vesting	
Vesting Conditions	Continuous service	
		March 31, 2018 March 31, 2017
Outstanding at the beginning of the year	10,83,200	10,83,200
Granted during the year	4,33,280	Nil
Forfeited / Expired during the year	2,00,820	Nil
Exercised during the year	1,33,880	Nil
Outstanding at the end of the year	7,48,500	10,83,200
Exercisable at the end of the year	2,99,400	2,16,640

29. Corporate Social Responsibility Expenditure:

Gross amount required to be spent by the company during the year Amount spent during the year on:

	In cash	Yet to be paid in cash	Total
1) Construction/acquisition of any asset	-	-	-
2) On purposes other than (1) above	26,43,251	-	26,43,251

30. Contingent Liability:

During the earlier year Company had received an order from the Board of Revenue, Madhya Pradesh office with a demand of ₹ 1.44 crores which was earlier received from the local corporation in the year 2014 to pay additional duty of 1% on the loan amount. The Company has contested the matter with the High Court of Madhya Pradesh requesting for quashing and setting aside the order passed by Collector of Stamps, Raisen on August 12, 2014 and by Board of Revenue on May 26, 2016 respectively stating various grounds i.e. the property is beyond the jurisdiction of the Municipal limits and falls with the limits of the Village Panchayat etc. Based on the evaluation and assessment performed by the management, the Company believes that it is more likely than not they will be able to sustain these litigation before the local corporation.

Notes to Financial Statements for the year ended March 31, 2018

The company has paid ₹ 20,44,740 under protest for the demand raised by CIT (Appeal) for the FY 2013 – 14. The case is still pending with ITAT.

31. Segment Reporting

The Company is in the Business of Acquisition and Resolution of Non Performing Assets. As the company is engaged only in one business segment and no geographical segments, the Balance Sheet as at March 31, 2018 and the Statement of Profit and Loss for the year ended March 31, 2018 pertain to one Business Segment.

32. Previous Year Figures

Previous year figures have been reclassified to conform to the Current Year classifications.

For Pathak H.D. & Associates

Chartered Accountants
Firm Registration No. : 107783W

Parimal Kumar Jha

Partner
Membership No.124262

Place : Mumbai
Date : April 19, 2018

For and on behalf of the Board of Directors

Directors	}	Lav Chaturvedi
		DIN: 02859336
		Sujal Shah
Chief Executive Officer	}	DIN: 00058019
		R. B. Barman
Chief Financial Officer	}	DIN: 02612871
		Asokan Arumugam
Company Secretary	}	Mehul Gandhi
		Preeti K. Chhapru

RELIANCE

Asset Reconstruction

Annual Report 2016-17

Reliance Asset Reconstruction Company Limited

CIN No. U45200MH2006PLC161190

Independent Auditor's Report

To
The Members,
Reliance Asset Reconstruction Company Limited
Report on the Financial Statements

1. We have audited the accompanying financial statements of **Reliance Asset Reconstruction Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - g) 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, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its financial statements – Refer Note 33;
 - ii. The Company has long term contracts as at March 31, 2017 for which there were no material foreseeable losses. There are no derivative contracts outstanding as at March 31, 2017.

Reliance Asset Reconstruction Company Limited

Independent Auditor's Report

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company

and as produced to us by the Management – Refer Note 28;

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Sharad Vasant
Partner
Membership Number: 101119
Mumbai
April 20, 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Reliance Asset Reconstruction Company Limited on the financial statements for the year ended March 31, 2017

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

1. We have audited the internal financial controls over financial reporting of Reliance Asset Reconstruction Company Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating

effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. 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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. 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.

Annexure A to Independent Auditors' Report

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Sharad Vasant
Partner
Membership Number: 101119
Mumbai
April 20, 2017

Annexure B to the Independent Auditor's Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Reliance Asset Reconstruction Company Limited on the financial statements as of and for the year ended March 31, 2017

- | | |
|--|--|
| <p>i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.</p> <p>(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.</p> <p>(c) The title deeds of immovable properties, as disclosed in Note 19 on Other Current Assets to the financial statements, are held in the name of the Company.</p> <p>ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.</p> <p>iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.</p> <p>iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.</p> <p>v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.</p> <p>vi. The Central Government of India has not specified the maintenance of cost records under subsection (1) of Section 148 of the Act for any of the products of the Company.</p> <p>vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, service tax and other material statutory dues, as applicable, with the appropriate authorities.</p> <p>(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax and service-tax which have not been deposited on account of any dispute.</p> | <p>viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.</p> <p>ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.</p> <p>x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.</p> <p>xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.</p> <p>xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.</p> <p>xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.</p> <p>xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.</p> <p>xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.</p> <p>xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.</p> |
|--|--|

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Sharad Vasant
Partner
Membership Number: 101119
Mumbai
April 20, 2017

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act	Demand under section 156	2,044,740	Financial year 2013-14	Commissioner of Income tax appeals

Reliance Asset Reconstruction Company Limited

Balance Sheet as at March 31, 2017

(All amount in ₹)

	Note	As at	
		March 31, 2017	March 31, 2016
Equity and Liabilities			
Shareholder's Funds			
Share Capital	3	1,000,000,000	1,000,000,000
Reserves and Surplus	4	445,402,943	355,201,658
Non-Current Liabilities			
Long - Term Borrowings	5	-	1,000,000,000
Long - Term Provisions	6	2,697,332	1,134,175
Current liabilities			
Short Term Borrowings	7	1,445,471,739	-
Trade payables	8	-	-
Total outstanding dues of micro enterprises and small enterprises and		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		353,300	3,130,776
Other Current Liabilities	9	104,748,295	117,819,857
Short- Term Provisions	10	96,688	37,331,365
Total		2,998,770,297	2,514,617,831
Assets			
Non-Current Assets			
Fixed Assets	11		
Property, Plant and Equipment - Tangible Assets		926,547	1,166,583
Intangible Assets		5,155,943	272,127
Non-Current Investments	12	2,853,230,300	2,250,366,000
Deferred Tax Assets (Net)	13	1,056,626	1,231,820
Long Term Loans and Advances	14	17,299,915	3,726,718
Current Assets			
Current Investments	15	-	1,561,000
Trade Receivables	16	5,193,743	35,997,713
Cash and Bank Balances	17	426,299	99,489,983
Short - Term Loans and Advances	18	5,148,424	10,467,658
Other Current Assets	19	110,332,500	110,338,229
Total		2,998,770,297	2,514,617,831

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

This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse

Firm Reg. No. : 301112E
Chartered Accountants

Sharad Vasant

Partner
Membership No: 101119
Place : Mumbai
Date : April 20, 2017

For and on behalf of the Board of Directors

Directors

Chief Executive Officer
Company Secretary

{ Lav Chaturvedi
Sujal Shah
R. B. Barman
Asokan Arumugam
Preeti K. Chhapru

Reliance Asset Reconstruction Company Limited

Statement of Profit and Loss for the year ended March 31, 2017

(All amount in ₹)

	Note	As at	
		March 31 2017	March 31 2016
INCOME			
Revenue from Operations	20	369,948,495	287,682,640
Other Income	21	7,933,983	20,398,709
Total Revenue		377,882,478	308,081,349
EXPENSES			
Employee Benefit Expense	22	64,830,577	50,150,414
Finance Costs	23	125,606,211	75,320,760
Depreciation	11	938,840	612,263
Other Expenses	24	48,562,817	36,980,360
Total Expenses		239,938,445	163,063,797
Profit before Tax		137,944,033	145,017,552
Tax expense:			
Current tax		(47,567,554)	(48,672,402)
Deferred tax		(175,194)	(4,333,578)
Excess Provisions of earlier year (Net)		-	5,040,352
Profit for the year		90,201,285	97,051,924
Earning per equity share: {Nominal value per share: ₹ 10 (March 31, 2016: ₹ 10)}			
Basic / Diluted	25	0.90	0.97

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

This is the Statement of Profit and Loss Account referred to in our report of even date.

For Price Waterhouse

Firm Reg. No. : 301112E
Chartered Accountants

Sharad Vasant

Partner
Membership No: 101119
Place : Mumbai
Date : April 20, 2017

For and on behalf of the Board of Directors

Directors

Chief Executive Officer
Company Secretary

{ Lav Chaturvedi
Sujal Shah
R. B. Barman
Asokan Arumugam
Preeti K. Chhapru

Reliance Asset Reconstruction Company Limited

Cash Flow Statement for the year ended March 31, 2017

(All amount in ₹)

Particulars	March 31, 2017	March 31, 2016
A. Cash Flows from Operating Activities		
Profit before Tax	137,944,033	145,017,552
Adjustments for:		
Depreciation	938,840	612,263
Provisions for Diminution in value of Investments	-	(14,131,350)
Provision for SARs	728,344	216,640
Provisions for Doubtful debts	(159,320)	1,611,082
Provisions for Gratuity	704,819	2,320,100
Provisions for Interest on Staff Loan	696,697	-
Provisions for Compensated Absences	164,399	397,749
Finance Costs	124,935,903	75,299,226
Interest on Fixed Deposits	(6,709,996)	(3,210,581)
Sub-Total	259,243,719	208,132,681
(Decrease) in Other Current Liabilities	(13,071,566)	(6,301,215)
(Decrease)/Increase in Trade payables	(2,777,475)	1,584,738
(Increase)/Decrease in Long Term Loans and Advances	(197,500)	112,940,000
Decrease/(Increase) in Trade Receivables	30,803,970	(3,813,502)
(Increase) in Other Current Assets	-	(110,332,500)
(Decrease) in Short Term & Long Term Provisions	(1,858,484)	(2,995,995)
Decrease/(Increase) in Short Term Loans and Advances	5,478,554	(3,469,860)
Cash generated from Operations	277,621,218	195,744,347
Net income tax paid / Tax Deducted at source	(60,943,251)	(30,103,029)
Net Cash from Operating Activities (A)	216,677,967	165,641,318
B. Cash Flow from Investing Activities		
Investment in Non Current Investment	(804,883,000)	(781,734,700)
Realisation from Non Current Investment	202,018,700	205,619,700
Decrease in Current Investments	1,561,000	1,804,000
Purchase of Fixed Assets	(5,582,620)	(1,257,534)
Interest Received	6,715,725	3,206,761
Net Cash used in Investing Activities (B)	(600,170,195)	(572,361,773)

Reliance Asset Reconstruction Company Limited

Cash Flow Statement for the year ended March 31, 2017

(All amount in ₹)

Particulars	March 31, 2017	March 31, 2016
C. Cash Flow from Financing Activities		
Proceeds from Borrowings	445,471,741	616,168,944
Dividend paid	(30,000,000)	(30,000,000)
Dividend Distribution Tax	(6,107,294)	(6,142,401)
Finance Costs	(124,935,903)	(75,299,228)
Net Cash from Financing Activities (C)	284,428,544	504,727,315
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	(99,063,684)	98,006,860
Cash and Cash Equivalents at the beginning of the year	99,489,983	1,483,123
Cash and Cash Equivalents at the end of the year	426,299	99,489,983
Reconciliation of Cash and Cash Equivalents with the Balance Sheet:		
Current Account and Cash Balance	426,299	24,413,598
Fixed Deposit with original maturity of less than 3 months	-	75,076,385
	426,299	99,489,983

Note: The above Cash Flow Statement has been prepared under the "Indirect Method" setout in Accounting Standard 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

This is the Cash Flow Statement referred to in our report of even date.

For Price Waterhouse
Firm Reg. No. : 301112E
Chartered Accountants

Sharad Vasant
Partner
Membership No: 101119
Place : Mumbai
Date : April 20, 2017

For and on behalf of the Board of Directors

Directors

Chief Executive Officer
Company Secretary

}

Lav Chaturvedi
Sujal Shah
R. B. Barman
Asokan Arumugam
Preeti K. Chhapru

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements as at March 31, 2017

1. Company Overview

Reliance Asset Reconstruction Company Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company has obtained Certificate of Registration from Reserve Bank of India (RBI) on February 14, 2008, to act as a Securitization Company/ Reconstruction Company. The Company is in the business of asset reconstruction and securitization in all forms and to acquire, hold, manage, assign NPA loan assets (of Banks or Financial Institutions) with or without underlying securities, and recover from the Borrower/ underlying securities or dispose off the loan assets to other body corporate, co-operative societies, firms or individuals.

2. Significant Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7(1) of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto as prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended], the other relevant provisions of the Companies Act, 2013 and the guidelines prescribed by the RBI, to the extent applicable.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

A) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

B) Tangible and Intangible fixed assets

Tangible and Intangible Assets are stated at cost inclusive of incidental expenses less accumulated depreciation. Assets costing less than Rs 5,000 are fully depreciated in the year of purchase.

Depreciation on Tangible and Intangible Assets is calculated on a Straight Line Basis over the estimated useful lives of the assets as prescribed under Schedule

II to the Companies Act, 2013, The Company has used the following rates to provide depreciation on its Tangible and Intangible assets.

Sr No.	Asset	Useful life
1	Computers	3 Years
2	Computer Software	3 Years
3	Furniture and Fixtures	10 Years
4	Office Equipment	5 Years

C) Investments :

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Considering RBI guidelines on Investment in Security Receipts where underlying cash flows are dependent on realization from non performing assets, it is classified as available for sale. Hence an investment in SRs has been aggregated for the purpose of arriving at net depreciation/ appreciation of investments under the category. Net depreciation, if any has been provided for. Net Appreciation, if any has been ignored, the same is in order to comply with the RBI guidelines issued for Asset Reconstruction Companies..

D) Contractual Rights in Loan Assets

The Company acquires contractual rights in Non Performing Loans (NPLs) from Banks and Financial Institutions. Contractual Rights in NPLs pending resolutions/ realisation are carried at cost. The Company follows the Guidelines issued by the Reserve Bank of India to provide for NPLs as applicable for Assets Reconstruction Company / Securitisation Company on own loan assets and provision for NPLs are made accordingly.

E) Impairment of Loan Assets

The carrying amount of the Company's Contractual Rights in Loan Assets (NPLs) is reviewed at each balance sheet date based on internal / external factors, impairment loss, if any, is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

F) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured and realiability is reasonably certain.

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

Trusteeship Fees are accrued in terms of the provisions of the relevant trust deed / offer document. As per RBI guidelines, trusteeship fees accrued and not realised within 180 days from the date of expiry of the planning period is reversed, and unrealised trusteeship fee recognized after the planning period is reversed within 180 days from the date of recognition.

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

Notes to Financial Statements as at March 31, 2017

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

ii) Coupon on Security Receipts:

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

iii) Profit on Redemption of Security Receipts:

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

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

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

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

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

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

vi) Interest Income:

Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

G) Retirement and other employee benefits

Provident Fund:

Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Gratuity:

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise. The gratuity plan is funded through a Gratuity Trust fund set up during the year with Reliance Life Insurance Company Limited.

Compensated Absences:

Accumulated compensated absences, which are expected to be availed or encashed within 12 months

from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of the each year. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

H) Employees Phantom Stock Plan 2016:

In Financial year 2015-16, the company had announced Cash-settled Employee Phantom Stock Plan 2015 for the eligible employees of the company. Under the scheme, 1,083,200 phantom stock units have been granted on October 01, 2015 vide approval by the board appointed committee resolution dated October 12, 2015. Phantom Stock Options granted under Scheme would vest at 20% per year, within not less than 1 year and not more than 5 years from the last date of vesting of such Options.

The option as per scheme is being calculated at Excess of fair market value of a share on the date of exercise being Net worth multiplied by two (2) determined over and above the predetermined Base Price. The first vesting would happen on October 01, 2016.

The company has recognised the liability towards this in accordance with the guidance note issued by Institute of Chartered Accountants of India on accounting for Employee Share-based Payments. Since these are cash settled, the company has followed the accounting guidance applicable to share appreciation rights (SAR) per the guidance note.

I) Current and Deferred Tax

Tax expense comprises current and deferred tax.

Current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

J) Earnings Per Share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity

shares that could have been issued upon conversion or the dilutive potential equity shares.

K) Provisions and Contingencies

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

L) Cash and Cash Equivalent :

In the Cash Flow Statement, cash and cash equivalents include balance with banks in current account and demand deposits with banks with original maturities of three months or less.

M) Advances paid by the Company to the Trusts:

Advances paid by the Company to the trusts are shown as recoverable from trusts and are grouped

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

Expenses incurred by the company on behalf of the trust post such provisions are shown as recoverable from trusts and immediately provided for in the statement of profit and loss.

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2017

(All amount in ₹)

	As at March 31, 2017	As at March 31, 2016
3 Share Capital		
Authorised		
1500,00,000 (March 31, 2016:1500,00,000) Equity Shares of ₹ 10 each	1,500,000,000	1,500,000,000
100,00,000 (March 31, 2016:100,00,000) Preference Shares of ₹ 10 each	100,000,000	100,000,000
Total	<u>1,600,000,000</u>	<u>1,600,000,000</u>

The Company has increased its Authorized Equity Share Capital during the previous year from ₹ 10000,00,000 to ₹ 15000,00,000 vide Shareholder Resolution dated August 31, 2015.

Issued, Subscribed and Fully Paid Up

1000,00,000 (March 31, 2016:1000,00,000) Equity Shares of ₹ 10 each	1,000,000,000	1,000,000,000
Total	<u>1,000,000,000</u>	<u>1,000,000,000</u>

(a) Reconciliation of Number of Shares

Equity Shares	As at March 31, 2017		As at March 31, 2016	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	100,000,000	1,000,000,000	100,000,000	1,000,000,000
Add: Shares issued during the year	-	-	-	-
Balance as at the end of the year	<u>100,000,000</u>	<u>1,000,000,000</u>	<u>100,000,000</u>	<u>1,000,000,000</u>

(b) Terms / Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 10 per share. Each Equity Share holder is entitled to one vote per share.

For the year ended March 31, 2017 the amount of per share dividend recognised as distributable to Equity Share holders is NIL (March 31, 2016 ₹ 0.30). The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Director is subject to the approval of the Share holders in the ensuing Annual General Meeting (Refer Note No. 32).

In the event of liquidation of the company, the holders of Equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distributions will be in proportion to the number of Equity Shares held by the shareholders.

(c) Shares held by Sponsor Companies

	As at March 31, 2017		As at March 31, 2016	
	Number of shares	Amount	Number of shares	Amount
Equity Shares of ₹ 10 each fully paid held by				
Reliance Capital Limited	49,000,000	490,000,000	49,000,000	490,000,000
Corporation Bank	11,500,000	115,000,000	11,500,000	11,500,000
Indian Bank	11,500,000	115,000,000	11,500,000	11,500,000

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

	As at March 31, 2017		As at March 31, 2016	
	Number of shares	% Holding	Number of shares	% Holding
Reliance Capital Limited	49,000,000	49.00%	49,000,000	49.00%
Corporation Bank	11,500,000	11.50%	11,500,000	11.50%
Indian Bank	11,500,000	11.50%	11,500,000	11.50%
Dacecroft Limited	9,500,000	9.50%	9,500,000	9.50%
General Insurance Corporation of India	9,000,000	9.00%	9,000,000	9.00%
Blue Ridge Limited Partnership	5,890,000	5.89%	5,890,000	5.89%
	<u>96,390,000</u>	<u>96.39%</u>	<u>96,390,000</u>	<u>96.39%</u>

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2017

	As at March 31, 2017	(All amount in ₹) As at March 31, 2016
4 Reserves and Surplus		
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	355,201,658	294,257,028
Profit for the year	90,201,285	97,051,924
Less: Proposed Dividend	-	(30,000,000)
Less: Tax on Proposed Dividend	-	(6,107,294)
Balance as at the end of the year	<u>445,402,943</u>	<u>355,201,658</u>
5 Long- Term Borrowings		
Unsecured		
Inter Corporate Loans	-	1,000,000,000
	-	1,000,000,000
(I) The Company had availed Inter Corporate Loan from Reliance Nippon Life Asset Management Limited (RNLAM) (previously known Reliance Capital Asset Management Limited). During the current year, Call Option has been inserted on the entire term of Facility Agreement. via addendum dated March 23, 2017 resulting the loan being classified under Short Term Borrowing (Refer Note 7).		
(II) The loan was availed for the purpose of acquisition of Non Performing Assets (NPA) from Banks/Financial Institutions. Interest rate has been reduced from 12.50% to 12% for first tranche of disbursement amounting to ₹ 250,000,000 effective February 11, 2017 and on balance loan of ₹ 750,000,000 from March 01, 2017		
6 Long- Term Provisions		
Provision for Employee Benefits (refer note 22)		
- Provision for Compensated Absences	1,055,651	917,535
- Provision for SARs (refer note 31)	944,984	216,640
- Provision for Interest on Staff Loan	696,697	-
	<u>2,697,332</u>	<u>1,134,175</u>
7 Short- Term Borrowings		
Secured Bank Over Draft	<u>445,471,739</u>	-
	<u>445,471,739</u>	-
During the year Company has availed overdraft facility from Andhra Bank (10.15%p.a) (March 2016 :Nil).		
Unsecured		
Inter Corporate Loans (For details refer note 5(I) and 5 (II) above)	1,000,000,000	-
	<u>1,000,000,000</u>	-
Total	<u>1,445,471,739</u>	-
8 Trade Payables		
(a) Total outstanding dues of micro enterprises and small enterprises and	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises*		
(i) Acceptances	-	-
(ii) Others (Refer Note 27)	353,300	3,130,776
	<u>353,300</u>	<u>3,130,776</u>
* The Company has not received any information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. To the extent of information available with the Company, the Company does not owe any sum including interest to such parties.		
9 Other Current Liabilities		
Income Received in Advance	82,986,758	97,685,620
Employee Benefits Payable	7,939,702	6,050,000
Statutory due including Provident Fund and Tax Deducted at Source Payable	3,128,107	2,187,869
Other Payables**	10,693,728	11,896,368
	<u>104,748,295</u>	<u>117,819,857</u>

** There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2017

(All amount in ₹)

	As at March 31, 2017	As at March 31, 2016
10 Short term Provisions		
Provision for Employee Benefit (refer note 22)		
- Provision for Gratuity	43,138	1,196,803
- Provision for Compensated Absences	<u>53,550</u>	<u>27,267</u>
	<u>96,688</u>	<u>1,224,070</u>
Provision for Proposed Dividend	-	30,000,000
Provision for Dividend Distribution Tax on Proposed Dividend	-	<u>6,107,295</u>
	<u>96,688</u>	<u>37,331,365</u>

11 Fixed assets

(All amount in ₹)

Particulars	Gross Block				Depreciation /Amortisation			Net Block	
	As at April 1, 2016	Additions during the year	Deductions during the year	As at March 31, 2017	As at April 01, 2016	For the Year	Deductions during the year	As at March 31, 2017	As at March 31, 2017
A. Tangible									
Computers	1,638,000	407,620	39,000	2,006,620	556,798	634,124	39,000	1,151,922	854,698
Office equipment	36,469	-	-	36,469	6,634	7,274	-	13,908	22,561
Furniture and Fixture	62,748	-	-	62,748	7,202	6,258	-	13,460	49,288
Total	1,737,217	407,620	39,000	2,105,837	570,634	647,656	39,000	1,179,290	926,547
B. Intangible									
Software	449,440	5,175,000	-	5,624,440	177,313	291,184	-	468,497	5,155,943
Total	449,440	5,175,000	-	5,624,440	177,313	291,184	-	468,497	5,155,943
Grand Total	2,186,657	5,582,620	39,000	7,730,277	747,947	938,840	-	1,647,787	6,082,490

(All amount in ₹)

Particulars	Gross Block				Depreciation /Amortisation			Net Block	
	As at April 1, 2015	Additions during the year	Deductions during the year	As at March 31, 2016	As at April 01, 2015	For the Year	Deductions during the year	As at March 31, 2016	As at March 31, 2016
A. Tangible									
Computers	462,884	1,175,116	-	1,638,000	106,260	450,538	-	556,798	1,081,202.00
Office equipment	0	36,469	-	36,469	-	6,634	-	6,634	29,835.00
Furniture and Fixture	16,800	45,948	-	62,748	1,924	5,278	-	7,202	55,546.00
Total	479,684	1,257,533	-	1,737,217	108,184	462,450	-	570,634	1,166,583
B. Intangible									
Software	449,440	-	-	449,440	27,500	149,813	-	177,313	272,127.00
Total	449,440	-	-	449,440	27,500	149,813	-	177,313	272,127
Grand Total	929,124	1,257,533	-	2,186,657	135,684	612,263	-	747,947	1,438,710

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2017

	(All amount in ₹)	
	As at March 31, 2017	As at March 31, 2016
12 Non-Current Investments		
Reliance ARC – VB PILVE Trust 1,628 (Previous year: 1,628) Security Receipts of ₹ 1,000 each	1,628,000	1,628,000
Reliance ARC – LVB Trust 10,415 (Previous year: 10,415) Security Receipts of ₹ 1,000 each	10,415,000	10,415,000
Reliance ARC – CB SOCL Trust 3,365 (Previous year: 3,365) Security Receipts of ₹ 1,000 each	3,365,000	3,365,000
Reliance ARC – INB Retail Portfolio Trust (2013) 281,986 (Previous year: 295,648) Security Receipts of ₹ 1,000 each	281,986,000	295,648,000
Reliance ARC – CUB (2014) Trust 114,877 (Previous year: 122,106) Security Receipts of ₹ 1,000 each	114,877,000	122,106,000
Reliance ARC – AUCB 2014 (1) Trust 14,442 (Previous year: 14,442) Security Receipts of ₹ 1,000 each	14,442,000	14,442,000
Reliance ARC – CUB Sarvana Trust (2014) 42,374 (Previous year: 52,000) Security Receipts of ₹ 1,000 each	42,374,000	52,000,000
Reliance ARC – SBI Maan Sarovar Trust 8,838 (Previous year: 8,838) Security Receipts of ₹ 1,000 each	8,838,000	8,838,000
Reliance ARC – CUB (HL & SME) (2014) Trust 20,678 (Previous year: 26,298) Security Receipts of ₹ 1,000 each	20,678,000	26,298,000
Reliance ARC – CUB (CTRPL) (2014) Trust 13,509 (Previous year: 13,509) Security Receipts of ₹ 1,000 each	13,509,000	13,509,000
Reliance ARC – CUB SDPL Trust (2014) 31,190 (Previous year: 35,500) Security Receipts of ₹ 1,000 each	31,190,000	35,500,000
Reliance ARC 001 Trust 206,676 (Previous year: 206,676) Security Receipts of ₹ 1,000 each	206,676,000	206,676,000
Reliance ARC 002 Trust 6,821 (Previous year: 8,069) Security Receipts of ₹ 1,000 each	6,821,000	8,069,000
Reliance ARC 004 Trust 367,104 (Previous year: 374,310) Security Receipts of ₹ 1,000 each	367,104,800	374,310,000
Reliance ARC 005 Trust NIL (Previous year: 37,121) Security Receipts of ₹ 1,000 each	-	37,121,000
Reliance ARC 006 Trust 42,850 (Previous year: 56,093) Security Receipts of ₹ 1,000 each	42,850,000	56,093,000
Reliance ARC 007 Trust 176,977 (Previous year: 176,977) Security Receipts of ₹ 1,000 each	176,977,000	176,977,000
Reliance ARC 008 Trust 34,157 (Previous year: 43,202) Security Receipts of ₹ 1,000 each	34,157,000	43,202,000

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2017

	As at March 31, 2017	As at March 31, 2016
Reliance ARC 010 Trust 31,501 (Previous year: 34,500) Security Receipts of ₹ 1,000 each	31,501,000	34,500,000
Reliance ARC 011 Trust 68,866 (Previous year: 75,388) Security Receipts of ₹ 1,000 each	65,866,500	75,388,000
Reliance ARC 012 Trust 23,190 (Previous year: 23,190) Security Receipts of ₹ 1,000 each	23,190,000	23,190,000
Reliance ARC 015 Trust 125,436 (Previous year: 1,41,997) Security Receipts of ₹ 1,000 each	125,436,000	141,997,000
Reliance ARC 016 Trust 21,619 (Previous year: 23,565) Security Receipts of ₹ 1,000 each	21,619,000	23,565,000
Reliance ARC 013 Trust 4,213 (Previous year: 5,204) Security Receipts of ₹ 1,000 each	4,213,000	5,204,000
RELIANCE ARC SBI (HYD) 021 Trust 5,552 (Previous year: 12,554) Security Receipts of ₹ 1,000 each	5,552,000	12,554,000
RELIANCE ARC SBI (CHN) 018 Trust 123,324 (Previous year: 134,963) Security Receipts of ₹ 1,000 each	123,324,000	134,963,000
RELIANCE ARC SBI (MUM) 020 Trust 9,124 (Previous year: 13,269) Security Receipts of ₹ 1,000 each	9,124,000	13,269,000
RELIANCE ARC SBI (BHO) 019 Trust 12,707 (Previous year: 16,468) Security Receipts of ₹ 1,000 each	12,707,000	16,468,000
RELIANCE ARC SBI (CHN) 022 Trust 257,656 (Previous year: 283,071) Security Receipts of ₹ 1,000 each	257,656,000	283,071,000
RARC SVC 023 Trust 31,775 (Previous year: NIL) Security Receipts of ₹ 1,000 each	31,775,000	-
RARC Dena Bank 024 Trust 29,567 (Previous year: NIL) Security Receipts of ₹ 1,000 each	29,567,000	-
RARC 026 Trust 136,504 (Previous year: NIL) Security Receipts of ₹ 1,000 each	136,504,000	-
RARC Dena Bank 025 Trust 13,050 (Previous year: NIL) Security Receipts of ₹ 1,000 each	13,050,000	-
INB RARC 030 Trust 102,090 (Previous year: NIL) Security Receipts of ₹ 1,000 each	102,090,000	-
RARC 027 Trust 89,225 (Previous year: NIL) Security Receipts of ₹ 1,000 each	89,225,000	-
Magma RARC 031 Trust 21,626 (Previous year: NIL) Security Receipts of ₹ 1,000 each	21,626,000	-
INB RARC 036 Trust 55,515 (Previous year: NIL) Security Receipts of ₹ 1,000 each	55,515,000	-

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2017

	(All amount in ₹)	
	As at March 31, 2017	As at March 31, 2016
LVB RARC O29 Trust 24,464 (Previous year: NIL) Security Receipts of ₹ 1,000 each	24,464,000	-
SVC Bank RARC O33 Trust 37,978 (Previous year: NIL) Security Receipts of ₹ 1,000 each	37,978,000	-
SBI RARC O35 Trust 94,700 (Previous year: NIL) Security Receipts of ₹ 1,000 each	94,700,000	-
LVB RARC O38 Trust 158,660 (Previous year: NIL) Security Receipts of ₹ 1,000 each	158,660,000	-
	<u>2,853,230,300</u>	<u>2,250,366,000</u>
Aggregate amount of Unquoted Investments at Cost	2,853,230,300	2,250,366,000
Aggregate provision for Diminution in value of Investments	-	-
13 Deferred Tax (Liabilities) /Assets (Net)		
Deferred Tax Liabilities		
Depreciation	(451,083)	(141,885)
	(451,083)	(141,885)
Deferred Tax Assets		
Provision for SARs	327,040	74,975
Provision for Doubtful advances	781,868	557,562
Provision for Gratuity	14,929	414,190
Provision for Compensated Absences	383,872	326,978
	<u>1,507,709</u>	<u>1,373,705</u>
	<u>1,056,626</u>	<u>1,231,820</u>
14 Long Term Loans and Advances		
Trust Fund	43,000	33,000
Advance Tax / Tax deducted at source (Provision of ₹ 176,327,897 (March 31, 2016 ₹ 128,760,316))	17,069,415	3,693,718
Security deposit – Rent	187,500	-
	<u>17,299,915</u>	<u>3,726,718</u>
15 Current Investments		
Current portion of Long term Investments (Unquoted)	-	1,561,000
Reliance ARC – INB Tristar Trust NIL (Previous year:1,561) Security Receipts of ₹ 1,000 each	-	1,561,000
	<u>-</u>	<u>1,561,000</u>
Aggregate amount of Unquoted Investments at Cost	-	1,561,000
16 Trade Receivables		
Unsecured and considered good		
Outstanding for a period more than 6 months	7,350,824	1,882,248
Less: Provision	(7,350,824)	-
	<u>-</u>	<u>1,882,248</u>
Others	5,193,743	34,115,465
	<u>5,193,743</u>	<u>35,997,713</u>

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2017

(All amount in ₹)

	As at March 31, 2017	As at March 31, 2016
17 Cash and Bank Balances		
Bank Balances in		
Current Account	426,299	24,413,598
Fixed Deposits with original maturity of less than 3 months	-	75,076,385
	426,299	99,489,983
18 Short- Term Loans and Advances		
Unsecured and considered good unless stated otherwise		
Advances receivable in cash or kind of for value to be received		
Service Tax Recoverable	1,600,274	348,519
Others	705,647	1,467,848
Advances to Trust	5,101,714	11,008,500
Less: Provision for doubtful debts	2,259,212	2,357,209
	2,842,502	8,651,291
	5,148,423	10,467,658
19 Other Current Assets		
Assets acquired (Residential Property) in lieu of debt*	110,332,500	110,332,500
Interest accrued on Fixed Deposits with maturity of less than 12 months	-	5,729
	110,332,500	110,338,229

* During the previous year, the Company has acquired a Residential Property by enforcing SARFAESI guidelines, The said asset was acquired in lieu of debt outstanding of ₹ 1030,00,000 which was disclosed under contractual right in Loan Assets as at March 31, 2015.

(All amount in ₹)

	Year ended March 31, 2017	Year ended March 31, 2016
20 Revenue from Operations		
Trusteeship Fees	273,585,476	210,559,428
Incentive Fees	38,026,581	33,742,661
Recovery Agent Fees	43,330,057	3,976,911
Profit on Redemption of Security Receipts	9,322,006	27,384,195
Coupon on Security Receipts	5,684,375	-
Profit on Loan Assets	-	12,019,445
	369,948,495	287,682,640
21 Other Income		
Interest on Fixed Deposits	6,709,996	3,210,581
Interest on Advance given to trusts	1,064,667	1,017,808
Interest on Income Tax Refund	-	1,897,970
Miscellaneous Income	-	141,000
Provisions for doubtful debts written back (Net)	159,320	-
Other Provisions written back	-	14,131,350
	7,933,983	20,398,709

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2017

	(All amount in ₹)	
	Year ended March 31, 2017	Year ended March 31, 2016
22 Employee Benefit Expenses		
Salary, Bonus and Allowances	57,947,462	43,698,059
Staff welfare expenses	2,191,889	967,830
Contribution to Provident Fund and other funds	3,093,664	2,139,938
Employee Compensation Expenses (Refer note 31)	728,344	216,640
Gratuity	704,819	2,320,100
Compensated Absences	164,399	807,846
	<u>64,830,577</u>	<u>50,150,413</u>

	(All amount in ₹)	
	Year ended March 31, 2017	Year ended March 31, 2016
(a) Defined Contribution Plan		
Amount recognised in the Statement of Profit and Loss		
(i) Provident fund paid to Authorities	2,475,259	1,662,420
(ii) Pension fund paid to Authorities	618,405	477,518
	<u>3,093,664</u>	<u>2,139,938</u>

(b) Gratuity:
Disclosures required as per the Accounting Standard 15, Employee Benefits (Revised 2005) (" AS 15"), issued by the Institute of Chartered Accountants of India are as under.

	(All amount in ₹)	
	As at March 31, 2017	As at March 31, 2016
I Assumptions as at		
Mortality Rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Discount Rate	7.20%	8.06%
Salary Escalation Rate	6.00%	6.00%
Rate of Return (expected) on Plan Assets	7.20%	8.06%
Withdrawal Rate		2% throughout
Retirement Age	58	58
Expected average remaining service	16	16
Period of Accounting	April 1, 2016 to March 31, 2017	April 1, 2015 to March 31, 2016

	March 31, 2017	March 31, 2016
I. Data Information		
Number of Members	24	21
Total monthly salaries	1,561,293	1,409,217
Average Age	37.13	37.86
Average Service (years)	3.13	2.52
II Changes in Present Value of Obligations		
PVO at beginning of year	2,701,104	1,872,698
Interest Cost	217,709	148,318
Liability Transferred in Acquisition	1,601,168	-
Current Service Cost	488,449	268,683
Benefits Paid	-	-
Actuarial (Gain)/ Loss on Obligation	270,790	411,405
PVO at end of year	<u>5,279,220</u>	<u>2,701,104</u>

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2017

(All amount in ₹)

	March 31, 2017	March 31, 2016
III Changes in Fair Value of Plan Assets		
Fair Value of Plan Assets at beginning of year	1,504,302	-
Expected Return on Plan Assets	121,247	-
Contributions	1,858,483	1,470,967
Asset Transferred in Acquisition	1,601,168	-
Actuarial Gain/(Loss) on Plan Assets	150,882	33,335
Fair Value of Plan Assets at end of year	5,236,082	1,504,302
IV Fair Value of Plan Assets		
Fair Value of Plan Assets at beginning of year	1,504,302	-
Actual Return on Plan Assets	150,882	33,335
Contributions	1,858,483	1,470,967
Expected Return on Plan Assets	121,247	-
Assets Transferred in Acquisition	1,601,168	-
Fair Value of Plan Assets at end of year	5,236,082	1,504,302
Funded Status	(43,138)	(1,196,802)
Excess of actual over estimated return on Plan Assets	150,882	33,335
V Actuarial Gain/(Loss) Recognized		
Actuarial Gain/ (Loss) for the year (Obligation)	(270,790)	(411,405)
Actuarial Gain/ (Loss) for the year (Plan Assets)	150,882	33,335
Total Gain/ (Loss) for the year	(119,908)	(378,070)
Actuarial Gain/ (Loss) recognized for the year	(119,908)	(378,070)
Unrecognized Actuarial Gain/ (Loss) at end of year	-	-
VI Amounts to be recognized in the Balance Sheet and Statement of Profit and Loss		
PVO at end of year	(5,279,220)	(2,701,104)
Fair Value of Plan Assets at end of year	5,236,082	1,504,302
Funded Status	(43,138)	(1,196,802)
Unrecognized Actuarial Gain/ (Loss)	-	-
Net Asset/ (Liability) recognized in the Balance Sheet	(43,138)	(1,196,802)
VII Expense recognized in the Statement of Profit and Loss		
Current Service Cost	488,449	268,683
Net Interest cost	96,462	148,318
Net Actuarial Gain/ (Loss) recognized for the year	119,908	378,070
Others	-	1,525,029
Expense recognized in the Statement of Profit and Loss	704,819	2,320,100
VIII Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	1,196,802	1,872,698
Expenses as above	704,819	795,071
Net Liability/(Asset) Transfer In	(1,601,168)	-
Contribution paid	(1,858,483)	(1,470,967)
Closing Net Liability	43,138	1,196,802

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2017

	(All amount in ₹)				
	March 31, 2017	March 31, 2016			
IX. Break up of total liabilities as per Revised Schedule III of Companies Act.					
Current liabilities	43,138	1,196,802			
Non-current liability	-	-			
Total liability	43,138	1,196,802			
X. Expected Contribution to the Funds in the next year					
Gratuity	43,138	1,196,802			
Provident Fund	2,970,311	2,475,259			
					(All amount in ₹)
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
X. Experience Adjustments Information:					
Defined benefit obligation at end of period	5,279,220	2,701,104	1,872,698	1,844,456	1,462,986
Plan Assets at end of period	5,236,082	1,504,302	-	-	-
Funder status - Surplus / (Deficit)	(43,138)	(1,196,802)	(1,872,698)	(1,844,456)	(1,462,986)
Actuarial (gain/loss) due to change in basis	119,908	29,764	198,005	(81,174)	-
Actuarial (gain/loss) due to change in data	-	348,306	455,543	440,765	109,256
Total Actuarial (gain/loss) in Liabilities	119,908	378,070	653,548	359,591	109,256
Experience (gain/loss) in Plan Assets	150,882	33,335	-	-	-
					(All amount in ₹)
	Year ended March 31, 2017	Year ended March 31, 2016			
23 Finance Costs					
Interest on Borrowings	124,935,903	75,299,226			
Interest on short payment of Advance Tax	644,346	-			
Bank Charges	25,962	21,534			
	125,606,211	75,320,760			
24 Other Expenses					
Professional and Legal Charges	15,732,322	10,727,957			
Premises Rent & Electricity Expenses	11,830,060	6,901,288			
Payment to Auditors					
- Statutory Audit Fees	600,000	600,000			
- Limited Review Fees	300,000	250,000			
- Out of Pocket Expenses	68,341	8,500			
Trust Allocation Expenses	452,782	-			
Provision for doubtful debts (Net)	-	1,611,082			
Recovery Commission	2,815,773	999,166			
Business Development Expenses	1,798,076	2,660,943			
Expenses on loan assets	1,596,150	413,470			
Director's Sitting Fees	2,067,850	1,889,000			
Travelling Expenses	2,704,128	1,119,260			
Telephone Expenses	665,174	623,503			
Stamp Duty & Processing Fees	2,915,679	4,808,423			
Repair & Maintenance	198,422	661,786			
Courier and Postage	389,277	89,480			
Software Development Charges	773,526	-			

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2017

(All amount in ₹)

	Year ended March 31, 2017	Year ended March 31, 2016
Office Printing and Stationery	404,362	361,966
Expenditure towards Corporate Social Responsibility	2,452,632	2,337,335
Miscellaneous Expenses	798,263	917,201
	<u>48,562,817</u>	<u>36,980,361</u>

(a) Corporate Social Responsibility Expenditure

Gross amount required to be spent by the company during the year

Amount spent during the year on:

	In cash	Yet to be paid in cash	Total
1) Construction/acquisition of any asset	-	-	-
2) On purposes other than (1) above	2,452,632	-	2,452,632

(All amount in ₹)

	As at March 31, 2017	As at March 31, 2016
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25 Earning per Equity Share

Basic/ Diluted

Profit after tax attributable to Equity Shareholders	90,201,285	97,051,924
Weighted average number of Equity Shares	100,000,000	100,000,000
Basic Earning Per Share	0.90	0.97

26 Dividend remitted in foreign currency

Dividend paid during the year	2,850,000	2,850,000
Number of non-resident shareholder	1	1
Number of equity shares held by non-resident shareholder	9,500,000	9,500,000
Year to which the dividends relates to	2015 - 2016	2014 - 2015

27 Dues to micro and small enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

(Referr Note 8)

Particulars	Non-current		Current	
	Current Year	Previous Year	Current Year	Previous Year
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-	-	-
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	-	-	-	-
Further interest remaining due and payable for earlier years	-	-	-	-

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2017

- 28 Disclosures relating to Specified Bank Notes* (SBNs) held and transacted during the period from 8 November 2016 to 30 December 2016

Particulars SBNs	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	-	-	-
(+) Permitted receipts	1,000	95,360	96,360
(-) Permitted payments		(92,830)	(92,830)
(-) Amount deposited in Banks	(1,000)	(2,530)	(3,530)
Closing cash in hand as on 30 December 2016	-	-	-

* Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8th November, 2016.

29 Related Party Disclosures

- (i) List of Related Parties and their relationship

	<u>Nature of relationship</u>	<u>Related Party</u>
A	Investor Company (Significant Influence exists)	Reliance Capital Limited
	Subsidiary of Investor Company	Reliance Nippon Life Asset Management Limited (formerly Reliance Capital Asset Management Limited)
B	Key Management Personnel	a) Mr. Asokan Arumugam (w.e.f August 01, 2014) Chief Executive Officer b) Mr. Ramesh Shetty (w.e.f January 15, 2016) Chief Financial Officer c) Ms. Preeti Chhapru (w.e.f. April 16, 2016) Company Secretary d) Ms. Neema Tiwari (upto April 15, 2016) Company Secretary
C	Trust to which the Company acts as trustee	RARC AL Trust RARC AL Plus Trust RARC CB SOCL Trust RARC IB Chennai Trust RARC VB Pilve Trust RARC INB Retail Portfolio Trust (2013) RARC LVB Trust (1) RARC INB Tristar Trust RARC CUB (2014) Trust RARC AUCB 2014 (1) Trust RARC CUB Sarvana Trust (2014) RARC SBI Maan Sarovar Trust RARC CUB (HL SME)(2014) Trust RARC CUB (CTRPL) (2014) Trust RARC CUB SDPL Trust (2014) RARC 001 Trust RARC 002 Trust RARC 004 Trust RARC 005 Trust RARC 006 Trust RARC 007 Trust RARC 008 Trust RARC 010 Trust RARC 011 Trust RARC 012 Trust RARC 013 Trust RARC 015 Trust RARC 016 Trust RARC SBI (HYD) 021 TRUST RARC SBI (CHN) 018 TRUST RARC SBI (BHO) 019 TRUST RARC SBI (MUM) 020 TRUST RARC SBI (CHN) 022 TRUST RARC SVC 023 TRUST RARC DENA BANK 024 TRUST RARC DENA BANK 025 TRUST RARC 026 TRUST RARC 027 TRUST LVB RARC 029 TRUST INB RARC 030 TRUST MAGMA RARC 031 TRUST SVC BANK RARC 033 TRUST SBI BANK RARC 035 TRUST INB RARC 036 TRUST LVB RARC 038 TRUST

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2017

Nature of Transactions	Name of Related Party	Enterprises having significant influence over the Company		Key Management Personnel		Key Management Personnel		Trust to whom company acts as a trustee	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
		Amount in ₹							
A) Finance									
Unsecured Loans Repaid	Reliance Nippon Life Asset Management Limited				750,000,000				
Interest on Unsecured Loan	Reliance Nippon Life Asset Management Limited			124,513,698	66,695,205				
B) Other Receipts and Payments									
Administrative and Other Expenses	Reliance Capital Limited	846,948	3,098,935						
Remuneration	Mr. Asokan Arumugam					18,200,005	15,693,630		
	Mr Narayanaswamy Iyer						2,240,151		
	Mr Ramesh Shetty					4,334,943	1,506,430		
	Ms. Neema Tiwari					56,702	472,046		
	Ms Preeti Chhapru					890,796			
Profit on Redemption of Security Receipts	RARC AL Plus Trust							9,322,006	27,384,195
	RARC IB Chennai Trust							2,351,903	4,721,804
	RARC 005 Trust							6,950,684	
Coupon on Security receipts	RARC 005 Trust							5,684,375	
	RARC INB Tristar Trust							5,060,633	
Trusteeship Fees								623,742	
	RARC INB Retail Portfolio Trust (2013)							273,585,476	210,559,428
	RARC CUB Sarvana Trust (2014)							78,342,049	86,466,008
	RARC SBI (CHN) 022 Trust							30,514,834	
	RARC 001 Trust							28,238,731	
Incentive fee								-	36,325,958
	RARC IB Chennai Trust							38,026,581	33,742,661
	RARC 015 Trust							12,214,091	24,477,396
	RARC SBI (CHN) 018 Trust							5,856,400	8,049,862
	RARC SBI (CHN) 022 Trust							4,042,423	
Recovery Agent Fees								8,929,008	
								43,330,057	3,976,911
	RARC IB Chennai Trust							-	4,495,593
	RARC SBI (CHN) 018 Trust							-	1,024,136
	RARC 005 Trust							6,660,636	
	RARC INB Retail Portfolio Trust (2013)							15,701,474	
	RARC CUB Sarvana Trust (2014)							4,462,000	
Interest on short term Loans								1,064,667	1,017,808
	RARC INB Tristar Trust							-	161,486
	RARC 015 Trust							-	145,018
	RARC 005 Trust							209,007	
	RARC 007 Trust							187,301	

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2017

Nature of Transactions	Name of Related Party	Enterprises having significant influence over the Company		Key Management Personnel		Key Management Personnel		Trust to whom company acts as a trustee	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
C) Outstandings									
Unsecured Loans	Reliance Nippon Life Asset Management Limited			1,000,000,000	1,000,000,000				
Administrative and Other Expenses	Reliance Capital Limited	-	1,084,600						
Trade Receivables								5,193,743	35,997,713
	RARC CLUB Sarvana Trust (2014)	-	-					-	4,065,967
	RARC 001 Trust	-	-					-	16,544,046
	RARC 007 Trust							2,792,934	-
	RARC 004 Trust							1,097,332	-
	RARC SBI Maan Sarovar Trust							-	-
Other Payables		-	-					-	8,110,769
	RARC IB Chennai Trust	-	-					-	1,015,217
	RARC INB Retail Portfolio Trust (2013)	-	-					-	1,215,813
	RARC INB Tristar Trust	-	-					-	958,583
	RARC CLUB (2014) Trust							-	1,589,984
Income Received In Advance		-	-					82,986,758	97,685,620
	RARC INB Retail Portfolio Trust (2013)	-	-					33,337,724	59,712,365
	RARC SBI (CHN) 018 Trust	-	-					9,266,799	10,125,576
	RARC SBI (CHN) 022 Trust							11,444,821	-
Advances to Trust								5,101,715	11,008,500
	RARC CLUB (HL & SME) (2014) Trust							-	1,153,012
	RARC 001 Trust							1,502,776	2,110,081
	RARC 007 Trust	-	-					-	1,124,877
	RARC Dena Bank 025 Trust	-	-					744,600	-
	RARC VB Pilve Trust							528,588	-
	RARC CB SOCL Trust	-	-					611,201	-

30 Additional disclosures pursuant to The Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 issued vide Circular no. RBI/2007-2008/9 DNBS (PD) CC. No. 7 / SCRC / 10.30.000/ 2007-2008 dated July 2, 2007 and vide notification no. DNBS.PD (SC/RC),8/CGM (ASR) -2010 dated April 21, 2010.

Disclosures made in paragraphs (i) to (xiv) below represent total value of the assets in the respective Trusts subscribed by Reliance Asset Reconstruction Company Limited and the co-investors as also assets directly acquired by the Company.

(i) The names and addresses of the Banks/ Financial Institutions from whom Financial Assets were acquired as at March 31, 2017 (since inception) and the value at which such assets were acquired from each such Bank/ Financial Institutions:

Name of the Bank / Financial Institution	Address	Acquisition price (₹)	
		March 31, 2017	March 31, 2016
Asset Reconstruction Company (India) Limited	Shreepati Arcade, August Kranti Marg, Nana Chowk, Mumbai 400036	6,818,000	6,818,000
Corporation Bank	Managala Devi Temple Road, Mangalore 575001	24,900,000	24,900,000
Dena Bank	Dena Corporate Centre, C-10, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051	307,662,000	21,462,000
Indian Bank	66,Rajaji Salai, Chennai - 600 001	10,147,482,000	9,096,782,000
Central Bank of India	Chandramukhi, Nariman Point, Mumbai - 400 021	24,300,000	24,300,000
Vijaya Bank	41/2, M G Road, Bengaluru, Karnataka - 560 001	99,000,000	99,000,000
IFCI	IFCI Tower, 61, Nehru Place, New Delhi - 110 192	200,000,000	200,000,000

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2017

Name of the Bank / Financial Institution	Address	Acquisition price (₹)	
		March 31, 2017	March 31, 2016
IDBI Bank Limited	IDBI Tower, Cuffe Parade, Mumbai – 400005	122,600,000	122,600,000
Union Bank of India	Union Bank Bhavan, 239, Vidhan Bhavan Marg, Mumbai 400 021	62,500,000	62,500,000
Industrial Investment Bank of India Limited	19, Netaji Subhash Road, Kolkatta – 700 001	55,000,000	55,000,000
City Union Bank Limited	24-80, Raja Bahadur Compound, Ambalala Doshi Marg, Fort, Mumbai – 400 023	2,839,764,000	2,839,764,000
Laxmi Vilas Bank	Salem Road, Kathaprai, Karur – 639 006. Tamil Nadu	2,140,920,000	1,184,529,000
UCO Bank	10, B T M Sarani, Kolkata – 700 001, West Bengal	15,100,000	15,100,000
Yes Bank	Indiabulls Finance Centre, Tower II, Senapati Marg, Elphinstone (W), Mumbai – 400 013	103,000,000	103,000,000
The Saraswat Co-operative Bank Ltd.	953, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025	37,500,000	37,500,000
Abhyudaya Co-operative Bank Limited	Shram Safalya, 63, G D Ambekar Marg, Parel Village, Mumbai – 400 012	32,500,000	32,500,000
Bank of Baroda	Suraj Plaza-1, Sayaji Ganj, Baroda – 390005	11,300,000	11,300,000
The Akola Urban Co-operative Bank Limited	"Jankalyan", 58/59, Toshniwal Layout, Murtizapur Road, Behind Govt. Milk Scheme, Akola-444001	420,000,000	420,000,000
State Bank of India	State Bank Bhavan, Madam Cama Road, Mumbai – 400021	4,844,657,000	4,371,157,000
ING Vysya Bank	22, MG Road, Bangalore, Karnataka- 560001	1,687,000,000	1,687,000,000
State Bank of Travancore	Poojappura, Thiruvananthapuram-695012	619,400,000	619,400,000
State Bank of Hyderabad	Gunfoundry, Hyderabad-500001	166,007,000	166,007,000
Karur Vysya Bank	Erode Road, Karur-639002, Tamilnadu	38,158,000	38,158,000
Reliance Capital Limited	Reliance Centre, 6th Floor, Off Western Express Highway, Santacruz (E), Mumbai – 400 055	959,911,000	-
Magma Fincorp Limited	Magma House, No.24 Park Street, Kolkata-700 016	594,832,000	-
Magma Housing Finance	Magma House, No.24 Park Street, Kolkata-700 016	144,171,000	-
SVC Co-operative Bank Limited	SVC Tower, Nehru Road, Vakola, Santacruz (E), Mumbai – 400 055	477,901,000	-
TOTAL		26,182,383,000	21,238,777,000

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

Industry	Acquisition Cost Outstanding (₹)	Percentage to total assets	Acquisition Cost Outstanding (₹)	Percentage to total assets
	March 31, 2017		March 31, 2016	
	Agriculture	3,098,795,362	11.8%	3,098,795,362
Education	7,644,697,915	29.2%	7,644,697,915	36.0%
Housing	560,182,567	2.1%	474,582,567	2.2%
Micro	2,432,377,000	9.3%	2,432,377,000	11.5%
Small	4,083,855,402	15.6%	3,059,251,666	14.4%
Medium	3,995,254,235	15.3%	2,645,272,000	12.5%
Seeds / Biotech	573,000,000	2.2%	573,000,000	2.7%

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2017

Industry	Acquisition Cost Outstanding (₹)	Percentage to total assets	Acquisition Cost Outstanding (₹)	Percentage to total assets
	March 31, 2017		March 31, 2016	
Food processing	894,000,000	3.4%	894,000,000	4.2%
Power	27,000,000	0.1%	27,000,000	0.1%
Plastics	23,000,000	0.1%	23,000,000	0.1%
Casting & Forging	230,701,311	0.9%	86,000,000	0.4%
Construction	80,177,997	0.3%	40,000,000	0.2%
Waste Processing	44,000,000	0.2%	44,000,000	0.2%
Vehicle	5,223,971	0.0%	5,223,971	0.0%
Personal	31,724,000	0.1%	31,724,000	0.1%
Infrastructure	285,037,854	1.1%	2,360,000	0.0%
Information Technology	29,383,000	0.1%	2,190,000	0.0%
Advertisement	280,000	0.0%	280,000	0.0%
Textile	344,092,272	1.3%	92,710,000	0.4%
Electricals	59,170,000	0.2%	10,310,000	0.0%
Gems & Jewellery	45,000,000	0.2%	45,000,000	0.2%
Others	1,695,430,114	6.5%	7,002,519	0.0%
TOTAL	26,182,383,000	100%	21,238,777,000	100.0%

(iii) Dispersion of various Financial Assets Sponsor-wise.

Industry	Acquisition Cost Outstanding (₹)	Percentage to total assets	Acquisition Cost Outstanding (₹)	Percentage to total assets
	March 31, 2017		March 31, 2016	
A. Sponsor				
- Indian Bank	10,147,482,000	39%	9,096,782,000	43%
- Reliance Capital Limited	959,911,000	4%	-	0%
- Corporation Bank	-	0%	-	0%
Total (A)	11,107,393,000	42%	9,096,782,000	43%
B. Non-Sponsors	15,074,990,000	58%	12,141,995,000	57%
Total (B)	15,074,990,000	58%	12,141,995,000	57%
TOTAL (A+B)	26,182,383,000	100%	21,238,777,000	100%

(All Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
(iv) A statement charting the migration of Financial Assets from Standard to Non-Performing.		
Opening balance of Standard Assets	-	347,219
Opening balance of Non-Performing Assets	-	112,950,000
Assets acquired during the year (Standard)	-	-
Assets redeemed during the year (Standard and NPA)*	-	113,297,219
Downgradation of Assets from Standard to Non-Performing (gross of provisions) during the year	-	-
Closing balance of Standard Assets	-	-
Closing balance of Non-Performing Assets (gross of provisions)	-	-

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2017

(All Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
(v) Value of Financial Assets acquired during the financial year either on its own books or in the books of the Trust	4,943,606,000	5,211,522,000
(vi) Value of Financial Assets realised during the financial year	1,531,527,447	1,217,317,933
(vii) Value of Financial Assets outstanding for realisation as at the end of the financial year.	18,285,450,839	14,873,372,286
(viii) Value of Security Receipts redeemed/Contractual Rights in Loan Assets realised partially and the Security Receipts redeemed /Contractual Rights in Loan Assets realised fully during the financial year.		
- Value of Security Receipts redeemed fully during the financial year	278,389,000	4,022,000
- Value of Security Receipts redeemed partially during financial year	1,253,138,447	1,099,998,714
(ix) Value of Security Receipts/Contractual Rights in Loan Assets, pending for redemption as at the end of the financial year	18,285,450,839	14,873,372,286
(x) Value of Security Receipts which could not be redeemed as a result of non-realisation of the Financial Asset as per the policy formulated by the Securitisation Company or Reconstruction Company under Paragraph 7(6)(ii) or 7(6)(iii) of The Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 as amended from time to time. There were no Security Receipts that were not redeemed during the financial year as a result of non-realisation of the Financial Asset as per the policy formulated.		
(xi) Value of land and/or building acquired in ordinary course of Business of Reconstruction of Assets (year wise) The Company has acquired property (flat) under SARFESAI guidelines during the previous year. The asset has been purchased in the normal course of business. The said asset was acquired in lieu of debt outstanding for ₹ 110,332,500.		
(xii) The basis of valuation of assets if the acquisition value of the assets is more than the BV If the security value is higher, the present value of the reliable value of security has been arrived at (based on the expected time frame of resolution), discounted at an appropriate rate for satisfactory return to the SR holders. Lower of this value and the total dues is used to arrive at the acquisition value (which may be more than the BV)		
(xiii) The details of the assets disposed of (either by write off or by realisation) during the year at a discount of more than 20% of valuation as on the previous year end and the reasons therefore. During the year there were no assets disposed of (either by write off or by realisation) at a discount of more than 20% of valuation.		
(xiv) The details of the assets where the value of the SRs has declined more than 20% below the acquisition value During the year SR value of Reliance ARC CUB Sarvana Trust and Reliance ARC CUB SDPL Trust has been declined by more than 20% of the acquisition value.		

31. Stock Appreciation Rights:

Statement of Employees Phantom Stock Option Scheme as on March 31, 2017:

Particulars	No of Option
Granted	10,83,200
Vested	Nil
Forfeited	Nil
Exercise Period	3 year
Vesting Conditions	Continuous service

	March 31, 2017	March 31, 2016
Outstanding at the beginning of the year	1,083,200	Nil
Granted during the year	Nil	1,083,200
Forfeited / Expired during the year	Nil	Nil
Exercised during the year	Nil	Nil
Outstanding at the end of the year	1,083,200	1,083,200
Exercisable at the end of the year	216,640	Nil

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2017

32. The Board of Directors, in their meeting held on April 20, 2017 have proposed a final dividend of ₹ 3 per equity share amounting to ₹ 30,000,000 and corporate dividend tax of ₹ 6,107,294. The proposal is subject to the approval of shareholders at the Annual General Meeting. In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated March 30, 2016, proposed dividend is not recognised as a liability as on March 31, 2017. Accordingly, the balance of Reserves and Surplus is higher by ₹ 36,107,294. (including corporate dividend tax) and the balance of Other Liabilities is lower by an equivalent amount as on March 31, 2017.

33. Contingent Liability:

During the current year Company has received an order from the Board of Revenue, Madhya Pradesh office with a demand of ₹ 1.44 crores which was earlier received from the local corporation in the year 2014 to pay additional duty of 1% on the loan amount. The Company has contested the matter with the High Court of Madhya Pradesh requesting for quashing and setting aside the order passed by Collector of Stamps, Raisen on August 12, 2014 and by Board of Revenue on May 26, 2016 respectively stating various grounds i.e. the property is beyond the jurisdiction of the Municipal limits and falls with the limits of the Village Panchayat etc. Based on the evaluation and assessment performed by the management, the Company believes that it is more likely than not they will be able to sustain these litigation before the local corporation. Accordingly the Company has disclosed ₹ 1.44 crores as a contingent liability in Note 33 to the Financial Statements.

The Income Tax Department has raised demand of Tax for FY 2013-14 on the company of ₹ 2,044,740/- which remains unpaid with the department as on March 31, 2017 (March 31, 2016 :Nil). The company has not acknowledge this and has instead filled appeals with CIT (Appeals).

34. Segment Reporting

The Company is in the Business of Acquisition and Resolution of Non Performing Assets. As the company is engaged only in one business segment and no geographical segments, the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss for the year ended March 31, 2017 pertain to one Business Segment.

35. Previous Year Figures

Previous year figures have been reclassified to conform to the Current Year classifications.

The attached notes to the Financial Statements form an integral part of the Financial Statements.

For **Price Waterhouse**
Firm Reg. No. : 301112E
Chartered Accountants

Sharad Vasant
Partner
Membership No: 101119
Place : Mumbai
Date : April 20, 2017

For and on behalf of the Board of Directors

Directors

Chief Executive Officer
Company Secretary

{ **Lav Chaturvedi**
Sujal Shah
R. B. Barman
Asokan Arumugam
Preeti K. Chhapru

RELIANCE

Asset Reconstruction

Annual Report 2015-16

Reliance Asset Reconstruction Company Limited

CIN: U45200MH2006PLC161190

Independent Auditor's Report

To
The Members,
Reliance Asset Reconstruction Company Limited
Report on the Financial Statements

1. We have audited the accompanying financial statements of **Reliance Asset Reconstruction Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give 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, read with Rule 7 of the Companies(Accounts) Rules, 2014. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the

auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and

Independent Auditor's Report

the operating effectiveness of such controls, refer to our separate Report in Annexure A.

g) 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, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its financial statements – Refer Note 30;
- ii. The Company has long-term contracts as at March 31, 2016 for which there are no

foreseeable losses. There are no derivative contracts outstanding as at March 31, 2016

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Sharad Vasant
Partner
Membership Number: 101119
Mumbai
April 18, 2016

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Reliance Asset Reconstruction Company Limited on the financial statements for the year ended March 31, 2016

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

1. We have audited the internal financial controls over financial reporting of Reliance Asset Reconstruction Company Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating

effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. 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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. 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.

Annexure A to Independent Auditors' Report

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Sharad Vasant
Partner
Membership Number: 101119
Mumbai
April 18, 2016

Annexure B to the Independent Auditor's Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Reliance Asset Reconstruction Company Limited on the financial statements as of and for the year ended March 31, 2016

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of immovable properties, as disclosed in Note 19 on Other Current Assets to the financial statements, are held in the name of the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, service tax and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax and service-tax which have not been deposited on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company

- has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
 - x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
 - xi. The Company has paid/ provided for managerial remuneration in accordance with therequisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
 - xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
 - xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
 - xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
 - xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Sharad Vasant
Partner
Membership Number: 101119
Mumbai
April 18, 2016

Reliance Asset Reconstruction Company Limited

Balance Sheet as at March 31, 2016

(All amount in ₹)

	Note	As at	
		March 31, 2016	March 31, 2015
Equity and Liabilities			
Shareholder's Funds			
Share Capital	3	10000,00,000	10000,00,000
Reserves and Surplus	4	3552,01,658	2942,57,028
Non-Current Liabilities			
Long - Term Borrowings	5	10000,00,000	250000000
Long - Term Provisions	6	11,34,175	23,48,061
Current liabilities			
Short - Term Borrowings	7	-	1338,31,056
Trade payables	8	-	-
Total outstanding dues of micro enterprises and small enterprises and		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		31,30,776	15,46,038
Other Current Liabilities	9	1178,19,857	1241,21,072
Short- Term Provisions	10	373,31,365	362,14,091
Total		25146,17,831	18423,17,346
Assets			
Non-Current Assets			
Fixed Assets	11		
Tangible Assets		11,66,583	3,71,500
Intangible Assets		2,72,127	421,940
Non-Current Investments	12	22503,66,000	16714,14,650
Deferred Tax Assets (Net)	13	12,31,820	55,65,398
Long Term Loans and Advances	14	37,26,718	1189,00,735
Current Assets			
Current Investments	15	15,61,000	33,65,000
Trade Receivables	16	359,97,713	321,84,211
Cash and Bank Balances	17	994,89,983	14,83,123
Short- Term Loans and Advances	18	104,67,658	86,08,879
Other Current Assets	19	1103,38,229	1,910
Total		25146,17,831	18423,17,346

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

This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse

Firm Reg. No. : 301112E
Chartered Accountants

Sharad Vasant

Partner
Membership No: 101119

Place : Mumbai
Date : April 18, 2016

For and on behalf of the Board of Directors

Directors

Chief Executive Officer
Chief Financial Officer
Company Secretary

Place : Mumbai
Date : April 15, 2016

{ Lav Chaturvedi
Sujal Shah
R. B. Barman
Asokan Arumugam
Ramesh Shetty
Neema Tiwari

Reliance Asset Reconstruction Company Limited

Statement of Profit and Loss for the year ended March 31, 2016

		(All amount in ₹)	
	Note	March 31 2016	March 31 2015
INCOME			
Revenue from Operations	20	2876,82,640	1960,94,371
Other Income	21	203,98,709	98,18,089
Total Revenue		<u>3080,81,349</u>	<u>2059,12,460</u>
EXPENSES			
Employee Benefit Expense	22	500,06,048	349,59,419
Finance Costs	23	753,20,760	172,93,949
Depreciation	11	6,12,263	96,527
Other Expenses	24	371,24,726	321,06,673
Total Expenses		<u>1630,63,797</u>	<u>844,56,568</u>
Profit before Tax		<u>1450,17,552</u>	<u>1214,55,892</u>
Tax expense			
Current tax		(486,72,402)	(428,37,167)
Deferred tax		(43,33,578)	16,46,373
Excess Provisions of earlier year (Net)		50,40,352	(1,98,257)
Profit for the year		<u>970,51,924</u>	<u>800,66,841</u>
Earning per equity share: {Nominal value per share: ₹ 10 (March 31, 2015: ₹ 10)}			
Basic / Diluted	25	0.97	0.80

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

This is the Statement of Profit and Loss Account referred to in our report of even date.

For Price Waterhouse

Firm Reg. No. : 301112E
Chartered Accountants

Sharad Vasant

Partner
Membership No: 101119

Place : Mumbai

Date : April 18, 2016

For and on behalf of the Board of Directors

Directors

Chief Executive Officer
Chief Financial Officer
Company Secretary

Place : Mumbai

Date : April 15, 2016

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Lav Chaturvedi
Sujal Shah
R. B. Barman
Asokan Arumugam
Ramesh Shetty
Neema Tiwari

Reliance Asset Reconstruction Company Limited

Cash Flow Statement for the year ended March 31, 2016

(All amount in ₹)

Particulars	March 31, 2016	March 31, 2015
A. Cash Flows from Operating Activities		
Profit before Tax	1450,17,552	1214,55,892
Adjustments for		
Depreciation	6,12,263	96,527
Provisions for Diminution in value of Investments	(141,31,350)	(50,42,150)
Provisions for Diminution in value of Loan Assets	-	97,91,974
Provision for SARs	2,16,640	-
Provisions for Doubtful debts	16,11,082	-
Provisions for Gratuity	23,20,100	10,63,380
Provisions for Compensated Absences	3,97,749	2,09,264
Finance Costs	752,99,226	172,62,262
Interest on Fixed Deposits	(32,10,581)	(47,00,251)
Sub-Total	2081,32,681	1401,36,898
(Decrease)/Increase in Other Current Liabilities	(63,01,215)	361,15,027
Increase in Trade payables	15,84,738	9,92,238
Decrease in Long Term Loans and Advances	1129,40,000	4112,71,281
Decrease in Other Non Current Assets	-	500,00,000
Decrease in Other Bank Balance	-	2057,00,000
(Increase) in Trade Receivables	(38,13,502)	(321,84,211)
(Increase) in Other Current Assets	(1103,32,500)	-
(Decrease) in Short Term & Long Term Provisions	(29,95,995)	(12,71,093)
(Increase)/Decrease in Short Term Loans and Advances	(34,69,860)	33,54,628
Cash generated from Operations	1957,44,347	8141,14,768
Net income tax paid / Tax Deducted at source / Net of refund	(301,03,029)	(462,71,970)
Net Cash from Operating Activities (A)	1656,41,318	7678,42,798
B. Cash Flow from Investing Activities		
Investment in Non Current Investment	(7817,34,700)	(14592,73,000)
Realisation from Non Current Investment	2056,19,700	2357,55,000
Decrease in Current Investments	18,04,000	56,76,000
Purchase of Fixed Assets	(12,57,534)	(8,73,324)
Interest Received	32,06,761	135,82,305
Net Cash used in Investing Activities (B)	(5723,61,773)	(12051,33,019)

Reliance Asset Reconstruction Company Limited

Cash Flow Statement for the year ended March 31, 2016

(All amount in ₹)

Particulars	March 31, 2016	March 31, 2015
C. Cash Flow from Financing Activities		
Proceeds from Borrowings (net)	6161,68,944	3838,31,056
Dividend paid (including dividend distribution tax thereon)	(361,42,401)	(350,98,500)
Finance Costs	(752,99,228)	(172,62,262)
Net Cash from Financing Activities (C)	5047,27,315	3314,70,294
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	980,06,860	(1058,19,927)
Cash and Cash Equivalents at the beginning of the year	14,83,123	1073,03,050
Cash and Cash Equivalents at the end of the year	994,89,983	14,83,123
Reconciliation of Cash and Cash Equivalents with the Balance Sheet:		
Current Account and Cash Balance	244,13,598	14,06,738
Fixed Deposit with original maturity of less than 3 months	750,76,385	76,385
	994,89,983	14,83,123

Note: The above Cash Flow Statement has been prepared under the "Indirect Method" setout in Accounting Standard 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

This is the Cash Flow Statement referred to in our report of even date.

For Price Waterhouse

Firm Reg. No. : 301112E
Chartered Accountants

Sharad Vasant

Partner
Membership No: 101119

Place : Mumbai
Date : April 18, 2016

For and on behalf of the Board of Directors

Directors

Chief Executive Officer
Chief Financial Officer
Company Secretary

Place : Mumbai
Date : April 15, 2016

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Lav Chaturvedi
Sujal Shah
R. B. Barman
Asokan Arumugam
Ramesh Shetty
Neema Tiwari

1. Company Overview

Reliance Asset Reconstruction Company Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company has obtained Certificate of Registration from Reserve Bank of India on February 14, 2008, to act as a Securitisation Company/ Reconstruction Company. The Company is in the business of asset reconstruction and securitization in all forms and to acquire, hold, manage, assign NPA loan assets (of Banks or Financial Institutions) with or without underlying securities, and recover from the Borrower/ underlying securities or dispose off the loan assets to other body corporate, co-operative societies, firms or individuals.

2. Significant Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto as prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended], the other relevant provisions of the Companies Act, 2013 and the guidelines prescribed by the Reserve Bank of India, to the extent applicable.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

The Ministry of Corporate Affairs(MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated 30 March 2016. The said notification read with Rule 3(2) of the Companies (Accounting Standards) Rules, 2006 is applicable to accounting period commencing on or after the date of notification i.e. 1 April 2016.

A) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

B) Tangible and Intangible fixed assets

Tangible and Intangible Assets are stated at cost inclusive of incidental expenses less accumulated depreciation. Assets costing less than ₹ 5,000 are fully depreciated in the year of purchase.

Depreciation on Tangible and Intangible Assets is

calculated on a Straight Line Basis over the estimated useful lives of the assets as prescribed under Schedule II to the Companies Act, 2013. The Company has used the following rates to provide depreciation on its Tangible and Intangible assets.

Sr No.	Asset	Useful life
1	Computers	3 Years
2	Computer Software	3 Years
3	Furniture and Fixtures	10 Years
4	Office Equipment	5 Years

C) Investments :

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Considering RBI guidelines on Investment in Security Receipts where underlying cash flows are dependent on realization from non performing assets, it is classified as available for sale. Hence an investment in SRs has been aggregated for the purpose of arriving at net depreciation/ appreciation of investments under the category. Net depreciation, if any has been provided for. Net Appreciation, if any has been ignored.

D) Contractual Rights in Loan Assets

The Company acquires contractual rights in Non Performing Loans (NPLs) from Banks and Financial Institutions. Contractual Rights in NPLs pending resolutions/ realisation are carried at cost. The Company follows the Guidelines issued by the Reserve Bank of India to provide for NPLs as applicable for Assets Reconstruction Company / Securitisation Company on own loan assets and provision for NPLs are made accordingly.

E) Impairment of Loan Assets

The carrying amount of the Company's Contractual Rights in Loan Assets (NPLs) is reviewed at each balance sheet date based on internal / external factors, impairment loss, if any, is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

F) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured and realiability is reasonably certain.

i) Trusteeship and Incentive fees:

Trusteeship Fees are accrued in terms of the provisions of the relevant trust deed / offer document. As per RBI guidelines, trusteeship fees accrued and not realised within 180 days from the date of expiry of the planning period is reversed, and unrealised management fee recognized after the planning period is reversed within 180 days from the date of recognition.

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

ii) Coupon on Security Receipts:

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

Notes to Financial Statements as at March 31, 2016

iii) **Profit on Redemption of Security Receipts:**

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

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

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

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

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

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

vi) **Interest Income:**

Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

G) **Retirement and other employee benefits**

Provident Fund:

Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Gratuity:

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise. The gratuity plan is funded through a Gratuity Trust fund set up during the year with Reliance Life Insurance Company Limited.

Compensated Absences:

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of the each year. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

H) **Employees Phantom Stock Plan 2015:**

During the year 2015-16, the company had announced Cash-settled Employee Phantom Stock Plan 2015 for the eligible employees of the company. Under the scheme, 10,83,200 phantom stock units have been granted on October 01, 2015 vide approval by the board appointed committee resolution dated October 12, 2015. Phantom Stock Options granted under Scheme would vest at 20% per year, within not less than 1 year and not more than 5 years from the last date of vesting of such Options.

The option as per scheme is being calculated at Excess of fair market value of a share on the date of exercise being Net worth multiplied by two (2) determined over and above the predetermined Base Price. The first vesting would happen on October 01, 2016.

The company has recognised the liability towards this in accordance with the guidance note issued by Institute of Chartered Accountants of India on accounting for Employee Share-based Payments. Since these are Cash Settled, the company has followed the accounting guidance applicable to share appreciation rights (SAR) per the guidance note.

I) **Current and Deferred Tax**

Tax expense comprises current and deferred tax.

Current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

J) **Earnings Per Share**

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion or the dilutive potential equity shares.

K) **Provisions and Contingencies**

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

L) **Cash and Cash Equivalent :**

In the Cash Flow Statement, cash and cash equivalents include balance with banks in current account and demand deposits with banks with original maturities of three months or less.

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2016

(All amount in ₹)

	As at March 31, 2016	As at March 31, 2015
3 Share Capital		
Authorised		
1500,00,000 (March 31, 2015:1000,00,000) Equity Shares of ₹ 10 each	15000,00,000	10000,00,000
100,00,000 (March 31, 2015:100,00,000) Preference Shares of ₹ 10 each	1000,00,000	1000,00,000
Total	16000,00,000	11000,00,000
The Company has increased its Authorized Equity Share Capital during the year from ₹10000,00,000 to ₹ 15000,00,000 vide Shareholder Resolution dated August 31, 2015.		
Issued, Subscribed and Fully Paid Up		
1000,00,000 (March 31, 2015:1000,00,000) Equity Shares of ₹ 10 each	10000,00,000	10000,00,000
Total	10000,00,000	10000,00,000

(a) Reconciliation of Number of Shares

Equity Shares	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	1000,00,000	10000,00,000	1000,00,000	10000,00,000
Add: Shares issued during the year	-	-	-	-
Balance as at the end of the year	1000,00,000	10000,00,000	1000,00,000	10000,00,000

(b) Terms / Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 10 per share. Each Equity Share holder is entitled to one vote per share.

For the year ended March 31, 2016 the amount of per share dividend recognised as distributable to Equity Share holders is ₹ 0.30 (March 31, 2015 ₹ 0.30). The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Director is subject to the approval of the Share holders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of Equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distributions will be in proportion to the number of Equity Shares held by the shareholders.

(c) Shares held by Sponsor Companies

	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Amount	Number of shares	Amount
Equity Shares of ₹ 10 each fully paid held by				
Reliance Capital Limited	490,00,000	4900,00,000	490,00,000	4900,00,000
Corporation Bank	115,00,000	1150,00,000	115,00,000	1150,00,000
Indian Bank	115,00,000	1150,00,000	115,00,000	1150,00,000

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

	As at March 31, 2016		As at March 31, 2015	
	Number of shares	% Holding	Number of shares	% Holding
Reliance Capital Limited	490,00,000	49.00%	490,00,000	49.00%
Corporation Bank	115,00,000	11.50%	115,00,000	11.50%
Indian Bank	115,00,000	11.50%	115,00,000	11.50%
Dacecroft Limited	95,00,000	9.50%	95,00,000	9.50%
General Insurance Corporation of India	90,00,000	9.00%	90,00,000	9.00%
Blue Ridge Limited Partnership	58,90,000	5.89%	58,90,000	5.89%
	963,90,000	96.39%	963,90,000	96.39%

Notes to Financial Statements for the year ended March 31, 2016

	As at March 31, 2016	(All amount in ₹) As at March 31, 2015
4 Reserves and Surplus		
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	2942,57,028	2503,51,029
Profit for the year	970,51,924	800,66,841
Less: Effect of changes in depreciation policy as per Companies Act 2013	-	(18,441)
Less: Proposed Dividend	(300,00,000)	(300,00,000)
Less: Tax on Proposed Dividend	(61,07,294)	(61,42,401)
Balance as at the end of the year	<u>3552,01,658</u>	<u>2942,57,028</u>
5 Long- Term Borrowings		
Unsecured		
Inter Corporate Loans	<u>10000,00,000</u>	<u>2500,00,000</u>
	<u>10000,00,000</u>	<u>2500,00,000</u>
<p>The Company availed Inter Corporate Loan from Reliance Capital Asset Management Limited and it carries interest @12.5% p.a. (March 2015: 12.50%). The loan is repayable after one year and one day with automatic renewal for further two years as mutually agreed. The loan is availed for the purpose of acquisition of Non Performing Assets (NPA) from Banks/Financial Institutions.</p>		
6 Long- Term Provisions		
Provision for Employee Benefits (refer note 22)		
- Provision for Gratuity	-	18,17,891
- Provision for Compensated Absences	9,17,535	5,30,170
- Provision for SARs (refer note 29)	2,16,640	-
	<u>11,34,175</u>	<u>23,48,061</u>
7 Short- Term Borrowings		
Secured		
Bank Overdraft	-	1338,31,056
	<u>-</u>	<u>1338,31,056</u>
<p>The Company availed overdraft facility from Kotak Mahindra Bank (previously known as ING Vysya Bank) and the facility was secured on first charge on all current assets and non current assets of the company. The overdraft facility carries interest @12.50% p.a (March 2015: 13.00%). During the year Company repaid the total dues which was availed for the purpose of acquisition of Non Performing Assets (NPA) from Banks/Financial Institutions.</p>		
8 Trade Payables		
(a) Total outstanding dues of micro enterprises and small enterprises and	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises*		
(i) Acceptances	-	-
(ii) Others	31,30,776	15,46,038
	<u>31,30,776</u>	<u>15,46,038</u>

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

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2016

(All amount in ₹)

	As at March 31, 2016	As at March 31, 2015
9 Other Current Liabilities		
Income Received in Advance	976,85,620	1031,61,576
Employee Benefits Payable	60,50,000	50,00,000
Statutory due including Provident Fund and Tax Deducted at Source Payable	21,87,869	35,21,409
Other Payables**	118,96,368	124,38,087
	<u>1178,19,857</u>	<u>1241,21,072</u>
** There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.		
10 Short term Provisions		
Provision for Employee Benefit (refer note 22)		
- Provision for Gratuity	11,96,803	54,807
- Provision for Compensated Absences	27,267	16,883
	<u>12,24,070</u>	<u>71,690</u>
Provision for Proposed Dividend	300,00,000	300,00,000
Provision for Dividend Distribution Tax on Proposed Dividend	61,07,295	61,42,401
	<u>373,31,365</u>	<u>362,14,091</u>

11 Fixed assets

(All amount in ₹)

Particulars	Gross Block				Depreciation /Amortisation			Net Block	
	As at April 1, 2015	Additions during the year	Deductions during the year	As at March 31, 2016	As at April 01, 2015	For the Year	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
A. Tangible									
Computers	4,62,884	11,75,116	-	16,38,000	1,06,260	4,50,538	5,56,798	10,81,202	3,56,624
Office equipment	-	36,469	-	36,469	-	6,634	6,634	29,835	-
Furniture and Fixture	16,800	45,948	-	62,748	1,924	5,278	7,202	55,546	14,876
Total	4,79,684	12,57,533	-	17,37,217	1,08,184	4,62,450	5,70,634	11,66,583	3,71,500
B. Intangible									
Software	4,49,440	-	-	4,49,440	27,500	1,49,813	1,77,313	2,72,127	4,21,940
Total	4,49,440	-	-	4,49,440	27,500	1,49,813	1,77,313	2,72,127	4,21,940
Grand Total	9,29,124	12,57,533	-	21,86,657	1,35,684	6,12,263	7,47,947	14,38,710	7,93,440
Previous Year	55,800	8,73,324	-	9,29,124	20,716	1,14,968	1,35,684	7,93,440	-

Notes to Financial Statements for the year ended March 31, 2016

	(All amount in ₹)	
	As at March 31, 2016	As at March 31, 2015
12 Non-Current Investments		
Unquoted		
Reliance ARC – VB PILVE Trust		
1,628 (Previous year: 1,628) Security Receipts of ₹ 1,000 each	16,28,000	16,28,000
Less: Provision for Diminution in value of Investment	-	16,28,000
	16,28,000	-
Reliance ARC – AL Plus Trust		
NIL (Previous year: 4,022) Security Receipts of ₹ 1,000 each	-	40,22,000
Less: Provision for Diminution in value of Investment	-	-
	-	40,22,000
Reliance ARC – LVB Trust		
10,415 (Previous year: 10,415) Security Receipts of ₹ 1,000 each	104,15,000	104,15,000
Less: Provision for Diminution in value of Investment	-	5,20,750
	104,15,000	98,94,250
Reliance ARC – CB SOCL Trust		
3,365 (Previous year: NIL) Security Receipts of ₹ 1,000 each	33,65,000	-
Reliance ARC – INB Retail Portfolio Trust (2013)		
2,95,648 (Previous year: 3,24,384) Security Receipts of ₹ 1,000 each	2956,48,000	3243,84,000
Reliance ARC – INB Tristar Trust		
NIL (Previous year: 9,100) Security Receipts of ₹ 1,000 each	-	91,00,000
Reliance ARC – CUB (2014) Trust		
1,22,106 (Previous year: 1,47,694) Security Receipts of ₹ 1,000 each	1221,06,000	1476,94,000
Reliance ARC – AUCB 2014 (1) Trust		
14,442 (Previous year: 15,404) Security Receipts of ₹ 1,000 each	144,42,000	154,04,000
Reliance ARC – CUB Sarvana Trust (2014)		
52,000 (Previous year: 52,000) Security Receipts of ₹ 1,000 each	520,00,000	520,00,000
Reliance ARC – SBI Maan Sarovar Trust		
8,838 (Previous year: 8,838) Security Receipts of ₹ 1,000 each	88,38,000	88,38,000
Reliance ARC – CUB (HL & SME)(2014) Trust		
26,298 (Previous year 32,094) Security Receipts of ₹ 1,000 each	262,98,000	320,94,000
Reliance ARC – CUB (CTRPL) (2014) Trust		
13,509 (Previous year: 13,752) Security Receipts of ₹ 1,000 each	135,09,000	137,52,000
Less: Provision for Diminution in value of Investment	-	6,87,600
	135,09,000	130,64,400
Reliance ARC – CUB SDPL Trust (2014)		
35,500 (Previous year: 35,500) Security Receipts of ₹ 1,000 each	355,00,000	355,00,000
Reliance ARC 001 Trust		
2,06,676 (Previous year: 2,06,676) Security Receipts of ₹ 1,000 each	2066,76,000	2066,76,000

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2016

	(All amount in ₹)	
	As at March 31, 2016	As at March 31, 2015
Reliance ARC 002 Trust 8,069 (Previous year: 11,124) Security Receipts of ₹ 1,000 each	80,69,000	111,24,000
Reliance ARC 004 Trust 3,74,310 (Previous year: 4,19,190) Security Receipts of ₹ 1,000 each	3743,10,000	4191,90,000
Reliance ARC 005 Trust 37,121 (Previous year: 37,121) Security Receipts of ₹ 1,000 each	371,21,000	371,21,000
Reliance ARC 006 Trust 56,093 (Previous year: 58,489) Security Receipts of ₹ 1,000 each	560,93,000	584,89,000
Reliance ARC 007 trust 1,76,977 (Previous year: 1,87,000) Security Receipts of ₹ 1,000 each	1769,77,000	1870,00,000
Reliance ARC 008 trust 43,202 (Previous year: 65,320) Security Receipts of ₹ 1,000 each	432,02,000	653,20,000
Reliance ARC 010 trust 34,500 (Previous year: 34,500) Security Receipts of ₹ 1,000 each	345,00,000	345,00,000
Reliance ARC 011 trust 75,388 (Previous year: NIL) Security Receipts of ₹ 1,000 each	753,88,000	-
Reliance ARC 012 trust 23,190 (Previous year: NIL) Security Receipts of ₹ 1,000 each	231,90,000	-
Reliance ARC 015 trust 1,41,997 (Previous year: NIL) Security Receipts of ₹ 1,000 each	1419,97,000	-
Reliance ARC 016 trust 23,565 (Previous year: NIL) Security Receipts of ₹ 1,000 each	235,65,000	-
Reliance ARC 013 trust 5,204 (Previous year: NIL) Security Receipts of ₹ 1,000 each	52,04,000	-
RELIANCE ARC SBI (HYD) 021 TRUST 12,554 (Previous year: NIL) Security Receipts of ₹ 1,000 each	125,54,000	-
RELIANCE ARC SBI (CHN) 018 TRUST 1,34,963 (Previous year: NIL) Security Receipts of ₹ 1,000 each	1349,63,000	-
RELIANCE ARC SBI (MUM) 020 TRUST 13,269 (Previous year: NIL) Security Receipts of ₹ 1,000 each	132,69,000	-
RELIANCE ARC SBI (BHO) 019 TRUST 16,468 (Previous year: NIL) Security Receipts of ₹ 1,000 each	164,68,000	-
RELIANCE ARC SBI (CHN) 022 TRUST 2,83,071 (Previous year: NIL) Security Receipts of ₹ 1,000 each	2830,71,000	-
	22503,66,000	16714,14,650
Aggregate amount of Unquoted Investments at Cost	22503,66,000	16742,51,000
Aggregate provision for Diminution in value of Investments	-	28,36,350

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2016

(All amount in ₹)

	As at March 31, 2016	As at March 31, 2015
13 Deferred Tax (Liabilities) /Assets (Net)		
Deferred Tax Liabilities		
Depreciation	(1,41,885)	(60,321)
	(1,41,885)	(60,321)
Deferred Tax Assets		
Provision for Diminution in value of Investments	-	9,64,075
Provision for Diminution in value of Loan Assets	-	38,39,171
Provision for SARs	74,975	-
Provision for Doubtful advances	5,57,562	-
Provision for Gratuity	4,14,190	6,36,530
Provision for Compensated Absences	3,26,978	1,85,943
	13,73,705	56,25,719
	12,31,820	55,65,398
14 Long Term Loans and Advances		
Secured, Considered Good		
Contractual Rights in Loan Assets* (refer note 19)	-	1129,50,000
Less: Provision for Diminution in value of Loan Assets	-	(112,95,000)
	-	1016,55,000
Trust Fund	33,000	23,000
Advance Tax / Tax deducted at source (Net of Provision of ₹ 1293,66,312 (March 31, 2015 ₹ 1175,87,915))	36,93,718	172,22,735
	37,26,718	11,89,00,735
* Contractual Rights in Loan Assets represent Financial Assets acquired directly by the Company as permitted by Reserve Bank of India in terms of its Circular dated April 21, 2010. During the previous year Loan asset worth ₹ 4197,89,885 were transferred to Reliance ARC 004 Trust, vide agreement dated: November 12, 2014.		
15 Current Investments		
Current portion of Long term Investments (Unquoted)		
Reliance ARC – INB Tristar Trust		
1,561 (Previous year:NIL) Security Receipts of ₹ 1,000 each	15,61,000	-
Reliance ARC – CB SOCL Trust*		
NIL (Previous year: 3,365) Security Receipts of ₹ 1,000 each	-	33,65,000
Less: Provision for Diminution in value of Investment	-	-
	-	33,65,000
	15,61,000	33,65,000
Aggregate amount of Unquoted Investments at Cost	15,61,000	33,65,000
*During the current year, tenure of Trust has been extended from 5 to 8 years and hence reclassified under Unquoted "Non Current Investment"		
16 Trade Receivables		
Unsecured and considered good		
Outstanding for a period more than 6 months	18,82,248	94,69,271
Others	341,15,465	227,14,940
	359,97,713	321,84,211
17 Cash and Bank Balances		
Bank Balances in		
Current Account	244,13,598	14,06,738
Fixed Deposits with original maturity of less than 3 months	750,76,385	76,385
	994,89,983	14,83,123

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2016

	(All amount in ₹)	
	As at March 31, 2016	As at March 31, 2015
18 Short- Term Loans and Advances		
Unsecured and considered good unless stated otherwise		
Advances receivable in cash or kind of for value to be received		
Service Tax Recoverable	3,48,519	-
Others	14,67,848	1,06,808
Advances to Trust	102,62,373	81,54,852
Less: Provision for doubtful debts	16,11,082	-
	<u>86,51,291</u>	<u>81,54,852</u>
	<u>104,67,658</u>	<u>82,61,660</u>
Secured, Considered Good		
Receivable on Assignment of Contractual Rights in Loan Assets	-	3,47,219
Less : Defferred Income on Assignment of Contractual Rights	-	-
	-	3,47,219
Less: Provision for Diminution in valuation of Loan Assets	-	3,47,219
Contractual Rights in Loan Assets	-	-
	<u>104,67,658</u>	<u>86,08,879</u>
19 Other Current Assets		
Assets acquired (Residential Property) in lieu of debt*	1103,32,500	-
Interest accrued on Fixed Deposits with maturity of less than 12 months	5,729	1,910
	<u>1103,38,229</u>	<u>1,910</u>

* During the year, The Company has acquired a Residential Property by enforcing SARFAESI guidelines, The said asset was acquired in lieu of debt outstanding of ₹ 1030,00,000 disclosed under contractual right in Loan Assets (Schedule 14) as at March 31, 2015. The company has accounted profit of ₹ 20,50,000 shown under Note 20.

	(All amount in ₹)	
	Year ended March 31, 2016	Year ended March 31, 2015
20 Revenue from Operations		
Trusteeship Fees	2105,59,428	1793,86,371
Coupon on Security Receipts	-	110,65,000
Incentive Fees	337,42,661	-
Profit on Redemption of Security Receipts	273,84,195	56,43,000
Profit on Loan Assets	120,19,445	-
Commission	39,76,911	-
	<u>2876,82,640</u>	<u>1960,94,371</u>
21 Other Income		
Interest on Fixed Deposits	32,10,581	47,00,251
Interest on Advance given to trusts	10,17,808	-
Interest on Income Tax Refund	18,97,970	-
Miscellaneous Income	1,41,000	75,688
Provisions written back	141,31,350	50,42,150
	<u>203,98,709</u>	<u>98,18,089</u>

Notes to Financial Statements for the year ended March 31, 2016

	(All amount in ₹)	
	Year ended March 31, 2016	Year ended March 31, 2015
22 Employee Benefit Expenses		
Salary, Bonus and Allowances	435,53,694	312,73,051
Staff welfare expenses	9,67,830	8,82,608
Contribution to Provident Fund and other funds	21,39,938	15,31,116
Employee Compensation Expenses (Refer note 29)	2,16,640	-
Gratuity	23,20,100	10,63,380
Compensated Absences	8,07,846	2,09,264
	500,06,048	349,59,419

	(All amount in ₹)	
	Year ended March 31, 2016	Year ended March 31, 2015
(a) Defined Contribution Plan		
Amount recognised in the Statement of Profit and Loss		
(i) Provident fund paid to Authorities	15,40,506	12,88,284
(ii) Pension fund paid to Authorities	2,08,824	99,299
(iii) Others	3,90,608	1,43,533
	21,39,938	15,31,116

(b) Gratuity:
Disclosures required as per the Accounting Standard 15, Employee Benefits (Revised 2005) ("AS 15"), issued by the Institute of Chartered Accountants of India are as under.

	(All amount in ₹)	
	As at March 31, 2016	As at March 31, 2015
I Assumptions as at		
Mortality Rate	Indian Assured Lives Mortality (2006-08) 8.06%	Indian Assured Lives Mortality (2006-08) 7.92%
Discount Rate	6.00%	5.00%
Salary Escalation Rate	8.06%	0.00%
Rate of Return (expected) on Plan Assets		2% throughout
Withdrawal Rate		
Retirement Age	58	58
Expected average remaining service	16	13
Period of Accounting	April 1, 2015 to March 31, 2016	April 1, 2014 to March 31, 2015
	March 31, 2016	March 31, 2015

I. Data Information

Number of Members	21	10
Total monthly salaries	14,09,217	9,02,879
Average Age	37.86	41.9
Average Service (years)	2.52	3.3

II Changes in Present Value of Obligations

PVO at beginning of year	18,72,698	18,44,456
Interest Cost	1,48,318	1,66,001
Current Service Cost	2,68,683	2,43,831
Benefits Paid	-	(10,35,138)
Actuarial (Gain)/ Loss on Obligation	4,11,405	6,53,548
PVO at end of year	27,01,104	18,72,698

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2016

(All amount in ₹)

	March 31, 2016	March 31, 2015
III Changes in Fair Value of Plan Assets		
Fair Value of Plan Assets at beginning of year	-	-
Expected Return on Plan Assets	-	-
Contributions	14,70,967	10,35,138
Benefit Paid	-	(10,35,138)
Actuarial Gain/(Loss) on Plan Assets	33,335	-
Fair Value of Plan Assets at end of year	15,04,302	-
IV Fair Value of Plan Assets		
Fair Value of Plan Assets at beginning of year	-	-
Actual Return on Plan Assets	33,335	-
Contributions	14,70,967	10,35,138
Benefit Paid	-	(10,35,138)
Fair Value of Plan Assets at end of year	15,04,302	-
Funded Status	(11,96,802)	(18,72,698)
Excess of actual over estimated return on Plan Assets	33,335	-
V Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the year (Obligation)	(4,11,405)	(6,53,548)
Actuarial Gain/(Loss) for the year (Plan Assets)	33,335	-
Total Gain/(Loss) for the year	(3,78,070)	(6,53,548)
Actuarial Gain/(Loss) recognized for the year	(3,78,070)	(6,53,548)
Unrecognized Actuarial Gain/(Loss) at end of year	-	-
VI Amounts to be recognized in the Balance Sheet and Statement of Profit and Loss		
PVO at end of year	27,01,104	18,72,698
Fair Value of Plan Assets at end of year	-	-
Funded Status	(11,96,802)	(18,72,698)
Unrecognized Actuarial Gain/(Loss)	-	-
Net Asset/(Liability) recognized in the Balance Sheet	(11,96,802)	(18,72,698)
VII Expense recognized in the Statement of Profit and Loss		
Current Service Cost	2,68,683	2,43,831
Interest cost	1,48,318	1,66,001
Expected Return on Plan Assets	0	0
Net Actuarial Gain/ (Loss) recognized for the year	3,78,070	6,53,548
Others	15,25,029	
Expense recognized in the Statement of Profit and Loss	23,20,100	10,63,380
VIII Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	18,72,698	18,44,456
Expenses as above	7,95,071	10,63,380
Contribution paid	(14,70,967)	(10,35,138)
Closing Net Liability	11,96,802	18,72,698
IX. Break up of total liabilities as per Revised Schedule III of Companies Act.		
Current Liabilities	11,96,802	54,807
Non-Current Liability	-	18,17,891
Total Liability	11,96,802	18,72,698

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2016

(All amount in ₹)

	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
X. Experience Adjustments Information:					
Defined benefit obligation at end of period	27,01,104	18,72,698	18,44,456	14,62,986	11,84,872
Plan Assets at end of period (No Fund)	15,04,302	-	-	-	-
Funder status - Surplus / (Deficit)	(11,96,802)	(18,72,698)	(18,44,456)	(14,62,986)	(11,84,872)
Actuarial (gain/loss) due to change in basis	29,764	1,98,005	(81,174)	-	-
Actuarial (gain/loss) due to change in data	3,48,306	4,55,543	4,40,765	1,09,256	9,17,694
Total Actuarial (gain/loss) in Liabilities	3,78,070	6,53,548	3,59,591	1,09,256	9,17,694
Experience (gain/loss) in Plan Assets	-				-

(All amount in ₹)

		As at	
		March 31, 2016	March 31, 2015
(c) Compensated Absences :			
I Assumptions as at			
Mortality Rate		Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Discount Rate		8.06%	7.92%
Salary Escalation rate		6.00%	5.00%
Rate of Return (expected) on Plan Assets		0.00%	-
Withdrawal Rate		2%throughout	2%throughout
Retirement Age		58	58
Expected average remaining service		8	13
Period of Accounting		April 1, 2015 to March 31, 2016	April 1, 2014 to March 31, 2015
I. Data Information			
Number of members		4	10
Total Monthly Salaries		12,13,914	21,08,160
Average Age		48.50	42
Average Leave Balance		20.38 days	10
II Changes in Present Value of Obligations			
PVO at beginning of year		5,47,053	5,73,744
Interest Cost		43,327	51,637
Current Service Cost		3,17,978	3,00,143
Benefits Paid		(4,10,097)	(2,35,955)
Actuarial (Gain)/Loss on Obligation		4,46,541	(1,42,516)
PVO at end of year		9,44,802	5,47,053
III Changes in fair value of Plan Assets			
Fair Value of Plan Assets at beginning of year		-	-
Expected Return on Plan Assets		-	-
Contributions		4,10,097	2,35,955
Benefit Paid		(4,10,097)	(2,35,955)
Actuarial Gain/(Loss) on Plan Assets		-	-
Fair Value of Plan Assets at end of year		-	-
IV Fair Value of Plan Assets			
Fair Value of Plan Assets at beginning of year		-	-
Actual Return on Plan Assets		-	-
Contributions		4,10,097	2,35,955
Benefit Paid		(4,10,097)	(2,35,955)
Fair Value of Plan Assets at end of year		-	-
Funded Status		(9,44,802)	(5,47,053)
Excess of actual over estimated return on Plan Assets		-	-

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2016

(All amount in ₹)

	As at	
	March 31, 2016	March 31, 2015
V Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the year (Obligation)	(4,46,541)	1,42,516
Actuarial Gain/(Loss) for the year (Plan Assets)	-	-
Total Gain/(Loss) for the year	(4,46,541)	1,42,516
Actuarial Gain/(Loss) recognized for the year	(4,46,541)	1,42,516
Unrecognized Actuarial Gain/(Loss) at end of year	-	-
VI Amounts to be recognized in the Balance Sheet and Statement of Profit and Loss		
PVO at end of year	9,44,802	5,47,053
Fair Value of Plan Assets at end of year	-	-
Funded Status	(9,44,802)	(5,47,053)
Unrecognized Actuarial Gain/(Loss)	-	-
Net Asset/(Liability) recognized in the Balance Sheet	(9,44,802)	(5,47,053)
VII Expense recognized in the Statement of Profit and Loss		
Current Service Cost	3,17,978	3,00,143
Interest Cost	43,327	51,637
Expected Return on Plan Assets	-	-
Net Actuarial Gain/(Loss) recognized for the year	4,46,541	(1,42,516)
Expense recognized in the Statement of Profit and Loss	8,07,846	2,09,264
VIII Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	5,47,053	5,73,744
Expenses as above	8,07,846	2,09,264
Contribution paid	(4,10,097)	(2,35,955)
Closing Net Liability	9,44,802	5,47,053
IX. Break up of total liabilities as per Revised Schedule III of Companies Act.		
Current Liabilities	27,267	16,883
Non-Current Liability	9,17,535	5,30,170
Total Liability	9,44,802	5,47,053

	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
X. Experience Adjustments Information:	9,44,802	5,47,053	5,73,744	5,56,831	5,13,176
Defined benefit obligation at end of period	-	-	0	-	-
Plan Assets at end of period (No Fund)	Unfunded	(5,73,744)	(5,73,744)	(5,56,831)	(5,13,176)
Funder status - Surplus / (Deficit)	44,302	54,017	(8,711)	-	-
Actuarial (gain/loss) due to change in basis	4,02,239	(1,96,533)	30,123	(13,104)	4,94,478
Actuarial (gain/loss) due to change in data	4,46,541	(1,42,516)	21,412	(13,104)	4,94,478
Total Actuarial (gain/loss) in Liabilities	-	-	-	-	-
Experience (gain)/loss in Plan Assets	-	-	-	-	-

(All amount in ₹)

	Year ended March 31, 2016	Year ended March 31, 2015
23 Finance Costs		
Interest on Borrowings	752,99,226	172,62,262
Bank Charges	21,534	31,687
	753,20,760	172,93,949

Notes to Financial Statements for the year ended March 31, 2016

(All amount in ₹)

	Year ended March 31, 2016	Year ended March 31, 2015
24 Other Expenses		
Professional and Legal Charges	98,31,075	51,72,058
Premises Rent & Electricity Expenses	64,49,802	28,25,002
Payment to Auditors		
- Statutory Audit Fees	6,00,000	4,00,000
- Limited Review Fees	2,50,000	-
- Out of Pocket Expenses	8,500	7,500
Provisions for Loan Assets(Net)	-	97,91,974
Provision for doubtful debts	16,11,082	-
Expenses on investments in security receipts	-	16,15,998
Recovery Commission	9,33,800	-
Expenses on loan assets	4,13,470	39,94,059
Director's Sitting Fees	18,89,000	17,00,000
Travelling Expenses	10,46,037	5,05,816
Business Development Expenses	24,86,863	6,96,707
Telephone Expenses	6,23,503	1,56,390
Stamp Duty & Processing Fees	47,51,000	22,52,000
Repair & Maintenance	6,61,786	-
Expenditure towards Corporate Social Responsibility (CSR) activities (refer note 24 (a))	23,37,335	26,00,000
Service Tax	16,61,038	-
Miscellaneous Expenses	15,70,435	3,89,169
	371,24,726	321,06,673

(a) Corporate Social Responsibility Expenditure

Gross amount required to be spent by the company during the year

Amount spent during the year on:

	In cash	Yet to be paid in cash	Total
1) Construction/acquisition of any asset	-	-	-
2) On purposes other than (1) above	23,37,335	-	23,37,335

(All amount in ₹)

	March 31, 2016	March 31, 2015
25 Earning per Equity Share		
Basic/ Diluted		
Profit after Tax	970,51,924	800,66,841
Weighted average number of Equity Shares	1000,00,000	1000,00,000
Basic Earning Per Share	0.97	0.80
26 Dividend remitted in foreign currency		
Dividend paid during the year	28,50,000	28,50,000
Number of non-resident shareholder	1	1
Number of equity shares held by non-resident shareholder	95,00,000	95,00,000
Year to which the dividends relates to	2014 - 2015	2013 - 2014

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2016

27 Related Party Disclosures

(i) List of Related Parties and their relationship

	<u>Nature of relationship</u>	<u>Related Party</u>																																				
A	Investor Company (Significant Influence exists)	Reliance Capital Limited																																				
	Subsidiary of Investor Company	Reliance Capital Asset Management Limited																																				
B	Key Management Personnel	a) <u>Mr. Asokan Arumugam</u> (w.e.f August 01, 2014) Chief Executive Officer b) <u>Mr. Ramesh Shetty</u> (w.e.f January 15, 2016) Chief Financial Officer c) <u>Mr. Narayanaswamy Iyer</u> (till November 8, 2015) d) <u>Ms. Neema Tiwari</u> Company Secretary (w.e.f July 01, 2013) e) <u>Mr. Sandeep Vrat</u> (till October 09, 2014)																																				
C	Trust to which the Company acts as trustee	<table border="0"> <tr> <td>RARC AL Trust</td> <td>RARC 001 Trust</td> </tr> <tr> <td>RARC AL Plus Trust</td> <td>RARC 002 Trust</td> </tr> <tr> <td>RARC CB SOCL Trust</td> <td>RARC 004 Trust</td> </tr> <tr> <td>RARC IB Chennai Trust</td> <td>RARC 005 Trust</td> </tr> <tr> <td>RARC VB Pilve Trust</td> <td>RARC 006 Trust</td> </tr> <tr> <td>RARC INB Retail</td> <td>RARC 007 Trust</td> </tr> <tr> <td>Portfolio Trust (2013)</td> <td>RARC 008 Trust</td> </tr> <tr> <td>RARC LVB Trust (1)</td> <td>RARC 010 Trust</td> </tr> <tr> <td>RARC INB Tristar Trust</td> <td>RARC 011 Trust</td> </tr> <tr> <td>RARC CUB (2014) Trust</td> <td>RARC 012 Trust</td> </tr> <tr> <td>RARC AUCB 2014 (1) Trust</td> <td>RARC 013 Trust</td> </tr> <tr> <td>RARC CUB Sarvana Trust (2014)</td> <td>RARC 015 Trust</td> </tr> <tr> <td>RARC SBI Maan Sarovar Trust</td> <td>RARC 016 Trust</td> </tr> <tr> <td>RARC CUB (HL & SME)(2014) Trust</td> <td>RARC SBI (HYD) 021 TRUST</td> </tr> <tr> <td>RARC CUB (CTRPL) (2014) Trust</td> <td>RARC SBI (CHN) 018 TRUST</td> </tr> <tr> <td>RARC CUB SDPL Trust (2014)</td> <td>RARC SBI (BHO) 019 TRUST</td> </tr> <tr> <td></td> <td>RARC SBI (MUM) 020 TRUST</td> </tr> <tr> <td></td> <td>RARC SBI (CHN) 022 TRUST</td> </tr> </table>	RARC AL Trust	RARC 001 Trust	RARC AL Plus Trust	RARC 002 Trust	RARC CB SOCL Trust	RARC 004 Trust	RARC IB Chennai Trust	RARC 005 Trust	RARC VB Pilve Trust	RARC 006 Trust	RARC INB Retail	RARC 007 Trust	Portfolio Trust (2013)	RARC 008 Trust	RARC LVB Trust (1)	RARC 010 Trust	RARC INB Tristar Trust	RARC 011 Trust	RARC CUB (2014) Trust	RARC 012 Trust	RARC AUCB 2014 (1) Trust	RARC 013 Trust	RARC CUB Sarvana Trust (2014)	RARC 015 Trust	RARC SBI Maan Sarovar Trust	RARC 016 Trust	RARC CUB (HL & SME)(2014) Trust	RARC SBI (HYD) 021 TRUST	RARC CUB (CTRPL) (2014) Trust	RARC SBI (CHN) 018 TRUST	RARC CUB SDPL Trust (2014)	RARC SBI (BHO) 019 TRUST		RARC SBI (MUM) 020 TRUST		RARC SBI (CHN) 022 TRUST
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RARC CUB (CTRPL) (2014) Trust	RARC SBI (CHN) 018 TRUST																																					
RARC CUB SDPL Trust (2014)	RARC SBI (BHO) 019 TRUST																																					
	RARC SBI (MUM) 020 TRUST																																					
	RARC SBI (CHN) 022 TRUST																																					

Nature of Transactions	Name of Related Party	Amount in ₹							
		Enterprises having significant influence over the Company		Subsidiary of Investor Company		Key Management Personnel		Trust to whom company acts as a trustee	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
A) Finance									
Unsecured Loans Repaid	Reliance Capital Asset Management Limited			7500,00,000	2500,00,000	-	-	-	-
Interest on Unsecured Loan	Reliance Capital Asset Management Limited		-	666,95,205		-	-	-	-
	Reliance Capital Limited	-	3,13,744			-	-	-	-

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2016

Nature of Transactions	Name of Related Party	Enterprises having significant influence over the Company		Subsidiary of Investor Company		Key Management Personnel		Trust to whom company acts as a trustee	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
B) Other Receipts and Payments									
Administrative and Other Expenses	Reliance Capital Limited	30,98,935	45,43,319						
Remuneration	Mr. Asokan Arumugam	-	-			149,54,931	60,66,667		
	Mr. Sandeep Vrat						36,00,259		
	Mr. Narayanaswamy Iyer					22,40,151	22,90,317		
	Mr. Ramesh Shetty					13,04,504			
	Ms. Neema Tiwari					4,37,568	4,25,004		
Profit on Redemption of Security Receipts								2,73,84,195	56,43,000
	Reliance ARC - AL Trust								56,43,000
	Reliance ARC - AL Plus Trust							2,11,24,639	
	RARC IB Chennai Trust							47,21,804	
Coupon on Security receipts									110,65,000
	RARC IB Chennai Trust								110,65,000
Trusteeship Fees								2105,59,428	1793,86,371
	RARC INB Retail Portfolio Trust (2013)							86466008	102480533
	RARC 001 Trust							363,25,958	233,93,067
Incentive fee								337,42,661	
	RARC IB Chennai Trust							244,77,396	
	RARC 015 trust							80,49,862	
Commision								39,76,911	
	RARC IB Chennai Trust							27,32,510	
	Reliance ARC SBI (CHN) 018 Trust							10,24,136	
Interest on short term Loans								10,17,808	
	RARC INB Tristar Trust							1,61,486	
	RARC 015 trust							1,45,018	
C) Outstandings									
Unsecured Loans	Reliance Capital Asset Management Limited			10000,00,000	2500,00,000				
Administrative and Other Expenses	Reliance Capital Limited	10,84,600	5,30,634						
Trade Receivables								359,97,713	321,84,211
	RARC CUB Sarvana Trust (2014)							40,65,967	122,13,895
	RARC 001 Trust							165,44,046	
	RARC LVB trust								45,85,685
	RARC CUB SDPL Trust 2014								84,69,327
Other Payables								81,10,769	124,38,087
	RARC IB Chennai Trust							10,15,217	31,13,681
	RARC INB Retail Portfolio Trust (2013)							12,15,813	20,15,751
	RARC INB Tristar Trust							9,58,583	
	RARC CUB (2014) Trust							15,89,984	
	RARC 004 trust								46,75,755
Advances to Trust								102,62,373	81,54,852
	RARC INB Tristar Trust								
	RARC CUB (2014) Trust								27,36,795
	RARC CUB (HL & SME) (2014) Trust							11,53,012	
	RARC 001 Trust							21,10,081	
	RARC 002 Trust								19,52,139
	RARC 007 Trust							11,24,877	

28 Additional disclosures pursuant to The Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 issued vide Circular no. RBI/2007-2008/9 DNBS (PD) CC. No. 7 / SCRC / 10.30.000/ 2007-2008 dated July 2, 2007 and vide notification no. DNBR.(PD).CC.No. 03/SCRC/26.03.001/2015-16 dated July 01, 2015.

Disclosures made in paragraphs (i) to (xiv) below represent total value of the assets in the respective Trusts subscribed by Reliance Asset Reconstruction Company Limited and the co-investors as also assets directly acquired by the Company.

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2016

- (i) The names and addresses of the Banks/ Financial Institutions from whom Financial Assets were acquired as at March 31, 2016 (since inception) and the value at which such assets were acquired from each such Bank/ Financial Institutions:

Name of the Bank / Financial Institution	Address	Acquisition price (₹)	
		March 31, 2016	March 31, 2015
Asset Reconstruction Company (India) Limited	Shreepati Arcade, August Kranti Marg, Nana Chowk, Mumbai 400036	68,18,000	68,18,000
Corporation Bank	Managala Devi Temple Road, Mangalore 575001	249,00,000	249,00,000
Dena Bank	Dena Corporate Centre, C-10, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051	214,62,000	214,62,000
Indian Bank	66,Rajaji Salai, Chennai – 600 001	90967,82,000	90967,82,000
Central Bank of India	Chandramukhi, Nariman Point, Mumbai – 400 021	243,00,000	243,00,000
Vijaya Bank	41/2, M G Road, Bengaluru, Karnataka – 560 001	990,00,000	990,00,000
IFCI	IFCI Tower, 61, Nehru Place, New Delhi – 110 192	2000,00,000	2000,00,000
IDBI Bank Limited	IDBI Tower, Cuffe Parade, Mumbai – 400005	1226,00,000	1226,00,000
Union Bank of India	Union Bank Bhavan, 239, Vidhan Bhavan Marg, Mumbai 400 021	625,00,000	625,00,000
Industrial Investment Bank of India Limited	19, Netaji Subhash Road, Kolkatta – 700 001	550,00,000	550,00,000
City Union Bank Limited	24-80, Raja Bahadur Compound, Ambalala Doshi Marg, Fort, Mumbai – 400 023	283,97,64,000	283,97,64,000
Laxmi Vilas Bank	Salem Road, Kathaprai, Karur – 639 006. Tamil Nadu	11845,29,000	10299,29,000
UCO Bank	10, B T M Sarani, Kolkata – 700 001, West Bengal	151,00,000	151,00,000
Yes Bank	Indiabulls Finance Centre, Tower II, Senapati Marg, Elphinstone (W), Mumbai – 400 013	1030,00,000	1030,00,000
The Saraswat Co-operative Bank Ltd.	953, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025	375,00,000	375,00,000
Abhyudaya Co-operative Bank Limited	Shram Safalya, 63, G D Ambekar Marg, Parel Village, Mumbai – 400 012	325,00,000	325,00,000
Bank of Baroda	Suraj Plaza-1, Sayaji Ganj, Baroda – 390005	113,00,000	113,00,000
The Akola Urban Co-operative Bank Limited	"Jankalyan", 58/59,Toshniwal Layout, Murtizapur Road, Behind Govt. Milk Scheme, Akola-444001	4200,00,000	4200,00,000
State Bank of India	State Bank Bhavan, Madam Cama Road, Mumbai – 400021	43711,57,000	1378,00,000
ING Vysya Bank	22, MG Road, Bangalore, Karnataka- 560001	16870,00,000	16870,00,000
State Bank of Travancore	Poojappura,Thiruvananthapuram-695012	6194,00,000	-
State Bank of Hyderabad	Gunfoundry,Hyderabad-500001	1660,07,000	-
Karur Vysya Bank	Erode Road,Karur-639002,Tamilnadu	381,58,000	-
TOTAL		212387,77,000	160272,55,000

Notes to Financial Statements for the year ended March 31, 2016

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

Industry	Acquisition Cost Outstanding (₹)	Percentage to total assets	Acquisition Cost Outstanding (₹)	Percentage to total assets
	March 31, 2016		March 31, 2015	
Agriculture	30987,95,362	14.6%	30677,90,000	19.1%
Education	76446,97,915	36.0%	27469,07,000	17.1%
Housing	4745,82,567	2.2%	4052,90,000	2.5%
Micro	24323,77,000	11.5%	24323,77,000	15.2%
Small	30592,51,666	14.4%	30426,19,000	19.0%
Medium	26452,72,000	12.5%	26452,72,000	16.5%
Seeds / Biotech	5730,00,000	2.7%	5730,00,000	3.6%
Food processing	8940,00,000	4.2%	8940,00,000	5.6%
Power	270,00,000	0.1%	270,00,000	0.2%
Plastics	230,00,000	0.1%	230,00,000	0.1%
Casting & Forging	860,00,000	0.4%	860,00,000	0.5%
Construction	400,00,000	0.2%	400,00,000	0.2%
Waste Processing	440,00,000	0.2%	440,00,000	0.3%
Vehicle	52,23,971	0.0%	-	0.0%
Personal	317,24,000	0.1%	-	0.0%
Infrastructure	23,60,000	0.0%	-	0.0%
Information Technology	21,90,000	0.0%	-	0.0%
Advertisement	2,80,000	0.0%	-	0.0%
Textile	927,10,000	0.4%	-	0.0%
Electricals	103,10,000	0.0%	-	0.0%
Gems & Jewellery	450,00,000	0.2%	-	0.0%
Others	70,02,519	0.0%	-	0.0%
TOTAL	212387,77,000	100%	160272,55,000	100%

Figures have been regrouped where necessary

(iii) Dispersion of various Financial Assets Sponsor-wise.

Industry	Acquisition Cost Outstanding (₹)	Percentage to total assets	Acquisition Cost Outstanding (₹)	Percentage to total assets
	March 31, 2016		March 31, 2015	
A. Sponsor				
- Indian Bank	90967,82,000	43%	90967,82,000	57%
- Corporation Bank	0	0%		0%
Total (A)	90967,82,000	43%	90967,82,000	57%
B. Non-Sponsors	121419,95,000	57%	69304,73,000	43%
Total (B)	121419,95,000	57%	69304,73,000	43%
TOTAL (A+B)	212387,77,000	100%	160272,55,000	100%

Reliance Asset Reconstruction Company Limited

Notes to Financial Statements for the year ended March 31, 2016

(All Amount in ₹)

	March 31, 2016	March 31, 2015
(iv) A statement charting the migration of Financial Assets from Standard to Non-Performing.		
Opening balance of Standard Assets	3,47,219	5167,36,281
Opening balance of Non-Performing Assets	1129,50,000	1503,0,261
Assets acquired during the year (Standard)	-	425,10,000
Assets redeemed during the year (Standard and NPA)*	1132,97,219	4609,79,323
Downgradation of Assets from Standard to Non-Performing (gross of provisions) during the year	-	1129,50,000
Closing balance of Standard Assets	-	3,47,219
Closing balance of Non-Performing Assets (gross of provisions)	-	1129,50,000
*During the year FY 14-15 loan asset worth ₹ 4197,89,885 were transferred to Reliance ARC 004 Trust.		
(v) Value of Financial Assets acquired during the financial year either on its own books or in the books of the Trust	52115,22,000	58771,75,000
(vi) Value of Financial Assets realised during the financial year	12173,17,933	18409,91,319
(vii) Value of Financial Assets outstanding for realisation as at the end of the financial year.	148733,72,286	108782,66,564
(viii) Value of SRs redeemed partially and the SRs redeemed fully during the financial year		
- Value of Security Receipts redeemed fully during the financial year	40,22,000	2273,72,791
- Value of Security Receipts redeemed partially during financial year	10999,98,714	16136,18,528
(ix) Value of Security Receipts pending for redemption as at the end of the financial year	148733,72,286	108782,66,564
(x) Value of Security Receipts which could not be redeemed as a result of non-realisation of the Financial Asset as per the policy formulated by the Securitisation Company or Reconstruction Company under Paragraph 7(6)(ii) or 7(6)(iii) of The Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 as amended from time to time.		
There were no Security Receipts that were not redeemed during the financial year as a result of non-realisation of the Financial Asset as per the policy formulated.		
(xi) Value of land and/or building acquired in ordinary course of Business of Reconstruction of Assets (year wise)		
The Company has acquired property (flat) under SARFESAI guidelines. The asset has been purchased in the normal course of business. The said asset was acquired in lieu of debt outstanding for ₹ 1103,32,500		
(xii) The basis of valuation of assets if the acquisition value of the assets is more than the BV		
If the security value is higher, the present value of the reliable value of security has been arrived at (based on the expected time frame of resolution), discounted at an appropriate rate for satisfactory return to the SR holders. Lower of this value and the total dues is used to arrive at the acquisition value (which may be more than the BV) - NA		
(xiii) The details of the assets disposed of (either by write off or by realisation) during the year at a discount of more than 20% of valuation as on the previous year end and the reasons therefore.		
During the year there were no assets disposed of (either by write off or by realisation) at a discount of more than 20% of valuation.		
(xiv) The details of the assets where the value of the SRs has declined more than 20% below the acquisition value		
During the year SR value of Reliance ARC- VB Pilve Trust has been declined by more than 20% of the acquisition value.		

Notes to Financial Statements for the year ended March 31, 2016

29. Stock Appreciation Rights:

Statement of Employees Phantom Stock Option Scheme as on March 31, 2016:

Particulars	No of Option
Granted	10,83,200
Vested	Nil
Forfeited	Nil
Exercise Period	3 year
Vesting Conditions	Continuous service

	March 31, 2016	March 31, 2015
Outstanding at the beginning of the year	Nil	Nil
Granted during the year	10,83,200	Nil
Forfeited / Expired during the year	Nil	Nil
Exercised during the year	Nil	Nil
Outstanding at the end of the year	10,83,200	Nil
Exercisable at the end of the year	Nil	Nil

30. During FY 2014-15, appeal order for AY 2010-11, was received in favour of company, however assessing officer has challenged the appeal order passed by CIT (Appeals) in court of Income Tax Appellate Tribunal.

31. During the current year Company had changed its accounting policy towards provision on investments i.e. investments in SR's has been aggregated for the purpose of arriving at net depreciation / appreciation in order to comply with the RBI guidelines issued for Asset Reconstruction Companies. Net depreciation, if any has been provided for, net appreciation if any has been ignored. Till last year provision in the value of investment aggregating to ₹ 28,36,350/- was made for each investment individually and being valued at lower of cost or net asset value of the respective trusts, based on the ratings provided by accredited rating agencies.

On account of change in accounting policy provision of earlier year ₹ 28,36,350 have been reversed and has been disclosed under "Other Income". Had the earlier policy been followed profit before tax and non current investments would have been lower by ₹ 28,36,350/-.

32. Contingent Liability:

A claim has been made against the company by the Collector of Stamps, Raisen (Madhya Pradesh) of ₹ 142,63,010 towards deficit payment of stamp duty on Assignment Agreement for the Debt assigned to Company by Union Bank of India in year 2012. Charge on borrowers fixed assets and personal guarantees continuous to be available with the Company to offset any claims.

33. Segment Reporting

The Company is in the Business of Acquisition and Resolution of Non Performing Assets. As the company is engaged only in one business segment and no geographical segments, the Balance Sheet as at March 31, 2016 and the Statement of Profit and Loss for the year ended March 31, 2016 pertain to one Business Segment.

34. Previous Year Figures

Previous year figures have been reclassified to conform to the Current Year classifications.

For **Price Waterhouse**
Firm Reg. No. : 301112E
Chartered Accountants

Sharad Vasant
Partner
Membership No: 101119

Place : Mumbai
Date : April 18, 2016

For and on behalf of the Board of Directors

Directors

Chief Executive Officer
Chief Financial Officer
Company Secretary

Place : Mumbai
Date : April 15, 2016

Lav Chaturvedi
Sujal Shah
R. B. Barman
Asokan Arumugam
Ramesh Shetty
Neema Tiwari

APPLICATION FORM

Series No.: RARC MLD Series RARC/A03

RELIANCE ASSET RECONSTRUCTION COMPANY LIMITED

(Registered Office: Reliance Centre, North Wing, 6th Floor, Off Western Express Highway, Santacruz (East), Mumbai 400 055.

DEBENTURE APPLICATION FORM NO.												
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ISSUE OF RATED LISTED SECURED REDEEMABLE PRINCIPAL PROTECTED NON CONVERTIBLE MARKET LINKED DEBENTURES OF FACE VALUE OF Rs. 1,00,000/- (RUPEES ONE LAKH ONLY) EACH ON A PRIVATE PLACEMENT BASIS.

<p>RARC MLD Series RARC/A03 (TYPE: _____) DEBENTURES APPLIED FOR:</p> <p>Minimum Application of 25 (Twenty-Five) Debenture(s) and in multiples of 1 (One) thereafter</p> <p>Number of Debentures _____ In words _____</p> <p>Amount Rs. _____ In words Rupees _____</p>
--

<p>DETAILS OF PAYMENT:</p> <p>Subscribers' Bank A/c No. _____ Bank Name _____</p> <p>Cheque / Demand Draft No/ UTR No. _____ Drawn on _____</p> <p>funds transferred to Reliance Asset Reconstruction Company Limited, _____, A/c No. _____</p> <p>Dated _____</p> <p>Total Amount Enclosed (In Figures) _____</p> <p>(In Words) _____</p>

I/We the undersigned, confirm that the payment/ remittance made for subscription to securities vide this application form has been made as per the details of payment as mentioned above and that the Bank A/c from which such payment/ remittance has been made belongs to the Sole/ First Applicant/ Subscriber.

FIRST/SOLE APPLICANT'S NAME AND / OR FATHER'S NAME IN FULL (CAPITALS)

SECOND APPLICANT'S NAME AND / OR FATHER'S NAME IN FULL (CAPITALS)

THIRD APPLICANTS NAME AND / OR FATHER'S NAME IN FULL (CAPITALS)

FIRST/SOLE APPLICANT'S ADDRESS

ADDRESS																			
STREET																			
CITY																			
PIN																			
PHONE																			
FAX																			
EMAIL																			
OCCUPATION																			

FIRST/SOLE APPLICANT'S PAN. _____ IT CIRARCE/WARD/DISTRICT _____

SECOND APPLICANT'S PAN. _____ IT CIRARCE/WARD/DISTRICT _____

THIRD APPLICANT'S PAN. _____ IT CIRARCE/WARD/DISTRICT _____

I/WE ARE BANK () FINANCIAL INSTITUTION () COMPANY () SEBI REGISTERED FPI ()
OTHERS () SPECIFY _____

RESIDENTIAL STATUS INDIAN () NON INDIAN ()

TAX RESIDENTIAL STATUS RESIDENT () NON-RESIDENT ()

TAX STATUS NON EXEMPT () EXEMPT () (IF EXEMPT PLEASE SPECIFY) _____

(IF EXEMPT, PLEASE PROVIDE SUPPORTING DOCUMENTS FROM INCOME TAX AUTHORITIES)

I/We have read and understood the Terms and Conditions of the issue of these Debentures. I/We bind ourselves to these Terms and Conditions and wish to apply for allotment of these Debentures.

I/We confirm that I/we are not a Non-Resident Indian and/or an Overseas Corporate Body. We request you to please place our name(s) on the Register of Debenture Holders.

I/We confirm that I/we are aware that the Distributor (if any) has been or will be remunerated by the Company as per the arrangement with the Company for the distribution of The Debentures. I/We confirm that I/we are aware that for each Debenture applied for, I/we shall pay to the Issuer the applicable Placement Fee (if any) over and above the Issue Price of the Debentures. I/We confirm that I/we are aware that the Issuer shall pay the Placement Fee to the Distributor (if any).

I/We confirm that unless expressly set out in the Application Form, I/We are applying to the Debentures as Investors and not as distributors.

TO BE FILLED IN ONLY IF THE APPLICANT IS AN INSTITUTION / COMPANY / BODY CORPORATE (INCLUDING SOCIETY)

Name of the Authorised Signatory (ies)	Designation	Signature

Unless otherwise requested, the Debentures will be issued in dematerialised form. Applicant(s) are required to fill up the following particulars for such issuance:

REQUEST FOR SERIES IN DEMATERIALIZED FORM
TOTAL NUMBER OF SERIES

I/We the undersigned, want to hold the Series of the Company in the dematerialised form. Details of my/our Beneficiary Account are given below:

DEPOSITORY PARTICIPANT NAME	
DP-ID	
CLIENT -ID	
NAME OF THE APPLICANT(S) _____	

I/We understand that: i) in case of allotment of Debentures to me/us, my/our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, (ii) the Applicant must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the Applicant(s) in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to my/our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole option to reject the application.

I/We understand that in case of allotment of Debentures to me/us, the Applicant must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name in the debenture certificate.

The details mentioned above would be used for all correspondence with the applicants including mailing of Allotment Letters and printing of bank particulars on the refund/interest order (if any). By signing the Application Form, the applicant would have deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue these relevant details. Applicant may note that delivery of Refund Orders/Allotment of Debentures in the Demat Account/Allotment Letters may get delayed if the details provided by the applicant are incorrect. Please note that any such delay shall be at the applicant's sole risk and neither Company nor the Registrars shall be liable to compensate the applicant for any losses caused to the applicant due to any such delay or liable to pay any interest for such delay.

I/We understand that we are assuming on our own account, all risk of loss that may occur or be suffered by us including as to the principal, returns on and/or the sale value of the Debentures and shall not look directly or indirectly to the Issuer (or to any person acting on its or their behalf) to indemnify or otherwise hold us harmless in respect of any such loss and/or damage. I / We confirm that we are aware that, as returns on the Debentures are structured and linked to one or more equity or debt securities, indices, baskets, formulas or other assets or basis of reference, we may receive negligible returns, not receive any returns at all or receive negative returns and as a result at any time during the life of the Debentures till the Final Valuation Date the value of the Debentures may be substantially less than its redemption value.

I / We understand that the Issuer may communicate to or intimate me / us only by e-mail or facsimile message and I / we undertake to accept the same as a valid communication or intimation as if such communication or intimation had been otherwise hand delivered or delivered by registered post or courier. I / We undertake that upon sale or transfer to subsequent investor or transferee ("**Transferee**"), I / We shall convey all the terms and conditions contained herein (including the fact that these Debentures cannot be sold to a Non-Resident Indian and/or an Overseas Corporate Body) to such Transferee. I / We undertake that we shall not sell or transfer the Debentures to a Non-Resident Indian and/or an Overseas Corporate Body. In the event of any Transferee (including any intermediate or final holder of the Debentures) suing the Issuer (or any person acting on its or their behalf) we shall indemnify the Issuer (and all such persons acting on its or their behalf) and also hold the Issuer and each of such person harmless in respect of any claim by any Transferee.

I / We confirm that there are no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter.

Sole/First Applicant's

Second Applicant's

Third Applicant's

Signature

Signature

Signature

FOR OFFICE USE ONLY

DATE OF RECEIPT _____ DATE OF CLEARANCE _____

(Note: Cheque and Drafts are subject to realisation)

DECLARATION TO BE FILLED IN ONLY IF THE APPLICANT IS INVESTING IN THE DEBENTURES AS A DISCRETIONARY PORTFOLIO MANAGER:

- 1) We, as Portfolio Managers, are fully in compliance with the laws and regulations applicable to us including the Securities and Exchange Board of India (Portfolio Managers) Rules, 1993 and the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993, the requirements of Circular dated 20th March 2006 "Guidelines on Anti-Money Laundering Standards" of the Securities and Exchange Board of India and the Guidelines for Issue and Listing of Structured Products/Market Linked Debentures,2011;
- 2) We are appropriately investing in the Debentures on behalf of our client, ("**Client**"). Client's identity:
 - (i) is not disclosed by us [_____]; or
 - (ii) is disclosed by us [_____],and the investment in the Debentures is within the scope of our authority including pursuant to the agreement entered into by us with the Client, as provided for by Regulation 14 of the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 (the "**Agreement**"), and accordingly binds the Client. Should there be any dispute by the Client as regards the investment in the Debentures including but not limited to the scope of our authority with regard to such investment, the same shall be dealt with entirely by us with the Client, with no reference to Reliance Asset Reconstruction Company Limited ("**RARC**");
- 3) We have conducted suitability and appropriateness checks on our Clients pursuant to the PM Regulations (as applicable) and the Structured Products Guidelines, and we have fully advised each of our Clients of the risks relating to investment in the Debentures and of their rights against us as their principal and we accept responsibility for such advice
- 4) We shall ensure that the Client understands the risks involved in investment in the Debentures and is capable of taking the risks posed by such Debentures and shall satisfy ourselves that the Debentures are suitable to the risk profile of the Client;
- 5) We shall provide our Clients with a copy of the Information Memorandum;
- 6) We shall guide the Clients as to where the valuations (of the Debentures) will be available;
- 7) We shall guide the Clients as to the applicable exit loads/exit options/liquidity support, (if any) etc. being provided by the Company or through the secondary market;
- 8) We have strictly complied with all applicable AML Laws & Rules and KYC Guidelines in relation to each of the Clients;
- 9) We consent to the disclosure or provision by RARC to any governmental or regulatory authority, or under any requirement of law, any information regarding the Client (to the extent made available to RARC by us) and the investment in the Debenture, as required of RARC under applicable regulations and/or as requested by any governmental or regulatory authority or under a provision of law;
- 10) We further agree to provide to RARC such additional information that RARC deems necessary or appropriate in order for RARC to comply with any such regulations and/or requests or requirements;
- 11) We also further agree (including on the basis of any request made by RARC in this regard), to provide to any governmental or regulatory authority any information regarding the Client, the investment in the Debenture as required under regulations and/or as requested by any governmental or regulatory or other authority; and
- 12) We confirm and undertake that we are appropriately investing in these Debentures on behalf of our Clients and our activities have not violated and will not violate the RBI Private Placement Directions. We further confirm and undertake that we have not and shall not use the name of the Issuer or any of its group entities or any of the words in any of our advertisement or any marketing material and that we have not acted and shall not act in a manner that would render this private placement of Debentures, an offer to the public.

Sole/First Applicant's

Second Applicant's

Third Applicant's

Signature

Signature

Signature

DECLARATION TO BE FILLED IN ONLY IF THE APPLICANT IS INVESTING IN THE DEBENTURES AS A NON DISCRETIONARY PORTFOLIO MANAGER:

- 1) We, as Portfolio Managers, are fully in compliance with the laws and regulations applicable to us including the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 ("Portfolio Manager Regulations"), the Structured Products Guidelines, the Prevention of Money Laundering Act, 2002 ("PML Act"), the Prevention of Money Laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 ("PML Rules"), the requirements of Circular dated 20th March 2006 "Guidelines on Anti-Money Laundering Standards" of the SEBI ("AML Guidelines") together with the PML Act and the PML Rules, the "AML Laws & Rules" and all applicable know-your-client norms ("KYC Guidelines") issued by any relevant regulator, as amended, from time to timer;
- 2) We are appropriately selling the Debentures to / investing in the Debentures on behalf of our client, ("**Client**"). The Sale of / investment in the Debentures is within the scope of our authority (including as provided for in the Portfolio Manager Regulations), and accordingly binds the Client. Should there be any dispute by the Client as regards the investment in the Debentures regarding the scope of our authority with regard to such investment, the same shall be dealt with entirely by us with the Client, with no reference to Reliance Asset Reconstruction Company Limited ("**RARC**");
- 3) We have conducted a risk profiling of each Client pursuant to the PM Regulations (as applicable) and the Structured Products Guidelines, and we have satisfied ourselves that the Debentures are suitable to the risk profile of the Client. We have fully advised each of our Clients of the risks relating to investment in the Debentures and of their rights against us as their principal and we accept responsibility for such advice
- 4) We shall ensure that the Client understands the risks involved in investment in the Debentures and is capable of taking the risks posed by such Debentures and shall satisfy ourselves that the Debentures are suitable to the risk profile of the Client;
- 5) We shall provide our Clients with the Information Memorandum;
- 6) We shall guide the Clients as to where the valuations will be available;
- 7) We shall guide the Clients as to the applicable exit loads/exit options/liquidity support, (if any) etc. being provided by the Company or through the secondary market;
- 8) We have strictly complied with all applicable AML Laws & Rules and KYC Guidelines in relation to each of the Clients;
- 9) We consent to the disclosure or provision by RARC to any governmental or regulatory authority, or under any requirement of law, any information regarding the Client (to the extent made available to RARC by us) and the investment in the Debentures, as required of RARC under applicable regulations and/or as requested by any governmental or regulatory authority or under a provision of law;
- 10) We further agree to provide to RARC such additional information that RARC deems necessary or appropriate in order for RARC to comply with any such regulations and/or requests or requirements;
- 11) We also further agree (including on the basis of any request made by RARC in this regard), to provide to any governmental or regulatory authority any information regarding the Client, the investment in the Debentures as required under regulations and/or as requested by any governmental or regulatory or other authority; and
- 12) We confirm and undertake that we are appropriately investing in these Debentures on behalf of our Clients and our activities have not violated and will not violate the RBI Private Placement Directions. We further confirm and undertake that we have not and will not use the name of the Issuer or any of its group entities or any of the words in any of our advertisement or any marketing material.

Sole/First Applicant's

Second Applicant's

Third Applicant's

Signature

Signature

Signature

FATCA/CRS Declaration for Individual

Name of Investor: _____

Address: _____

Section 1: Declaration of Tax Residency

Country of tax residence (as per section 6 of the Income-tax Act, 1961)

- a) Only India b) India and any other country c) Any other country

If answer to option (b) or (c) is Yes, please provide the following details and documents:

For the purposes of taxation, I am a resident in the following countries and my Tax Identification Number (TIN)/functional equivalent in each country is set out below or I have indicated that a TIN/functional equivalent is unavailable (kindly fill details of all countries of tax residence if more than one):

Country/Countries of Tax Residency	Tax Identification Number (TIN)/ Functional Equivalent	Country Issuing TIN/ Functional Equivalent	Documents Provided (Copy of Certificate of Residence/Copy of TIN)

Documents required: A copy of certificate of residence or a copy of TIN for all the countries listed in the above table.

Section 2: Individual Identification

- a) Father's Name: _____
 b) Place of birth: _____
 c) Country of birth: _____
 d) Occupation: _____
 e) Nationality: _____
 f) Citizenship: _____

Undertaking

I / We certify that:

- a) the information provided in the Form is in accordance with section 285BA of the Income Tax Act, 1961 read with Rules 114F to 114H of the Income tax Rules, 1962.
- b) the information provided by me/us in the Form, its supporting Annexures as well as in the documentary evidence provided by me/us are, to the best of our knowledge and belief, true, correct and complete and that I/we have not withheld any material information that may affect the assessment/categorization of the account as a Reportable account or otherwise.
- c) I/We permit/authorise the Company to collect, store, communicate and process information relating to the Account and all transactions therein, by the Company and any of its affiliates wherever situated including sharing, transfer and disclosure between them and to the authorities in and/or outside India of any confidential information for compliance with any law or regulation whether domestic or foreign.
- d) I / We undertake the responsibility to declare and disclose within 30 days from the date of change, any changes that may take place in the information provided in the Form, its supporting Annexures as well as in the documentary evidence provided by us or if any certification becomes incorrect and to provide fresh self-certification alongwith documentary evidence.
- e) I / We also agree that our failure to disclose any material fact known to us, now or in future, may invalidate our application and the Company would be within its right to put restrictions in the operations of my/our account or close it or report to any regulator and/or any authority designated by the Government of India (GOI) /RBI for the purpose or take any other action as may be deemed appropriate by the Company if the deficiency is not remedied by us within the stipulated period.
- f) I / We hereby accept and acknowledge that the Company shall have the right and authority to carry out investigations from the information available in public domain for confirming the information provided by me / us to the Company.
- g) It shall be my / our responsibilities to educate myself / ourself and to comply at all times with all relevant laws relating to reporting under section 285BA of the Act read with the Rules thereunder.
- h) I/We also agree to furnish such information and/or documents as the Company may require from time to time on account of any change in law either in India or abroad in the subject matter herein.
- i) I/We shall indemnify the Company for any loss that may arise to the Company on account of providing incorrect or incomplete information.

Dated

Client Signature  _____

FATCA / CRS Declaration for Non Individual

Section 1: Identification Details

Please tick / fill and complete as appropriate.

- a) Name of the Entity: _____
- b) Nature of Business (kindly fill in details from Annexure 4): _____
- c) Identification Number: _____ d) Identification issuing Country: _____
- e) Identification Type (tick as applicable): Tax Identification Number Company Identification Number
 US GIIN Global entity Identification No. Other
- f) Identification Issuing Country: _____

Section 2: Declaration of Tax Residency

Please indicate the Entity's country of tax residence (if resident in more than one country please detail all countries and associated tax identification number and TIN issuing country)

Country/Countries of Tax Residency	Tax Identification Number (TIN)	TIN Issuing Country

(Kindly attach documentary evidence of country of tax residence and the tax identification number)

If tax resident of Country outside India, kindly provide confirmation as under:

- 1) If US tax resident, are you US Specified Person: Yes No
 (If No, Kindly tick Exclusion from Annexure 1) - (i) / (ii) / (iii) / (iv) / (v) / (vi) / (vii) / (viii) / (ix) / (x) / (xi) / (xii) / (xiii)
- (2) If tax resident of country other than USA: Yes No
 (If No, Kindly tick if any of the applicable)
 a corporation, the stock of which is regularly traded on one or more established securities markets;
 any corporation that is a related entity of a corporation mentioned above
 a Governmental entity; an International organisation; a Central bank; or a financial institution

Section 3: Entity Classification

- 3.1 If you are a reporting Financial Institution, please tick atleast one of the below categories, and provide your FATCA Global Intermediary Identification Number (GIIN):
 Depository Institution Custodial Institution Investment Entity Specified Insurance Company
 GIIN _____
- 3.2 If you are a Financial Institution but are non-reporting financial institution, please tick one of the below reasons:
 The Entity is a Non-Reporting Financial Institution. Please tick exemption from Annexure 2: (a) / (b) / (c) / (d) / (e) / (f) / (g) / (h) / (i) / (j) / (k) / (l) / (m).
 The Entity is a Sponsored Financial Institution and has not yet obtained a GIIN but is sponsored by another entity that has registered as a Sponsoring Entity. Please provide the Sponsoring Entity's name and GIIN.
 Sponsoring Entity's Name: _____ Sponsoring Entity's GIIN: _____
 The Entity is a Trustee Documented Trust and has not yet obtained a GIIN. Please provide the Trustee's name and the GIIN
 Name of the Trustee of the Trust: _____ GIIN of the Trustee: _____
- 3.3 The Entity is an owner documented Financial Institution. Please provide the details of each of the substantial owners of the financial institution in the form for Controlling Persons attached.
- 3.4 The Entity is a Non-Participating Financial Institution
- 3.5 If the Entity is not a Financial Institution, please confirm the Entity's status below:
 The Entity is an Active Non-Financial Entity (Please tick as per Annexure 3) (i) / (ii) / (iii) / (iv) / (v) / (vi) / (vii) / (viii)
 The Entity is a Passive Non-Financial Entity (NFE) (Please tick as per Annexure 3A): (i) / (ii) / (iii).

If Passive Entity is ticked please fill the Form of all Controlling Persons¹:

Controlling Person Self-Certification AND tick the below:

- Controlling Persons of the Entity are tax resident of India
- Controlling Persons of the Entity are tax resident of USA
- Controlling Persons of the Entity are tax resident of countries other than India and USA.

Kindly specify the countries of which the controlling persons are tax resident of _____
 (if more than one, list of all countries should be specified.)

The Entity is Direct reporting NFE. If ticked, please provide the GIIN of the Direct Reporting NFE _____

To be filled in by the Controlling Person

1. Controlling Person Type:
 - a) In case of legal Person: Ownership Other means Senior Managing Official
 - b) In case of legal Arrangement - Trust: Settlor Trustee Protector beneficiary Others
 - c) In case of legal Arrangement - others Settlor equivalent Trustee equivalent Protector equivalent beneficiary equivalent Others equivalent
 - d) Unknown
2. Full Name of the Controlling Person: _____ 3. Customer ID, if allotted: _____
4. Gender: Male Female Others 5. PAN: _____ 6. Aadhaar No: _____
7. Identification Type (tick and provide as proof of identity): A-Passport B- Election ID Card C- PAN Card D- ID Card E- Driving License F -UIDAI letter G-NREGA Job Card H- Others X- Not categorised
8. Identification Number (mentioned in identification document): _____
9. Occupation Type: S-Service B-Business O-Others X- Not categorised
10. Date of Birth (DD/MM/YYYY): _____ 11. Nationality: _____
12. Place of Birth: _____ 13. Country of Birth: _____
14. Address Type of Controlling Person: 1-Residential or Business 2-Residential 3-Business 4- Registered Office 5-Unspecified.
15. Address of Controlling Person: _____
16. Mobile/Telephone Number: _____
17. Please indicate the Country of tax residence (if resident in more than one country please detail all countries and associated tax identification number and TIN issuing country).

Country/countries of Tax Residency	Tax Identification Number (TIN)	TIN Issuing Country

(Kindly attach documentary evidence of country of tax residence and the tax identification number)

Undertaking

I / We certify that:

- a) the information provided in the Form is in accordance with section 285BA of the Income Tax Act, 1961 read with Rules 114F to 114H of the Income tax Rules, 1962.
- b) the information provided by me/us in the Form, its supporting Annexures as well as in the documentary evidence provided by me/us are, to the best of our knowledge and belief, true, correct and complete and that I/we have not withheld any material information that may affect the assessment/categorization of the account as a Reportable account or otherwise.
- c) I/We permit/authorise the Company to collect, store, communicate and process information relating to the Account and all transactions therein, by the Company and any of its affiliates wherever situated including sharing, transfer and disclosure between them and to the authorities in and/or outside India of any confidential information for compliance with any law or regulation whether domestic or foreign.
- d) I / We undertake the responsibility to declare and disclose within 30 days from the date of change, any changes that may take place in the information provided in the Form, its supporting Annexures as well as in the documentary evidence provided by us or if any certification becomes incorrect and to provide fresh self-certification alongwith documentary evidence.
- e) I / We also agree that our failure to disclose any material fact known to us, now or in future, may invalidate our application and the Company would be within its right to put restrictions in the operations of my/our account or close it or report to any regulator and/or any authority designated by the Government of India (GOI) / RBI for the purpose or take any other action as may be deemed appropriate by the Company if the deficiency is not remedied by us within the stipulated period.
- f) I / We hereby accept and acknowledge that the Company shall have the right and authority to carry out investigations from the information available in public domain for confirming the information provided by me / us to the Company.
- g) It shall be my / our responsibilities to educate myself / ourself and to comply at all times with all relevant laws relating to reporting under section 285BA of the Act read with the Rules thereunder.
- h) I/We also agree to furnish such information and/or documents as the Company may require from time to time on account of any change in law either in India or abroad in the subject matter herein.
- i) I/We shall indemnify the Company for any loss that may arise to the Company on account of providing incorrect or incomplete information.
- j) I / We certify that I/we have the capacity to sign for the Entity as per CBDT rules/SEBI guidelines.

Authorised Signature:  _____

Name: _____

Position/Title: _____

Date: (dd/mm/yyyy) _____

Seal and Stamp of the Entity

¹Controlling persons means natural persons who exercise control over an entity who includes a beneficial owner as defined in Explanation to sub-rule (3) of rule 9 Prevention of Money-laundering (Maintenance of Records) Rules, 2005. In determining the beneficial owner the procedure specified in the RBI/SEBI/IRDA circulars shall be applied. In the case of Trust, the controlling persons mean the settlor, the trustees, the protector, the beneficiaries or class of beneficiaries and any other natural person exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, the said expression means the person in equivalent position.

Annexure 1: Specified US Persons:

1	A Specified US Person is a US Person but not falling within the category mentioned
	(i) a corporation the stock of which is regularly traded on one or more established securities markets;
	(ii) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in clause (i);
	(iii) the United States or any wholly owned agency or instrumentality thereof
	(iv) any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing
	(v) any organization exempt from taxation under section 501(a) of the U.S. Internal Revenue Code or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Internal Revenue Code;
	(vi) any bank as defined in section 581 of the U.S. Internal Revenue Code;
	(vii) any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code
	(viii) any regulated investment company as defined in section 851 of the U.S. Internal Revenue Code or any entity registered with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64); (ix) any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code;
	(x) any trust that is exempt from tax under section 664(c) of the U.S. Internal Revenue Code or that is described in section 4947(a)(1) of the U.S. Internal Revenue Code
	(xi) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State;
	(xii) a broker as defined in section 6045(c) of the U.S. Internal Revenue Code;
	(xiii) any tax-exempt trust under a plan that is described in section 403(b) or section 457(g) of the U.S. Internal Revenue Code

Annexure 2: “Non-reporting financial institution”

(a) a Governmental entity, International Organisation or Central Bank, other than with respect to a payment that is derived from an obligation held in connection with a commercial financial activity of a type engaged in by a specified insurance company, custodial institution, or depository institution;

(b) a Treaty Qualified Retirement Fund; a Broad Participation Retirement Fund; a Narrow Participation Retirement Fund; or a Pension Fund of a Governmental entity, International Organization or Central Bank;

(c) a non-public fund of the armed forces, Employees’ State Insurance Fund, a gratuity fund or a provident fund;

(d) an entity that is an Indian financial institution only because it is an investment entity, provided that each direct holder of an equity interest in the entity is a financial institution referred to in sub-clauses (a) to (c), and each direct holder of a debt interest in such entity is either a depository institution (with respect to a loan made to such entity) or a financial institution referred to in sub-clauses (a) to (c);

(e) a qualified credit card issuer;

(f) an investment entity established in India that is a financial institution only because it,-

(I) enders investment advice to, and acts on behalf of; or

(II) manages portfolios for, and acts on behalf of; or

(III) cutes trades on behalf of,

a customer for the purposes of investing, managing, or administering funds or securities deposited in the name of the customer with a financial institution other than a non-participating financial institution;

(g) n exempt collective investment vehicle;

(h) a trust established under any law for the time being in force to the extent that the trustee of the trust is a reporting financial institution and reports all information required to be reported under rule 114G with respect to all reportable accounts of the trust;

(i) a financial institution with a local client base;

(j) a local bank;

(k) financial institution with only low-value accounts;

(l) sponsored investment entity and controlled foreign corporation, in case of any U.S. reportable account;
or

(m) ponsored closely held investment vehicle, in case of any U.S. reportable account.

Annexure 3: Active Non-Financial Entity (NFE)

<u>Sr no.</u>	<u>Category of Active NFFE</u>
(i)	Less than 50 per cent of the entity's gross income for the preceding <i>financial year</i> is passive income and less than 50 per cent of the assets held by the entity during the preceding financial year are assets that produce or are held for the production of passive income; or
(ii)	The stock of the entity is regularly traded on an established securities market or the non-financial entity is a related entity of an entity the stock of which is regularly traded on an established securities market; or <i>Explanation.-</i> For the purpose of this sub-clause, an established securities market means an exchange that is officially recognised and supervised by a governmental authority in which the securities market is located and that has a meaningful annual value of shares traded on the exchange.
(iii)	the entity is a Governmental Entity, an International Organization, a Central Bank , or an entity wholly owned by one or more of the foregoing;

(iv)	substantially all of the activities of the entity consist of holding (in whole or in part) the outstanding stock of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a financial institution, except that an entity does not qualify for this status if it functions (or holds itself out) as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes;
(v)	the entity is not yet operating a business and has no prior operating history, but is investing capital into assets with the intent to operate a business other than that of a financial institution, provided that the entity does not qualify for this exception after the date that is 24 months after the date of the initial organization of the entity;
(vi)	the entity was not a financial institution in the past five years, and is in the process of liquidating its assets or is reorganizing with the intent to continue or recommence operations in a business other than that of a financial Institution;
(vii)	the entity primarily engages in financing and hedging transactions with, or for, related entities that are not financial institutions, and does not provide financing or hedging services to any entity that is not a related entity, provided that the group of any such related entities is primarily engaged in a business other than that of a financial institution;
(viii)	<p>the entity meets all of the following requirements, namely:-</p> <p>(a) It is established and operated in India exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in India and it is a professional organization, business league, chamber of commerce, labour organization, agricultural or horticultural organization, civic league or an organization operated exclusively for the promotion of social welfare;</p> <p>(b) It is exempt from income-tax in India;</p> <p>(c) It has no shareholders or members who have a proprietary or beneficial interest in its income or assets;</p> <p>(d) The applicable laws of the entity's jurisdiction of residence or the entity's formation documents do not permit any income or assets of the entity to be distributed to, or applied for the benefit of, a private person or non-charitable entity other than pursuant to the conduct of the entity's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the entity has purchased; and</p> <p>(e) The applicable laws of the entity's jurisdiction of residence or the entity's formation documents require that, upon the entity's liquidation or dissolution, all of its assets be distributed to a Governmental Entity or other non-profit organization, or escheat to the government of the entity's jurisdiction of residence or any political subdivision thereof.</p>

	<p>Explanation.- For the purpose of this sub-clause, the following shall be treated as fulfilling the criteria provided in the said sub-clause, namely:-</p> <p>(I) n Investor Protection Fund referred to in clause (23EA);</p> <p>(II) Credit Guarantee Fund Trust for Small Industries referred to in clause 23EB; and</p> <p>(III) Investor Protection Fund referred to in clause (23EC), of section 10 of the Act</p>
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Annexure 3A - Passive Non-Financial Entity (NFE)

Sr no.	Category of Passive NFFE
1	Any non-financial entity which is not an active non-financial entity
2	An investment entity described in sub-clause (B) of clause (c) of the Explanation to clause (3)*, which is not located in any of the jurisdictions specified by the CBDT in this behalf.
3	A withholding foreign partnership or withholding foreign trust

*Explanation to Rule 114F

(c) “investment entity” means any entity,-

(A) that primarily conducts as a business one or more of the following activities or operations for or on behalf of a customer, namely:-

(i) trading in money market instruments (cheques, bills, certificates of deposit, derivatives, etc.); foreign exchange; exchange, interest rate and index instruments; transferable securities; or commodity futures trading; or

(ii) individual and collective portfolio management; or

(iii) otherwise investing, administering, or managing financial assets or money on behalf of other persons; or

(B) the gross income of which is primarily attributable to investing, reinvesting, or trading in financial assets, if the entity is managed by another entity that is a depository institution, a custodial institution, a specified insurance company, or an investment entity mentioned in sub-clause (A) of this clause.

Annexure 4: Business codes as per income-tax return form ITR 6

Sr. No.	Sector	Sub-sector	Code
1	Manufacturing Industry	Agro-based industries	0101
		Automobile and Auto parts	0102
		Cement	0103
		Diamond cutting	0104
		Drugs and Pharmaceuticals	0105
		Electronics including Computer Hardware	0106

		Engineering goods	0107
		Fertilizers, Chemicals, Paints	0108
		Flour & Rice Mills	0109
		Food Processing units	0110
		Marble & Granite	0111
		Paper	0112
		Petroleum and Petrochemicals	0113
		Power and energy	0114
		Printing & Publishing	0115
		Rubber	0116
		Steel	0117
		Sugar	0118
		Tea, Coffee	0119
		Textiles, handloom, Power looms	0120
		Tobacco	0121
		Tyre	0122
		Vanaspati & Edible Oils	0123
		Others	0124
2	Trading	Chain Stores	0201
		Retailers	0202
		Wholesalers	0203
		Others	0204
3	Commission Agents	General Commission Agents	0301
4	Builders	Builders	0401
		Estate Agents	0402
		Property Developers	0403
		Others	0404
5	Contractors	Civil Contractors	0501
		Excise Contractors	0502
		Forest Contractors	0503
		Mining Contractors	0504
		Others	0505
6	Professionals	Chartered Accountants, Companies Secretaries, etc	0601

		Fashion designers	0602
		Legal professionals	0603
		Medical professionals	0604
		Nursing Homes	0605
		Specialty hospitals	0606
		Others	0607
7	Service Sector	Advertisement agencies	0701
		Beauty Parlours	0702
		Consultancy services	0703
		Courier Agencies	0704
		Computer training/educational and coaching institutes	0705
		Forex Dealers	0706
		Hospitality services	0707
		Hotels	0708
		I.T. enabled services, BPO service providers	0709
		Security agencies	0710
		Software development agencies	0711
		Transporters	0712
		Travel agents, tour operators	0713
		Others	0714
8	Financial Service Sector	Banking Companies	0801
		Chit Funds	0802
		Financial Institutions	0803
		Financial service providers	0804
		Leasing Companies	0805
		Money Lenders	0806
		Non-Banking Finance Companies	0807
		Share Brokers, Sub-brokers, etc.	0808
		Others	0809
9	Entertainment Industry	Cable T.V. productions	0901
		Film distribution	0902
		Film laboratories	0903
		Motion Picture Producers	0904
		Television Channels	0905
		Others	0906