



S R K S & ASSOCIATES

(Chartered Accountants)

(Office)

H.O.: Patna, B.O.: Delhi, Bhagalpur,
Purnia & Madhepura

Ph.0612-2557954

E-mail: info@srks.net.in

Web: www.srks.net.in

Independent Auditor's Report

To the Members of **INDIABULLS ASSET RECONSTRUCTION COMPANY LIMITED**

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of “**Indiabulls Asset Reconstruction Company Limited**” (“the company”) which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the financial statements”).

In our opinion and to the best of our information and according to the explanations give to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”) and other accounting principal generally accepted in India, of the state of affairs of the company as at March 31, 2025, the profit/(loss) and total comprehensive income, change in equity and its cash flows for the year ended on that date.

Basis for opinion

We conduct our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditors Responsibilities for the Audit of Financial Statements section of our report. We are independent auditor of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other Ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprise the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board Report's, Business Responsibility Report,

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Corporate Governance and shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, is doing so, consider whenever the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act' 2013 ("the Act") with respect to the preparation of these financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, cash flows and changes in equity of the Company in accordance with Ind AS and other accounting principles generally accepted in India. 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 estimate that are reasonable and prudent, and design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

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

The board of directors are responsible for overseeing the Company's financial process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material

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misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms Section 143(11) of the Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, based on our audit 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, Statement of Profit and Loss (including other comprehensive income), the statement of change in equity, 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 Ind AS 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, 2025 taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2025 from being appointed as directors 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-B". Our report expresses an unmodified opinion on the adequacy and operative effectiveness of the Company's internal financial controls over financial reporting.
 - 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 as amended, in our opinion and to the best of our information and according to the explanations given to us:

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- i) The Company does not have any pending litigations which would impact its financial position as on 31st March 2025.
- 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.
- iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provided any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The Company have not declared and paid dividend during the year, accordingly compliance u/s 123 of the Act is not applicable to the company.
- h) The managerial remuneration paid or provided is in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V of the company Act, 2013.



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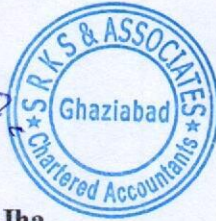
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- i) Based on our examination, which include test checks, the company has used accounting software for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transaction recorded in the software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with and audit trail has been preserved by the company as per statutory requirement for record retention.

For SRKS AND ASSOCIATES

Chartered Accountants

FRN: 025002C



CA Santosh Kumar Jha

(Partner)

M. No.: 514514

Place: Patna

Date: 02/05/2025

UDIN: 25514514BMLLAP6409



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ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Indiabulls Asset Reconstruction Company Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) (a). (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-to-use assets.
- (B) The Company does not have any Intangible assets accordingly, the provisions of clause 3(i)(a)(B) of the Order are not applicable to the Company.
- (b). The Company has a program of physical verification of Property, Plant and Equipment at reasonable intervals, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c). The Company does not have any Immovable Properties; accordingly, the provisions of clause 3(i)(c) of the Order is not applicable to the Company.
- (d). The Company has not revalued any of its Property, Plant and Equipment (including right of use assets) or intangible assets during the year ended March 31, 2025.
- (e). No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (A) The Company does not have any inventories; accordingly, the provisions of clause 3(ii)(A) of the Order are not applicable to the Company.
- (B) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(B) of the Order is not applicable.
- (iii) The Company has made investments in Security Receipts as a part of its normal course of business during the year. The Company has not granted any loans or advances, secured or unsecured or given any guarantee or security to companies, firms, limited liability partnerships or any other parties during the year. With respect to such investments and loans and advances:

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- (a). The Company principal business is asset reconstruction and therefore it needs to make investments or provide loans for undertaking restructuring. Accordingly, clause 3(iii)(a) of the order is not applicable to the company
- (b). In our opinion, the investments made during the year are not prejudicial to the Company's interest.
- (c). In respect of loans and advances in the nature of loan, the company has not provided any loan or advance in the nature of loans during the year.
- (d). The company has not provided any loans or advance in the nature of loans, hence there is no overdue amount remaining outstanding as at balance sheet date.
- (e). The Company principal business is asset reconstruction and hence, clause 3(iii)(e) of the order is not applicable to the company.
- (f). The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- (iv) The Company has neither granted any loan nor invested in any securities of body corporate as mentioned in Sections 185 and 186 of the Companies Act, 2013. Hence Clause 3 (iv) of the order is not applicable to the company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Therefore, the provision of clause 3(v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the order is not applicable to the company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, duty of Customs, duty of Excise, value added tax and cess and any other statutory dues to appropriate authority have generally been regularly deposited during the year by the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employee's State Insurance, Income-tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess and other statutory dues were in arrears, as at March 31, 2025 for a period of more than six months from the date they became payable.

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(b) According to the information and explanations given to us and the records of the Company examined by us, as at March 31, 2025, there are no dues in respect of income-tax, Goods and Service Tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and the records of the Company examined by us, as at March 31, 2025, there were no such transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix)

- a. The company has not defaulted in repayment of loans or other borrowing or in the payment of interest thereon to any lender. Hence reporting under clause 3(ix)(a) of the order is not applicable.
- b. The Company has not been declared willful defaulter by any bank or financial institution or government or government authority.
- c. According to the information and explanation given to us by the management, the company has not taken any term loan during the year except ICD. Hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- d. On an overall examination of the financial statements of the company, fund raised on short term basis have, prima facie, not been used during the year for long term purpose by the company.
- e. The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associate or joint ventures and hence reporting on clause 3(ix)(c) of the order is not applicable.
- f. The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate company and hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x)

- a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi)

- a. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b. No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

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- c. The Company has not received any whistle blower complaints during the year (upto the date of this report).
- (xii) The company is not a Nidhi company, therefore the provisions of paragraph 3(xii) of the order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the company has an adequate internal audit system commensurate with the size and the nature of its business. However, The internal audit currently on going for 2nd half ended 31st March 2025.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) Company has not entered into any non-cash transaction with directors or person connected with him and therefore the provisions of section 192 of the Companies Act' 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) and (b) of the Order is not applicable.
- (b) The company is registered under sector 3 of the securitization and reconstruction of financial assets and enforcement of Security Interest act 2002 so the reporting under clause 3(xvi)(b) of the order is not applicable.
- (c) The company is not a Core Investment Company (CIC) as defined in the regulation made by the Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) of the order is not applicable.
- (d) Based on the information and explanation given to us and as represented by the management of the company, the group (as defined in Core Investment Companies (Reserve Bank) Direction, 2016 does not have more than one CIC part of the group.
- (xvii) The Company has incurred cash losses amounting Rs. 41,26,37,012/- during the financial year covered by our audit and the cash loss amounting Rs. 23,96,77,936/- incurred in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

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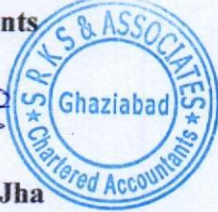
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- (a) There are no unspent amount towards corporate social responsibility (CSR) on other than ongoing project requiring a transfer to a fund specified in schedule VII to the Company Act, 2013 in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Hence, reporting under clause 3(xx)(a) of the order is not applicable for the year.
- (b) The company does not have any ongoing project as specified in sub section (5) of section 135 of said Act. Hence reporting under clause 3 (xx)(b) is not applicable.

For SRKS AND ASSOCIATES

Chartered Accountants

FRN: 025002C



CA Santosh Kumar Jha

(Partner)

M. No.: 514514

Place: Patna

Date: 02/05/2025

UDIN: 25514514BMLLAP6409



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ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on other Legal and regulatory requirements' section of our report to the members of Indiabulls Asset Reconstruction Company Limited of even date)
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 **Indiabulls Asset Reconstruction Company Limited, ("the Company")** as of March 31, 2025 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



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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 with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls 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.

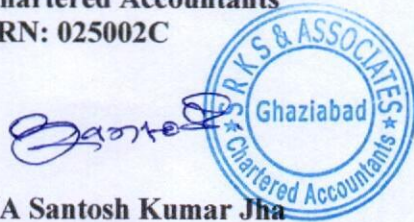
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to Financial Statements and such internal financial controls with reference to financial reporting were operating effectively as at March 31, 2025, based on the 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 SRKS AND ASSOCIATES

Chartered Accountants

FRN: 025002C



CA Santosh Kumar Jha

(Partner)

M. No.: 514514

Place: Patna

Date: 02/05/2025

UDIN: 25514514BMLLAP6409

Address H.O: 3B, 3rd Floor, Shumbha Complex, West Boring Canal Road, Patna-800001

Indiabulls Asset Reconstruction Company Limited**Balance Sheet as at 31 March 2025**

(All amounts in Rs. Lakhs unless stated otherwise)

	Notes	As at 31 March 2025	As at 31 March 2024
ASSETS			
Financial assets			
Cash and cash equivalents	3	1,414.97	657.59
Bank Balance other than cash and cash equivalents	4	472.24	504.57
Investments	5	46,038.04	53,416.68
Other financial assets	6	34.01	30.92
Total financial assets		47,959.26	54,609.75
Non-financial assets			
Current tax assets	7	951.66	391.07
Right-of-use assets	8	224.46	324.54
Property, plant and equipment	8	23.48	0.87
Other non-financial assets	9	62.86	269.72
Total non-financial assets		1,262.47	986.20
TOTAL ASSETS		49,221.73	55,595.95
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade payables	10		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		139.68	112.99
Other payables	11		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		562.04	1,248.36
Other financial liabilities	12	645.04	794.11
Total financial liabilities		1,346.76	2,155.46
Non-financial liabilities			
Provisions	13	127.32	1,021.44
Other non-financial liabilities	14	53.97	84.67
Total non-financial liabilities		181.30	1,106.12
EQUITY			
Equity share capital	15	7,405.93	7,405.93
Other equity	16	40,287.74	44,928.45
Total equity		47,693.67	52,334.38
TOTAL LIABILITIES AND EQUITY		49,221.73	55,595.95

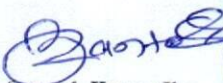
The accompanying notes form an integral part of these financial statements

This is the balance sheet referred to in our report of even date


For SRKS AND ASSOCIATES

Chartered Accountants

Firm Registration No. 025002C

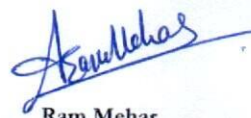

Santosh Kumar Jha
 Partner
 Membership No.: 514514

**For and on behalf of the board of directors****Indiabulls Asset Reconstruction Company Limited**


Amit Gandhi
 Whole Time Director & CEO
 DIN: 07606699
 Place : Mumbai


Keyur Morparia
 Chief Financial Officer


Sargam Kataria
 Director
 DIN: 07133394


Ram Mehar
 Company Secretary
 M. No. : 6039

Place : Patna

Date : 2nd May 2025

Place : New Delhi

Date : 2nd May 2025

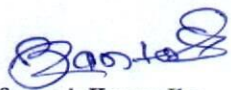


Indiabulls Asset Reconstruction Company Limited
Statement of Profit and Loss for the year ended 31 March 2025
(All amounts in Rs. Lakhs unless stated otherwise)

	Notes	For the year ended 31 March 2025	For the year ended 31 March 2024
Revenue from operations			
Interest income	17	66.64	170.63
Fee and commission income	18	3,223.37	2,394.64
Net gain on fair value changes	19	574.87	1,848.96
Total revenue from operations (I)		3,864.89	4,414.23
Other income (II)	20	109.64	26.36
Total revenue (I + II)		3,974.52	4,440.59
Expenses			
Finance costs	21	26.49	33.26
Employee benefits expense	22	7,757.99	6,506.69
Depreciation and amortisation	23	103.04	32.24
Other expenses	24	646.33	331.31
Total expenses		8,533.85	6,903.49
Profit before tax		(4,559.33)	(2,462.90)
Tax expense	25		
Income tax for earlier years		1.39	(399.28)
Deferred tax charge/(credit)		-	13.09
Total tax expense		1.39	(386.19)
Profit for the year		(4,560.72)	(2,076.71)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gain / (loss) on defined benefit plans		(93.95)	242.69
Other comprehensive income		(93.95)	242.69
Total comprehensive income for the year		(4,654.67)	(1,834.02)
Earnings per equity share (Rs.)	26		
(1) Basic		(6.16)	(2.28)
(2) Diluted		(6.16)	(2.28)


The accompanying notes form an integral part of these financial statements
This is the statement of profit and loss referred to in our report of even date

For SRKS AND ASSOCIATES
Chartered Accountants
Firm Registration No. 025002C


Santosh Kumar Jha
Partner
Membership No.: 514514




For and on behalf of the board of directors
Indiabulls Asset Reconstruction Company Limited


Amit Gandhi
Whole Time Director & CEO
DIN: 07606699
Place : Mumbai


Keyur Morparia
Chief Financial Officer


Sargam Kataria
Director
DIN: 07133394


Ram Mehar
Company Secretary
M. No. 6039



Place : New Delhi
Date : 2nd May 2025

Place : Patna
Date : 2nd May 2025

Indiabulls Asset Reconstruction Company Limited
Cashflow statement for the year ended 31 March 2025
(All amounts in Rs. Lakhs unless stated otherwise)

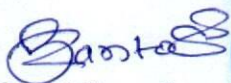
	For the year ended 31 March 2025	For the year ended 31 March 2024
A Cash flow from operating activities		
Net profit before tax	(4,559.33)	(2,462.90)
Adjustment for		
Depreciation and amortisation	103.04	32.24
Effective interest rate and other non-cash adjustments	(79.99)	(90.85)
Operating profit before working capital changes	(4,536.28)	(2,521.52)
Changes in working capital:		
Other financial assets	(3.09)	(30.92)
Other non-financial assets	206.85	(173.28)
Fixed deposit accounts having original maturity more than three months	32.33	13.34
Trade and other payables	(659.62)	993.11
Other financial liabilities	(149.07)	323.89
Other non-financial liabilities	(30.70)	(14.27)
Provisions non-financial liabilities	(894.12)	981.81
Cash (used in)/flow from operations	(6,033.70)	(427.83)
Income tax paid (including tax deducted at source)	(561.98)	(305.27)
Net cash (used in)/flow from operating activities	(6,595.69)	(733.09)
B Cash flows from investing activities		
Purchase of property, plant and equipment (net)	(25.57)	-
Investment in security receipts [net of redemptions]	7,378.63	10,407.80
Net cash (used in)/flow from investing activities	7,353.07	10,407.80
C Cash flow from financing activities		
Proceeds from issue of equity share capital (including securities premium)	0.00	(9,702.51)
Net cash flow from financing activities	0.00	(9,702.51)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	757.38	(27.80)
Cash and cash equivalents at the beginning of the year	657.59	685.39
Cash and cash equivalents at the end of the year	1,414.97	657.59
Notes:		
1 Cash and cash equivalents as at the close of the year include:		
Balances with scheduled banks		
In current accounts	714.17	657.59
In deposit accounts having original maturity less than three months	700.80	-
Cash and cash equivalents at the end of the year	1,414.97	657.59

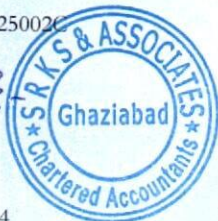
The accompanying notes form an integral part of these financial statements
This is the cash flow statement referred to in our report of even date

For SRKS AND ASSOCIATES

Chartered Accountants

Firm Registration No. 0250026



Santosh Kumar Jha
Partner
Membership No.: 514514



Place : Patna
Date : 2nd May 2025

For and on behalf of the board of directors


Indiabulls Asset Reconstruction Company Limited


Amit Gandhi
Whole Time Director & CEO
DIN: 07606699
Place : Mumbai


Sargam Kataria
Director
DIN: 07133394

Place : New Delhi
Date : 2nd May 2025


Keyur Morparia
Chief Financial Officer


Ram Mehar
Company Secretary
M. No. : 6039



Indiabulls Asset Reconstruction Company Limited
Statement of changes in equity for the year ended 31 March 2025
(All amounts in Rs. Lakhs unless stated otherwise)

A. Equity share capital (Refer Note - 15)

Particulars	As at 31 March 2025	As at 31 March 2024
Balance as at 31 March 2024/31 March 2023	7,405.93	9,750.00
Changes in equity share capital due to prior period errors	-	-
Restated Balance as at 31 March 2024/31 March 2023	7,405.93	9,750.00
Changes during the year	-	(2,344.07)
Balance as at 31 March 2025/31 March 2024	7,405.93	7,405.93

B. Other equity (Refer Note - 16)

Particulars	Reserves and surplus				Total
	Securities premium	Share Option Outstanding Reserve	Retained earnings	Other Comprehensive Income	
Balance as at 31 March 2023	40,291.86	11.07	13,780.52	14.78	54,098.24
Profit for the year	-	-	(2,076.71)	-	(2,076.71)
Addition During the year	-	22.65	-	242.69	265.34
Right Issue of equity shares (7,97,492 Equity shares of Face Value of Rs.10 Each at a premium of Rs.90 Per share)	717.74	-	-	-	717.74
Buy Back of equity shares (2,42,38,227 Equity shares of Face Value of Rs.10 each at a premium of Rs. 33.32 Per share)	(8,076.18)	-	-	-	(8,076.18)
Balance as at 31 March 2024	32,933.43	33.72	11,703.82	257.48	44,928.45
Balance as at 31 March 2024	32,933.43	33.72	11,703.82	257.48	44,928.45
Profit for the year	-	-	(4,560.72)	-	(4,560.72)
Addition During the year	-	13.96	-	(93.95)	(79.99)
Balance as at 31 March 2025	32,933.43	47.69	7,143.10	163.52	40,287.74

The accompanying notes form an integral part of these financial statements
This is the statement of changes in equity referred to in our report of even date

For SRKS AND ASSOCIATES

Chartered Accountants

Firm Registration No. 025002C

Santosh Kumar Jha
Santosh Kumar Jha
Partner

Membership No.: 514514



For and on behalf of the board of directors
Indiabulls Asset Reconstruction Company Limited

Amit Gandhi
Amit Gandhi
Whole Time Director & CEO
DIN: 07606699
Place : Mumbai

Sargam Kataria
Sargam Kataria
Director
DIN: 07133394

Keyur Morparia
Keyur Morparia
Chief Financial Officer

Ram Mchar
Ram Mchar
Company Secretary
M. No. : 6039



Place : Patna

Date : 2nd May 2025

Place : New Delhi

Date : 2nd May 2025

Indiabulls Asset Reconstruction Company Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2025

1. Corporate Information

Indiabulls Asset Reconstruction Company Limited ('the Company') was incorporated on 2 November 2006 with the object of engaging in the business of asset reconstruction. The Company has been granted certificate of registration from Reserve Bank of India (RBI) on 19 May 2017 to commence the business of securitisation or asset reconstruction under section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ('SARFAESI Act'). The Company is domiciled in India and its registered office is situated at One International Centre, Tower-1, 4th Floor, Senapati Bapat Marg, Elphinstone Road, Mumbai, Maharashtra 400 013.

a. Basis of preparation

(i) Statement of compliance with Indian Accounting Standards (Ind AS)

These financial statements ('the Financial Statements') have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for all the periods presented in these financial statements.

(ii) Historical cost convention

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies.

2. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement basis summarised as below. These policies are applied consistently for all the periods presented in the financial statements.

a) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss.

Subsequent measurement (depreciation method, useful lives and residual value)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the straight-line method over the useful life of the assets as prescribed under Schedule II of the Companies Act, 2013.

The useful life of the assets is as follows:

Asset class	Useful life
Computer equipment	3 years
Office equipment	5 years
Furniture and fixtures	10 years
Vehicles	8 years



Indiabulls Asset Reconstruction Company Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2025

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is derecognised.

b) Revenue recognition

Interest income on loans

Interest income on loans (including processing fee) is recorded on accrual basis using the effective interest rate (EIR) method.

Interest on bank deposits

Interest income on bank deposits is recorded on accrual basis using the effective interest rate (EIR) method.

Management and other fees

Management and other fee are recognised as revenue on accrual basis based on contractual arrangement, when there is no uncertainty in the ultimate realisation/collection.

Incentive fees

Incentive fee is recognised as revenue on accrual basis based on contractual arrangement, when there is no uncertainty in the ultimate realisation/collection.

Dividend income

Dividend income is recognised at the time when the right to receive is established by the reporting date.

c) Borrowing costs

Borrowing costs that are directly attributable to the acquisition and/or construction of a qualifying asset, till the time such qualifying assets become ready for its intended use sale, are capitalised. Borrowing costs consists of interest and other cost that the Company incurred in connection with the borrowing of funds. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred basis the effective interest rate method.

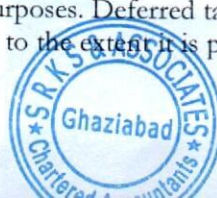
d) Taxation

Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

Current tax comprises the tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is computed in accordance with relevant tax regulations. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future



Indiabulls Asset Reconstruction Company Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2025

taxable profits will be available against which they can be used. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

e) Employee benefits

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

Other long-term employee benefits

The Company also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to be availed after one year from the balance sheet date is estimated in the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to Statement of Profit and Loss in the year in which such gains or losses are determined.

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plans

The Company has a defined contribution plans namely provident fund, pension fund and employees state insurance scheme. The contribution made by the Company in respect of these plans are charged to the Statement of Profit and Loss.

Defined benefit plans

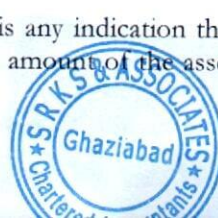
The Company has unfunded gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognised in the balance sheet for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

f) Share based payments

The Holding Company has formulated various Employees Stock Option Schemes. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity.

g) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of



Indiabulls Asset Reconstruction Company Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2025

an asset's net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

h) Impairment of financial assets

Loan assets

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1 (1-30 days past due) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 (31-60 days past due) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 (more than 90 days past due) includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) - LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD) - EAD is based on the amounts the Company expects to be owed at the time of default. For a revolving commitment, the Company includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

Forward-looking economic information (including management overlay) is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

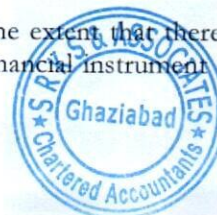
Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.



Indiabulls Asset Reconstruction Company Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2025

i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments (certificate of deposits) that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. For cash flow statement purposes, cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

j) Investment in security receipts of Asset Reconstruction (AR) trusts

Investments representing controlling interest in AR Trusts are measured at cost in accordance with Ind AS 27 'Separate Financial Statements'. The Investments sold subsequent to the reporting date are measured in accordance with Ind AS 105 'Non-current Assets Held for sale and Discontinued Operations' at lower cost or fair value.

k) Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

l) Leases

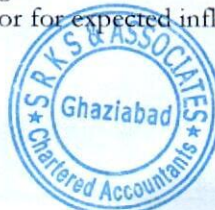
Ind AS 116 - 'Leases' (Ind AS 116) was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. The Company has applied Ind AS 116 with a date of initial application of 1 April, 2019 using modified retrospective approach, under which the lease liability is measured based on the remaining lease payments (i.e., from the date of transition to the lease end date) discounted using the incremental borrowing rate as of the date of initial application being 1 April 2019. The carrying amount of the ROU asset is an amount equal to the carrying amount of the lease liability on the date of initial application as there are no prepayments or accrual items and hence, no impact on the retained earnings as on the transition date. There is no impact on retained earnings as at 1 April 2019. The Company has applied Ind AS 116 only to the contracts that were previously identified as leases. As a practical expedient, contracts previously identified as lease under Ind AS 17 has not reassessed as to whether a contract is, or contains, a lease under Ind AS 116.

The Company has used the following practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17:

- Relied on its assessment of whether leases are onerous immediately before the date of initial application.
- Applied the exemption not to recognize right-of-use asset and liabilities for leases with remaining lease term of 12 months or less.
- Excluded initial direct costs from measuring the right-of-use asset at the date of application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.
- Payments in relation to leases of low-value assets are recognised as an expense in statement of profit or loss.

Accounting Policy before 1 April 2019

Leases in which the lessor does not transfer substantially all the risks and rewards of ownership of an asset to the lessee are classified as operating leases. Lease rental are charged to statement of profit and loss on straight line basis except where scheduled increase in rent compensates the lessor for expected inflationary costs.



Indiabulls Asset Reconstruction Company Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2025

m) Financial instruments

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

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

ii. **Investments in security receipts** – Investments in security receipts where the Company holds non-controlling interest are classified as at fair value through profit or loss (FVTPL).

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Non-derivative financial liabilities

Subsequent measurement

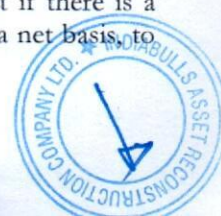
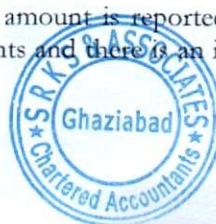
Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



n) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss (interest and other finance cost associated) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Foreign currency

Functional and presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

p) Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

Significant management judgements

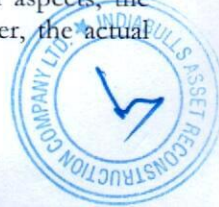
Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Expected credit loss ('ECL') – The measurement of expected credit loss allowance for financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. likelihood of customers defaulting and resulting losses). The Company makes significant judgements with regard to the following while assessing expected credit loss:

- Determining criteria for significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.



Indiabulls Asset Reconstruction Company Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2025

Significant estimates

Useful lives of depreciable assets – Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.



Indiabulls Asset Reconstruction Company Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2025

(All amounts in Rs. Lakhs unless stated otherwise)

	As at 31 March 2025	As at 31 March 2024
Note - 3		
Cash and cash equivalents		
Cash on hand	-	-
Balance with banks		
- in current accounts	714.17	657.59
- in fixed deposits with original maturity of less than three months	700.80	-
	1,414.97	657.59
Note - 4		
Bank Balance other than cash and cash equivalents (at amortised cost)		
	As at 31 March 2025	As at 31 March 2024
Deposit accounts		
In fixed deposit accounts with banks		
- in fixed deposit accounts having original maturity more than three months upto twelve months*	472.24	504.57
	472.24	504.57
* includes fixed deposit of Rs. 1 crore as a lien with the bank against a overdraft facility		
Note - 5		
Investments	As at 31 March 2025	As at 31 March 2024
At fair value through profit or loss		
Investment in security receipts		
Indiabulls ARC- IX Trust	416.66	546.25
No. of security receipts: 1,54,500 (31 March 2024: 1,54,500)		
Face value of Rs. 269.68 (31 March 2024: Rs. 353.56) per security receipts		
Indiabulls ARC- XIV Trust	764.61	924.85
No. of security receipts: 1,60,500 (31 March 2024: 1,60,500)		
Face value of Rs. 476.39 (31 March 2024: Rs. 576.23) per security receipts		
Indiabulls ARC- XXV Trust	59.63	59.63
No. of security receipts: 3,975 (31 March 2024: 3,975)		
Face value of Rs. 1,000 (31 March 2024: Rs. 1,000) per security receipts		
Indiabulls ARC- XXXI Trust	1.54	1,021.29
No. of security receipts: 1,02,750 (31 March 2024: 1,02,750)		
Face value of Re. 1.00 (31 March 2024: Rs. 993.96) per security receipts		
	As at 31 March 2025	As at 31 March 2024
Investment representing controlling interests in Asset Reconstruction Trusts		
At cost		
Indiabulls ARC- VII Trust	1,231.24	1,231.24
No. of security receipts: 2,95,800 (31 March 2024: 2,95,800)		
Face value of Rs. 416.24 (31 March 2024: Rs. 416.24) per security receipts		
Indiabulls ARC- XXVIII Trust	18,953.03	22,792.35
No. of security receipts: 32,80,035 (31 March 2024: 35,69,000)		
Face value of Rs. 577.83 (31 March 2024: Rs. 638.62) per security receipts		
Indiabulls ARC- XXIX Trust	6,310.25	8,821.50
No. of security receipts: 12,50,000 (31 March 2024: 12,50,000)		
Face value of Rs. 504.82 (31 March 2024: Rs. 705.72) per security receipts		
Indiabulls ARC- XXX Trust	2,392.38	3,600.01
No. of security receipts: 5,10,000 (31 March 2024: 5,10,000)		
Face value of Rs. 469.09 (31 March 2024: Rs. 705.88) per security receipts		
Indiabulls ARC- XXXII Trust	13,476.92	14,419.56
No. of security receipts: 15,00,000 (31 March 2024: 15,00,000)		
Face value of Rs. 898.46 (31 March 2024: Rs. 961.30) per security receipts		
Indiabulls ARC- XXXIII Trust	2,431.80	-
No. of security receipts: 2,78,200 (31 March 2024: Nil)		
Face value of Rs. 874.12 (31 March 2024: Nil) per security receipts		
	46,038.04	53,416.68
Less: Impairment of Investments	-	-
	46,038.04	53,416.68
Investments outside India	-	-
Investments in India	46,038.04	53,416.68
Total net	46,038.04	53,416.68



Indiabulls Asset Reconstruction Company Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2025

(All amounts in Rs. Lakhs unless stated otherwise)

Name of entity	Principle place of business	Ownership interest	
		As at 31 March 2025	As at 31 March 2024
Indiabulls ARC- VII Trust	India	51%	51%
Indiabulls ARC- XXVIII Trust	India	69%	75%
Indiabulls ARC- XXIX Trust	India	100%	100%
Indiabulls ARC- XXX Trust	India	100%	100%
Indiabulls ARC- XXXII Trust	India	100%	100%
Indiabulls ARC- XXXIII Trust	India	100%	N.A.

*Investment representing controlling interests in Asset Reconstruction Trusts are measured at cost as per Ind AS 27 'Separate Financial Statements'.

Note - 6

Other financial assets

Security deposit

	As at 31 March 2025	As at 31 March 2024
	34.01	30.92
	34.01	30.92

Note - 7

Current tax assets

Taxes paid (net of provision for tax)

	As at 31 March 2025	As at 31 March 2024
	951.66	391.07
	951.66	391.07

Note - 9

Other non-financial assets

Prepaid expenses

Balance with government authorities

Other recoverable

	As at 31 March 2025	As at 31 March 2024
	11.41	24.17
	17.55	10.66
	33.90	234.89
	62.86	269.72



Indiabulls Asset Reconstruction Company Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2025
(All amounts in Rs. Lakhs unless stated otherwise)

Note - 8

Property, plant and equipment & Right-of-use assets :

Particulars (F.Y.2024-25)	Gross block			Accumulated depreciation			Net block	
	As at 01 April 2024	Additions	Disposals/ adjustment	As at 31 March 2025	Charge for the year	Disposals/ adjustment	As at 31 March 2025	As at 31 March 2024
Right-of-use assets :								
Leasehold Asset	356.20	-	-	356.20	100.08	-	131.74	324.54
Total (A)	356.20	-	-	356.20	100.08	-	131.74	324.54
Property, plant and equipment :								
Office equipment	1.59	-	-	1.59	-	-	1.59	-
Furniture and fixtures	1.94	-	-	1.94	0.21	-	1.37	0.78
Computers	6.71	-	-	6.71	0.07	-	6.71	0.09
Vehicles	25.59	25.59	-	25.59	2.68	-	2.68	-
Total (B)	10.25	25.59	-	35.83	2.96	-	12.35	0.87
Total (A+B)	366.45	25.59	-	392.03	103.04	-	144.09	325.41

Particulars (F.Y.2023-24)

Particulars (F.Y.2023-24)	Gross block			Accumulated depreciation			Net block	
	As at 01 April 2023	Additions	Disposals/ adjustment	As at 31 March 2024	Charge for the year	Disposals/ adjustment	As at 31 March 2024	As at 31 March 2023
Right-of-use assets :								
Leasehold Asset	-	356.20	-	356.20	31.66	-	31.66	-
Total (A)	-	356.20	-	356.20	31.66	-	31.66	-
Property, plant and equipment :								
Office equipment	1.59	-	-	1.59	-	-	1.59	0.00
Furniture and fixtures	1.94	-	-	1.94	0.19	-	1.16	0.97
Computers	6.71	-	-	6.71	0.39	-	6.64	0.47
Total (B)	10.25	-	-	10.25	0.58	-	9.38	1.44
Total (A+B)	10.25	356.20	-	366.45	32.24	-	41.04	1.44



Indiabulls Asset Reconstruction Company Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2025

(All amounts in Rs. Lakhs unless stated otherwise)

Note - 10
Trade payables

Total outstanding due to creditors other than micro enterprises and small enterprises

As at 31 March 2025	As at 31 March 2024
139.68	112.99
139.68	112.99

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at 31 March 2025	As at 31 March 2024
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	Nil	Nil

Trade Payables Ageing

As at 31 March 2025	Outstanding for following periods from due date of payment				Total
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Trade Payable - MSME	-	-	-	-	-
(ii) Trade Payable - Others	76.56	0.35	-	62.76	139.68
(iii) Trade Payable - Disputed dues - MSME	-	-	-	-	-
(iv) Trade Payable - Disputed dues - Others	-	-	-	-	-
Total	76.56	0.35	-	62.76	139.68

As at 31 March 2024	Outstanding for following periods from due date of payment				Total
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Trade Payable - MSME	-	-	-	-	-
(ii) Trade Payable - Others	38.04	11.94	0.25	62.76	112.99
(iii) Trade Payable - Disputed dues - MSME	-	-	-	-	-
(iv) Trade Payable - Disputed dues - Others	-	-	-	-	-
Total	38.04	11.94	0.25	62.76	112.99

Note - 11
Other payables

Total outstanding due to creditors other than micro enterprises and small enterprises

As at 31 March 2025	As at 31 March 2024
562.04	1,248.36
562.04	1,248.36

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at 31 March 2025	As at 31 March 2024
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	Nil	Nil



Indiabulls Asset Reconstruction Company Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2025

(All amounts in Rs. Lakhs unless stated otherwise)

Other Payables Ageing

As at 31 March 2025	Outstanding for following periods from due date of payment				Total
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Others Payable - MSME	-	-	-	-	-
(ii) Others Payable - Others	194.56	81.99	19.45	266.04	562.04
(iii) Others Payable - Disputed dues - MSME	-	-	-	-	-
(iv) Others Payable - Disputed dues - Others	-	-	-	-	-
Total	194.56	81.99	19.45	266.04	562.04

As at 31 March 2024	Outstanding for following periods from due date of payment				Total
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Others Payable - MSME	-	-	-	-	-
(ii) Others Payable - Others	962.87	80.20	130.89	74.40	1,248.36
(iii) Others Payable - Disputed dues - MSME	-	-	-	-	-
(iv) Others Payable - Disputed dues - Others	-	-	-	-	-
Total	962.87	80.20	130.89	74.40	1,248.36

Note - 12
Other financial liabilities

Leasehold liability

Expenses payable

As at 31 March 2025	As at 31 March 2024
241.66	326.84
403.38	467.27
645.04	794.11

Note - 13
Provisions (Non financial liabilities)
Provision for employee benefits

Provision for gratuity

Provision for compensated absences

As at 31 March 2025	As at 31 March 2024
81.20	623.27
46.12	398.18
127.32	1,021.44

Note - 14
Other non-financial liabilities

Statutory dues payables

As at 31 March 2025	As at 31 March 2024
53.97	84.67
53.97	84.67



Indiabulls Asset Reconstruction Company Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2025

(All amounts in Rs. Lakhs unless stated otherwise)

	As at 31 March 2025		As at 31 March 2024	
	No. of shares (In Lakhs)	Amount	No. of shares (In Lakhs)	Amount
Note - 15				
Equity share capital				
i. Authorised				
Equity shares of face value of Rs. 10 each	987.00	9,870.00	987.00	9,870.00
	987.00	9,870.00	987.00	9,870.00
ii. Issued, subscribed and paid up:				
Equity shares of face value of Rs. 10 each	740.59	7,405.93	740.59	7,405.93
	740.59	7,405.93	740.59	7,405.93

iii. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

	As at 31 March 2025		As at 31 March 2024	
	No. of shares (In Lakhs)	Amount	No. of shares (In Lakhs)	Amount
Balance at the beginning of the year	740.59	7,405.93	975.00	9,750.00
Add: Issued during the year	-	-	7.97	79.75
Less:-Buy Backed during the year	-	-	(242.38)	(2,423.82)
Balance at the end of the year	740.59	7,405.93	740.59	7,405.93

iv. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. 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 distribution will be in proportion to the number of equity shares held by the shareholders.

v. Detail of shareholders holding 5% or more shares:

No. of shareholders	As at 31 March 2025		As at 31 March 2024	
	No. of shares (In Lakhs)	% of holding	No. of shares (In Lakhs)	% of holding
Equity shares of face value of Rs. 10 each fully paid up				
Dhani Services Limited (erstwhile Indiabulls Ventures Limited) (Holding Company)	740.59	100%	740.59	100%
Total	740.59	100%	740.59	100%

As per records of the Company, including its register of members/shareholders, and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

vi. Shares held by promoters at the end of the reporting year:

As at 31 March 2025

Name of Promoter	No. of shares (In Lakhs)	% of total shares	% Change during the year
Dhani Services Limited (erstwhile Indiabulls Ventures Limited)	740.59	100.00%	-

As at 31 March 2024

Name of Promoter	No. of shares (In Lakhs)	% of total shares	% Change during the year
Dhani Services Limited (erstwhile Indiabulls Ventures Limited)	740.59	100.00%	-

vii. The Company has not issued any bonus shares during the current year and five years immediately preceding current year.

viii. There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issue and bought back during the last five years.

ix. During F.Y 2023-24 the company has issued right shares worth Rs.7,97,49,200 consisting of 7,97,492 number of fully paid equity shares of at face value of Rs.10 each and at premium of Rs. 90 each.

x. During F.Y 2023-24 the company has bought back 2,42,38,227 number of fully paid equity shares of face value of Rs. 10 each at a premium of Rs. 33.32 each.



Indiabulls Asset Reconstruction Company Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2025

(All amounts in Rs. Lakhs unless stated otherwise)

	As at 31 March 2025	As at 31 March 2024
Note - 16		
Other equity		
Securities premium		
Balance at the beginning of the year	32,933.43	40,291.86
Add: Additions during the year (Net)	0.00	(7,358.43)
Securities premium	32,933.43	32,933.43
Share Option Outstanding Reserve		
Balance at the beginning of the year	33.72	11.07
Add: Additions during the year	13.96	22.65
Share Option Outstanding Reserve	47.69	33.72
Retained earnings		
Balance at the beginning of the year	11,703.82	13,780.52
Add: Profit for the year	(4,560.72)	(2,076.71)
Retained earnings	7,143.10	11,703.82
Other Comprehensive Income		
Balance at the beginning of the year	257.48	14.78
Add: Income for the year	(93.95)	242.69
Other Comprehensive Income	163.52	257.48
	40,287.74	44,928.45

Nature and purpose of other reserve

Securities premium

Securities premium represents premium received on issue of equity shares. The account can be utilised in accordance with the provisions of the Companies Act 2013.

Share Option Outstanding Reserve

Share Option Outstanding Reserve is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in share based payment reserve are transferred to share premium/retained earnings upon exercise of stock options by employee.

Retained earnings

Retained earnings are the accumulated profits earned by the company till date And actuarial gains and losses on defined benefit plans are considered in other comprehensive income (net of taxes) and distributions made to the shareholders.



Indiabulls Asset Reconstruction Company Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2025

(All amounts in Rs. Lakhs unless stated otherwise)

	For the year ended 31 March 2025	For the year ended 31 March 2024
Note - 17		
Interest income		
On financial assets measured at amortised cost:		
Interest on deposits with banks	63.55	169.37
Other interest income	3.09	1.26
	<u>66.64</u>	<u>170.63</u>
	For the year ended 31 March 2025	For the year ended 31 March 2024
Note - 18		
Fee and commission income		
Management fee	2,359.95	2,332.72
Incentive fee	306.07	61.92
Upside fee	557.35	-
	<u>3,223.37</u>	<u>2,394.64</u>
	For the year ended 31 March 2025	For the year ended 31 March 2024
Note - 19		
Net gain on fair value changes		
On financial instruments at fair value through profit or loss		
- Gain on security receipts	574.87	1,848.96
	<u>574.87</u>	<u>1,848.96</u>
Fair value changes		
- Realised	574.36	1,848.96
- Unrealised	0.51	-
Total	<u>574.87</u>	<u>1,848.96</u>
	For the year ended 31 March 2025	For the year ended 31 March 2024
Note - 20		
Other income		
Provisions written back	6.06	6.36
Reversal of provision for employee benefits	103.58	20.00
	<u>109.64</u>	<u>26.36</u>
	For the year ended 31 March 2025	For the year ended 31 March 2024
Note - 21		
Finance costs		
On financial liabilities measured at amortised cost:		
Interest on inter corporate deposits	-	17.12
Interest on bank overdraft	0.01	-
Others		
Leasehold premises	22.76	11.00
Security Deposits	3.53	1.50
Other interest expense	0.18	3.64
	<u>26.49</u>	<u>33.26</u>



Indiabulls Asset Reconstruction Company Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2025

(All amounts in Rs. Lakhs unless stated otherwise)

	For the year ended 31 March 2025	For the year ended 31 March 2024
Note - 22		
Employee benefits expense		
Salaries, wages and bonus	7,369.12	6,139.11
Employee share based payment expense	13.96	22.65
Contribution to provident and other funds	317.14	173.79
Provision for employee benefits	57.77	170.36
Staff welfare expenses	-	0.78
	7,757.99	6,506.69

	For the year ended 31 March 2025	For the year ended 31 March 2024
Note - 23		
Depreciation and amortisation		
Depreciation on property, plant and equipment (Refer Note - 8)	2.96	0.58
Depreciation on right of use assets (Refer Note - 8)	100.08	31.66
Total	103.04	32.24

	For the year ended 31 March 2025	For the year ended 31 March 2024
Note - 24		
Other expenses		
Repairs and maintenance	2.16	3.27
Printing and stationery	7.10	2.56
Director's sitting fee	9.00	11.50
Auditor's remuneration*	5.50	5.00
Legal and professional charges	122.27	192.88
Royalty Charges	4.36	-
Rates and taxes	0.70	1.99
Electricity charges	17.15	5.16
Travelling and conveyance	39.36	8.86
Communication costs	96.23	1.71
Corporate social responsibility costs#	37.63	87.77
Provision for Doubtful Advances	292.22	-
Miscellaneous	12.66	10.60
	646.33	331.31

***Charge for auditors remuneration comprises of:**

Statutory audit fees (excluding taxes)	5.00	4.50
For certification	0.50	0.50
	5.50	5.00

#Corporate social responsibility expenses

The Company has spent Rs. 37.63 lakhs (31 March 2024 Rs. 87.77 lakhs), towards corporate social responsibility (CSR) activities as follows:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
(a) Amount required to be spent by the company during the year	37.63	87.77
(b) Amount of expenditure Incurred-		
Construction/acquisition of any asset	-	-
Any other purpose other than above*	37.63	87.77

*Contribution towards donation/corpus fund paid to Akashiganga Foundation (31 March 2024 : Mata Krishnawanti Memorial Education Society)



Indiabulls Asset Reconstruction Company Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2025

(All amounts in Rs. Lakhs unless stated otherwise)

	For the year ended 31 March 2025	For the year ended 31 March 2024
Note - 25		
Tax expense		
Current tax (including earlier years)	1.39	(399.28)
Deferred tax charge/(credit)	-	13.09
Income tax expense reported in the statement of profit and loss	1.39	(386.19)

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.17% (31 March 2023: 25.17%).

The reported tax expense in profit or loss are as follows:

	For the year ended 31 March 2025	For the year ended 31 March 2024
Accounting profit before income tax	(4,559.33)	(2,462.90)
At India's statutory income tax rate of 25.17% (31 March 2023: 25.17%)	-	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax impact of exempted income	-	-
Tax impact of expenses which will never be allowed	-	-
Income tax for earlier years	1.39	(399.28)
Others	-	-
Income tax expense for the year	1.39	(399.28)

Note - 26
Earnings per equity share (Rs.)

	For the year ended 31 March 2025	For the year ended 31 March 2024
Net profit attributable to equity shareholders		
Net profit for the year	(4,560.72)	(2,076.71)
Nominal value of equity shares	10.00	10.00
Weighted average number of equity shares used for computing basic earnings per share (In Lakhs)	741	910
Basic earnings per share (Rs.)	(6.16)	(2.28)
Net profit for the year (for diluted earnings per share)	(4,560.72)	(2,076.71)
Weighted average number of equity shares used for computing Diluted earnings per share (In Lakhs)	741	910
Diluted earnings per share (Rs.)	(6.16)	(2.28)

Note: The impact of potential equity shares on Diluted Earnings per share is anti dilutive and hence the Diluted Earnings per share is the same as Basic Earnings per share.



27 Financial instruments

A Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	Note	As at 31 March 2025	As at 31 March 2024
Financial assets measured at fair value			
Investments*			
- measured at fair value through profit and loss	Note 5	1,242.43	2,552.02
Financial assets measured at amortised cost			
Cash and cash equivalents, including Bank balances other than cash and cash equivalents	Note 3 and 4	1,887.21	1,162.16
Other financial assets	Note 6	34.01	30.92
Total		3,163.65	3,745.09
Financial liabilities measured at amortised cost			
Trade payables	Note 10	139.68	112.99
Other payables	Note 11	562.04	1,248.36
Other financial liabilities	Note 12	645.04	794.11
Total		1,346.76	2,155.46

* Investment in subsidiaries are measured at cost as per Ind AS 27, 'Separate financial statements' and hence, not presented here.

B Fair values hierarchy

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

As at 31 March 2025	Level 1	Level 2	Level 3	Total
Assets				
Investments at fair value through statement of profit of loss				
Unquoted security receipts	-	-	1,242.43	1,242.43
As at 31 March 2024				
Assets				
Investments at fair value through statement of profit of loss				
Unquoted security receipts	-	-	2,552.02	2,552.02

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- for unquoted security receipts, the Company has used adjusted discounted cash flow method (income approach).

- for mutual funds, on the basis of statement received from investee party.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

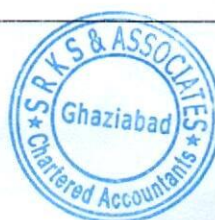
Particulars	Fair value		Significant unobservable inputs
	As at 31 March 2025	As at 31 March 2024	
Unquoted security receipts	1,242.43	2,552.02	Discount rate and estimated cash flows

Sensitivity analysis

Description	For the year ended 31 March 2025	For the year ended 31 March 2024
Impact on fair value if change in unobservable inputs		
- Impact due to increase of 0.5%	(4.26)	(8.76)
- Impact due to decrease of 0.5%	4.26	8.76

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

Particulars	Unquoted Security receipts
As at 31 March 2023	17,599.80
Add: Addition during the year	1,027.50
Less: Redeemed during the year	(16,075.28)
As at 31 March 2024	2,552.02
Add: Addition during the year	-
Less: Redeemed during the year	(1,310.11)
Add: Gain recognised in statement of profit and loss	0.51
As at 31 March 2025	1,242.43



B.2 Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	As at 31 March 2025		As at 31 March 2024	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents, including Bank balances other than cash and cash equivalents	1,887.21	1,887.21	1,162.16	1,162.16
Other financial assets	34.01	34.01	30.92	30.92
Total	1,921.22	1,921.22	1,193.08	1,193.08
Financial liabilities				
Trade payables	139.68	139.68	112.99	112.99
Other payables	562.04	562.04	1,248.36	1,248.36
Other financial liabilities	645.04	645.04	794.11	794.11
Total	1,346.76	1,346.76	2,155.46	2,155.46

The management assessed that fair values of cash and cash equivalents, trade receivables, trade payables, other payables and other financial liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is considered at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- The fair values of the Company's fixed interest bearing loans and security deposits are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.
- The fair values of the Company fixed interest-bearing debt securities are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

28 Financial risk management**i) Risk Management**

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors have overall responsibility for the establishment and oversight of the Company risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Risk management
Credit risk	Cash and cash equivalents, including Bank balances other than cash and cash equivalents, trade receivables, loans and other financial assets.	Ageing analysis.	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Debt securities and other financial liabilities.	Rolling cash flow forecasts.	Availability of committed credit lines and borrowing facilities.
Market risk	Investments in security receipts.	Sensitivity analysis.	Diversification of portfolio, with focus on strategic investments.

The Company's risk management is carried out by treasury department (of the Company) under policies approved by the board of directors. The Company has overall risk management framework for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

A) Credit risk

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- Low credit risk on financial reporting date
- Moderate credit risk
- High credit risk

The company provides for expected credit loss based on the following:

Asset group	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, including Bank balances other than cash and cash equivalents, trade receivables, loans and other financial assets	12 month expected credit loss
Moderate credit risk	Loans	Life time expected credit loss or 12 month expected credit loss

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a borrower declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Financial assets that expose the entity to credit risk*

Particulars	As at 31 March 2025	As at 31 March 2024
(i) Low credit risk on financial reporting date		
Cash and cash equivalents, including Bank balances other than cash and cash equivalents	1,887.21	1,162.16
Other financial assets	34.01	30.92
(ii) Moderate credit risk		
Loans		

* These represent gross carrying values of financial assets, without deduction for impairment loss allowance.



Cash and cash equivalents

Credit risk related to cash and cash equivalents is managed by only accepting highly rated banks.

Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes security deposits. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Loans

The Company closely monitors the credit-worthiness of the borrower's through internal systems and project appraisal process (wherever applicable) to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk to pre-calculated amounts. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for amounts loan assets that become past due and default is considered to have occurred when amounts receivable become one year past due.

b) Credit risk exposure**i) Expected credit losses for financial assets other than loans**

Company provides for expected credit losses on financial assets other than loans by assessing individual financial instruments for expectation of any credit losses:

- For cash and cash equivalents and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.
- For investments - Considering the investments are in mutual funds and security receipts of ARC trusts, credit risk is considered low.
- For security deposits paid - Credit risk is considered low because the Company is in possession of the underlying asset.
- For other financial assets - Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though the reconciliation of expected credit loss for all sub categories of financial assets (other than loans) are disclosed below:

As at 31 March 2025	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment
Cash and cash equivalents, including Bank balances other than cash and cash equivalents	1,887.21	-	1,887.21
Other financial assets	34.01	-	34.01

As at 31 March 2024	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment
Cash and cash equivalents	1,162.16	-	1,162.16
Other financial assets	30.92	-	30.92

(ii) Expected credit loss for loans**Definition of default:**

The Company considers default in all cases when the borrower becomes 90 days past due on its contractual payments. The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the probability of default, Exposure at default and Loss given default.

Changes in the gross carrying amount in relation to loans from beginning to end of reporting period:

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount as at 1 April 2023	-	-	-
Assets originated and acquired	-	-	-
Assets derecognised (excluding write offs)	-	-	-
Gross carrying amount as at 31 March 2024	-	-	-
Assets originated and acquired	-	-	-
Assets derecognised (excluding write offs)	-	-	-
Gross carrying amount as at 31 March 2025	-	-	-

The Company had extended loans for the first time in financial year 2018-19 and does not have history of extending loans. The loan is 100% secured by the collateral and the management believes the underlying loan is in stage 1. Major portion of the loan has been received and there is no significant increase in the credit risk as at the reporting date. Accordingly, no allowance for impairment has been recorded.

B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.



(i) Maturities of financial assets and liabilities

The tables below analyse the Company financial assets and liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows:

As at 31 March 2025

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial assets					
Non-derivatives					
Cash and cash equivalents, including Bank balances other than cash and cash equivalents	1,887.21	-	-	-	1,887.21
Investments	745.46	310.61	124.24	62.12	1,242.43
Other financial assets	-	-	-	34.01	34.01
Total	2,632.67	310.61	124.24	96.13	3,163.65
Financial liabilities					
Non-derivatives					
Trade payables	139.68	-	-	-	139.68
Other payables	562.04	-	-	-	562.04
Other financial liabilities	645.04	-	-	-	645.04
Total	1,346.76	-	-	-	1,346.76

As at 31 March 2024

Particulars	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Financial assets					
Non-derivatives					
Cash and cash equivalents	1,162.16	-	-	-	1,162.16
Investments	1,531.21	638.00	255.20	127.60	2,552.02
Other financial assets	-	-	-	30.92	30.92
Total	2,693.37	638.00	255.20	158.52	3,745.09
Financial liabilities					
Non-derivatives					
Trade payables	112.99	-	-	-	112.99
Other payables	1,248.36	-	-	-	1,248.36
Other financial liabilities	794.11	-	-	-	794.11
Total	2,155.46	-	-	-	2,155.46

C) Market risk

a) Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2025, there are no interest bearing liabilities and accordingly, the Company do not have any exposure to interest rate risk.

ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

D) Price risk

i) Exposure

The Company's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

ii) Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the period:

Impact on profit after tax

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Security receipts		
Net assets value – increase by 5%	46.49	95.48
Net assets value – decrease by 5%	(46.49)	(95.48)

29 Capital management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	As at 31 March 2025	As at 31 March 2024
Debt*	-	-
Total equity	47,693.67	52,334.38
Debt to equity ratio	-	-

* Debt includes debt securities and interest accrued on debt securities.



30 Related Party Disclosures:

Disclosures in respect of Ind AS - 24 'Related Party Disclosures' as specified under Section 133 of the Companies Act, 2013 ("the Act") read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended):

A Related parties where control exists:

Description of relationship	Names of related parties
Holding Company	Dhani Services Limited (erstwhile Indiabulls Ventures Limited)
Investment representing controlling interests in Asset Reconstruction Trusts	Indiabulls ARC- VII Trust
	Indiabulls ARC- XXVIII Trust
	Indiabulls ARC- XXIX Trust
	Indiabulls ARC- XXX Trust
	Indiabulls ARC- XXXII Trust
	Indiabulls ARC- XXXIII Trust
Entities with common control	Dhani Loans and Services Limited
	Indiabulls Securities Limited (formerly Dhani Stocks Limited)
Key Management Personnel and their relatives	Mr. Amit Ajit Gandhi, Chief Executive Officer and Whole Time Director
	Mr. Keyur Morparia, Chief Financial Officer
	Mr. Ram Mehar, Company Secretary (w.e.f 20.04.2023)
	Mr. Shamsheer Singh Ahlawat, Independent Director (upto 24.06.2023)
	Ms. Swati Jain, Independent Director (w.e.f 30.11.2022)
	Mr. Aishwarya Katoch, Independent Director (w.e.f 06.03.2023)
	Ms. Ritu Kapoor Puri, Non-Executive Director (upto 31.07.2023)
	Ms. Sargam Kataria, Non-Executive Director (w.e.f 03.08.2023)
	Ms. Prem Prakash Mirdha, Independent Director (w.e.f 25.06.2023)

B Details of transactions with related parties carried out in the ordinary course of business:

Nature of Transaction	For the year ended	Holding Company	Investment representing controlling interests in Asset Reconstruction Trusts	Entities with common control	Key Management Personnel and their relatives
- Fee and other income	31 March 2025	-	1,949.20	-	-
	31 March 2024	-	1,710.04	-	-
- Interest on Inter Corporate Deposit taken and paid	31 March 2025	-	-	-	-
	31 March 2024	-	-	17.12	-
- Expenses Funded / (recovered)	31 March 2025	-	120.04	-	-
	31 March 2024	-	106.58	-	-
- Provision for Doubtful Advances	31 March 2025	-	286.72	-	-
	31 March 2024	-	-	-	-
- Reimbursement of expenses incurred	31 March 2025	4.78	-	-	-
	31 March 2024	-	-	-	-
- Demat Charges Paid	31 March 2025	-	-	0.01	-
	31 March 2024	-	-	0.04	-
- Buy Back of Shares (Including Securities Premium)	31 March 2025	-	-	-	-
	31 March 2024	10,500.00	-	-	-
- Issue of Equity Shares(Including Securities Premium)	31 March 2025	-	-	-	-
	31 March 2024	797.49	-	-	-
- Net Sale/(buy) of Security Receipts	31 March 2025	-	-	1,700.01	-
	31 March 2024	-	-	4,679.49	-
- Investment in Security Receipts	31 March 2025	-	2,782.00	-	-
	31 March 2024	-	20,100.00	-	-
- Redemption of Security Receipts	31 March 2025	-	8,851.04	-	-
	31 March 2024	-	10,780.53	-	-
- Inter corporate deposit taken & repaid	31 March 2025	-	-	-	-
	31 March 2024	-	-	2,500.00	-
- Maximum ICD balance outstanding during the year	31 March 2025	-	-	-	-
	31 March 2024	-	-	2,500.00	-
- Director's Sitting Fees	31 March 2025	-	-	-	9.00
	31 March 2024	-	-	-	11.50
- Remuneration paid to KMP	31 March 2025	-	-	-	398.78
	31 March 2024	-	-	-	355.15

C Key management personnel remuneration includes the following expenses:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Short-term employee benefits	384.82	332.50
Post employment benefits	-	-
Other long-term employee benefits	13.96	22.65

Note: As provisions for gratuity and leave benefits are made for the Company as a whole, the amounts pertaining to the Key management personnel are not specifically identified and hence are not included above. As the Bonus provision is on accrual basis, the same is considered on actual payout.

D Outstanding balances with related parties in ordinary course of business:

Particulars	As at 31 March 2025	As at 31 March 2024
Investment representing controlling interests in Asset Reconstruction Trusts :		
- Advances recoverable in kind	-	166.68
- Investment in security receipts	44,795.61	50,864.66

31 Segment information

The Company operates in a single reportable segment i.e. financing, which has similar risks and returns for the purpose of Ind AS 108 "Operating segments", and accordingly is considered to be the only reportable business segment. Further, the Company is operating in India which is considered as a single geographical segment.

32 Capital adequacy

As per the Reserve Bank of India Guidelines, the Capital Adequacy Ratio of the Company as at 31 March 2025 works out to 100.76% (as at 31 March 2024 : 96.14%).

33 Commitments:

Estimated amount of contract remaining to be executed on capital account and not provided for is Nil (31 March 2024: Nil).



Indiabulls Asset Reconstruction Company Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2025**

(All amounts in Rs. Lakhs unless stated otherwise)

34 Employee benefits

The Company has adopted Indian Accounting Standard (Ind AS) - 19 on Employee Benefit as under :

Defined contribution plans**Provident fund and other funds**

The Company has made Rs. 317.14 Lakhs (31 March 2024 Rs. 173.79 Lakhs) contribution in respect of provident fund and other funds.

Defined benefit plans**A Gratuity (non-funded)**

The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of Gratuity is recognized on the basis of actuarial valuation.

Risks associated with plan provisions

Salary increases	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

(i) Amount recognised in the balance sheet is as under:

Particulars	As at 31 March 2025	As at 31 March 2024
Present value of obligation	81.20	623.27
Net obligation recognised in balance sheet as provision	81.20	623.27

(ii) Amount recognised in the statement of profit and loss is as under:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Current service cost	12.77	168.47
Past service cost including curtailment gains/losses	-	-
Interest cost on defined benefit obligation	45.00	1.88
Net impact on profit (before tax)	57.77	170.36

(iii) Amount recognised as other comprehensive income is as under:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Actuarial gain / (loss) for the year on Planned Benefit obligation	(93.95)	242.69

(iv) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Present value of defined benefit obligation as at the beginning of year	623.26	25.58
Acquisition Adjustemnts	(547.56)	714.62
Current service cost	12.77	168.47
Interest cost	45.00	1.88
Past service cost including curtailment gains/losses	-	-
Benefits paid	(146.22)	(44.60)
Actuarial loss/(gain) on obligation	-	-
Actuarial loss/(gain) on arising from change in demographic assumption	-	-
Actuarial loss/(gain) on arising from change in financial assumption	1.27	13.42
Actuarial loss/(gain) on arising from experience adjustment	92.68	(256.11)
Present value of defined benefit obligation as at the end of the year	81.20	623.26

Indiabulls Asset Reconstruction Company Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2025

(All amounts in Rs. Lakhs unless stated otherwise)

(v) Actuarial assumptions

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Discounting rate	7.04%	7.22%
Future salary increase	5.00%	5.00%
Retirement age (years)	60	60
Withdrawal rate %		
Up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Weighted average duration	21.71	20.96
Mortality rates inclusive of provision for disability	100% of IALM (2012 – 14)	100% of IALM (2012 – 14)

Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2012-14); Previous Year (2012-14) Ultimate table.

(vi) Sensitivity analysis for gratuity liability

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Impact of the change in discount rate		
Present value of obligation at the end of the year		
- Impact due to increase of 0.50 %	(13.10)	(47.87)
- Impact due to decrease of 0.50 %	(5.60)	53.44
Impact of the change in salary increase		
Present value of obligation at the end of the year		
- Impact due to increase of 0.50 %	(5.55)	54.36
- Impact due to decrease of 0.50 %	(13.19)	(49.04)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these is not calculated.

Sensitivities as to rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

(vii) Maturity profile of defined benefit obligation

Particulars	As at 31 March 2025	As at 31 March 2024
0 to 1 year	11.26	7.43
1 to 2 year	1.03	10.40
2 to 3 year	1.04	13.26
3 to 4 year	1.21	11.65
4 to 5 year	17.90	13.18
5 to 6 year	0.88	17.97
6 year onwards	47.87	549.37



35 Employee stock option schemes:

The Holding Company has issued various Employees stock options scheme (ESOP / ESOS) for the benefit of the employees of the Company and its subsidiary companies.

A. Grants during the year:

The Holding Company has established the "Udaan Employee Welfare Trust" ("Udaan - EWT") ("Trust") for the implementation and management of its employees benefit scheme viz. the "Dhani Services Limited - Employee Stock Benefit Scheme - 2008 & 2009" (Scheme) for the benefit of the employees of the Company and its subsidiaries. There have been no new grants during the year.

B. Employees Stock Options Schemes:**(i) Employees Stock Option Scheme - 2008 (DSL ESOP -**

	DSL ESOP - 2008			
	2,00,00,000			
Total options under the scheme (Nos.)	97,00,000	8,80,600	18,00,000	18,00,000
Options granted (Nos.)	(Regrant)	(Regrant)	(Regrant)	(Regrant)
Vesting period and percentage	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year
Vesting date	2nd July each year, commencing 2 July 2017	25th March each year, commencing 25 March 2019	28th June each year, commencing 28 June 2023	25th February each year, commencing 25 February 2023
Exercisable period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Exercise price (₹)	24.15	254.85	30	68
Outstanding at the beginning of 1 April 2023 (Nos.)	18,44,400	-	18,00,000	-
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	6,94,400	-	9,00,000	-
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2024 (Nos.)	11,50,000	-	9,00,000	-
Vested and exercisable as at 31 March 2024 (Nos.)	11,50,000	-	1,80,000	-
Remaining contractual life (weighted months)	19	-	75	-
Outstanding at the beginning of 1 April 2024 (Nos.)	11,50,000	-	9,00,000	-
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	-	3,00,000	-
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2025 (Nos.)	11,50,000	-	6,00,000	-
Vested and exercisable as at 31 March 2025 (Nos.)	11,50,000	-	2,40,000	-
Remaining contractual life (weighted months)	7	-	63	-

Weighted average exercise price of share during the year ended 31 March 2025: Nil (31 March 2024: Nil).

(ii) Employees Stock Option Scheme - 2009 (DSL - ESOP

	DSL ESOP - 2009	DSL ESOP - 2009	DSL ESOP - 2009	DSL ESOP - 2009
	2,00,00,000	2,00,00,000	2,00,00,000	2,00,00,000
Total options under the Scheme (Nos.)	20,50,000	95,00,000	98,00,000	1,00,00,000
Options granted (Nos.)		(Regrant)	(Regrant)	(Regrant)
Vesting period and percentage	Ten years, 10% each year	Five years, 20% each year	Five years, 20% each year	Five years, 20% each year
Vesting date	13th April each year, commencing 13 April 2011	13th May each year, commencing 13 May 2017	28th June each year, commencing 28 June 2023	2nd September each year, commencing 2 September 2018
Exercisable period	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
Exercise price (₹)	31.35	16	30	219.65
Outstanding at the beginning of 1 April 2023 (Nos.)	50,000	17,90,400	98,00,000	-
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	1,62,000	41,00,000	-
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2024 (Nos.)	50,000	16,28,400	57,00,000	-
Vested and exercisable as at 31 March 2024 (Nos.)	50,000	16,28,400	11,40,000	-
Remaining contractual life (Weighted Months)	12	19	75	-
Outstanding at the beginning of 1 April 2024 (Nos.)	50,000	16,28,400	57,00,000	-
Granted/ regranted during the year (Nos.)	-	-	-	-
Forfeited during the year (Nos.)	-	2,84,000	7,75,000	-
Exercised during the year (Nos.)	-	-	-	-
Expired during the year (Nos.)	-	-	-	-
Surrendered and eligible for re-grant during the year (Nos.)	-	-	-	-
Outstanding as at 31 March 2025 (Nos.)	50,000	13,44,400	49,25,000	-
Vested and exercisable as at 31 March 2025 (Nos.)	50,000	13,44,400	19,70,000	-
Remaining contractual life (Weighted Months)	-	7	63	-



C.

Fair Valuation:

The details of the Fair value of the options / SARs as determined by an Independent firm of Chartered Accountants, for the respective plans using the Black-Scholes Merton Option Pricing Model:-

DSL ESOP - 2008
97,00,000
Options Regranted

1.	Exercise price (₹)	24.15
2.	Expected volatility *	42.97%
3.	Option Life (Weighted Average) (in years)	6
4.	Expected Dividends yield	10.82%
5.	Risk Free Interest rate	7.45%
6.	Fair value of the options (₹)	4.31

DSL ESOP - 2009
20,50,000 **95,00,000**
Options **Options Regranted**

1.	Exercise price (₹)	31.35	16
2.	Expected volatility *	48.96%	40.74%
3.	Expected forfeiture percentage on each	Nil	Nil
4.	Expected dividends yield	6.86%	16.33%
5.	Risk free interest rate	8.05%	7.45%
6.	Fair value of the options (₹)	9.39	1.38

* The expected volatility was determined based on historical volatility data.

DSL ESOP - 2008 & 2009

18,00,000 and 98,00,000

Options

	28-Jun-23	28-Jun-24	28-Jun-25	28-Jun-26	28-Jun-27
1. Vesting Date	30	30	30	30	30
2. Exercise price (₹)	70.92%	68.20%	66.66%	65.39%	63.19%
3. Expected volatility *	Nil	Nil	Nil	Nil	Nil
4. Expected forfeiture percentage on each	0.66%	0.66%	0.66%	0.66%	0.66%
5. Expected dividends yield	6.70%	6.87%	6.97%	7.05%	7.09%
6. Risk free interest rate	15.69	17.00	18.15	19.09	19.69
7. Fair value of the options (₹)					
8. Average Price			17.92		

* The expected volatility was determined based on historical volatility data.

D. Share based payment expense:

The Company has provided for Share based payments expensed to employees of ₹ 13.96 (31 March 2024: ₹ 22.65) in the statement of Profit and loss for the year ended 31 March 2025 as follows:

Share based payments (reversal) / expense

For the year ended March 31, 2025	For the year ended March 31, 2024
13.96	22.65
13.96	22.65



36 Leases

The Company has leases for office buildings. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset "ROU" and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company is required to pay maintenance fees in accordance with the lease contracts.

A Lease payments not included in measurement of lease liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	For the Year ended 31 March 2025	For the Year ended 31 March 2024
Short-term leases	-	-
Leases of low value assets	-	-
Variable lease payments	-	-

B Total cash outflow for leases for the year ended 31 March 2025 was ₹ 107.94 lakh (31 March 2024: ₹ 40.36 lakh).

C The Company has total commitment for short-term leases of ₹ Nil as at 31 March 2025 (as at 31 March 2024: ₹ Nil).

D Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

31 March 2025	Minimum lease payment due						
	Within 1 year	1 - 2 Years	2 - 3 Years	3 - 4 Years	4 - 5 Years	More than 5 years	Total
Lease Payment	112.84	86.87	45.26	32.88	-	-	277.85
Interest Expense	19.48	10.33	5.18	1.19	-	-	36.18
Net Present Value	93.36	76.54	40.09	31.69	-	-	241.66

31 March 2024	Minimum lease payment due						
	Within 1 year	1 - 2 Years	2 - 3 Years	3 - 4 Years	4 - 5 Years	More than 5 years	Total
Lease Payment	107.93	112.84	86.87	45.26	32.88	-	385.79
Interest Expense	22.76	19.48	10.33	5.18	1.19	-	58.95
Net Present Value	85.17	93.36	76.54	40.09	31.69	-	326.84

E Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31 March 2025 is of ₹ Nil (as at 31 March 2024: ₹ Nil).

F The table below describe the nature of the company's lease activities by type of right of use asset recognised on balance sheet:

Year	Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
As at 31 March 2025	Office Building	3	16 Month to 45 Month	27.33 Months	-	-	3
As at 31 March 2024	Office Building	3	28 Months to 57 Months	39.33 Months	-	-	3

G The total future cash outflows as at 31 March 2025 for leases that had not yet commenced is Nil (31 March 2024: Nil).

H The following is the movement in lease liabilities during the year:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Opening balance	326.84	-
Adjustment on account of Ind AS 116	-	-
Additions	-	356.20
Finance cost accrued during the period	22.76	11.00
Deletion	-	-
Payment of lease liabilities	(107.94)	(40.36)
Closing balance	241.66	326.84



Indiabulls Asset Reconstruction Company Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2025

(All amounts in Rs. Lakhs unless stated otherwise)

37 Disclosures as per the directions of Reserve Bank of India are as follows:

- a) Names and addresses of the non-sponsor banks/financial institutions from whom financial assets were acquired and the value at which such assets were acquired from each such bank/financial institutions.

Name of the Selling Bank /Financial Institution	Address	Acquisition price as on 31 March 2025	% to total
IndusInd Bank	2401 Gen. Thimmayya Road, Pune 411001	37,000.00	10%
Indiabulls Housing Finance Limited	M-62 & 63, First Floor, Connaught Place, New Delhi, 110001	2,18,302.06	58%
Indiabulls Commercial Credit Limited	M-62 & 63, First Floor, Connaught Place, New Delhi, 110001	40,945.40	11%
Dhani Loans and Services Limited	1/1, First Floor, East Patel Nagar, New Delhi – 110 008	77,900.00	21%
Yes Bank Limited	YES Bank House, 4th Floor, Off. Western Express Highway, Santacruz (East), Mumbai - 400 055.	2,782.00	1%
Total		3,76,929.46	100%

- b) Dispersion of various financial assets, industrywise

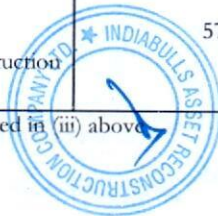
Industry	Acquisition price as on 31 March 2025	
	Amount	% to total
Retail	2,06,436.63	54.77%
Real Estate	1,21,048.71	32.11%
Cotton & Textiles	12,916.05	3.43%
Services	5,521.29	1.46%
Automobiles	5,253.60	1.39%
Pharmaceuticals & Chemicals	3,922.49	1.04%
FMCG	2,838.77	0.75%
IT & ITES	2,707.35	0.72%
Printing & Stationery	2,189.55	0.58%
Others	2,162.69	0.57%
Hotels and Restaurants	2,090.06	0.55%
Transportation & Logistics	1,440.74	0.38%
Iron & Steel	1,264.24	0.34%
Education	1,226.12	0.33%
Gems & Jewellery	1,147.35	0.30%
Equipment and Electronics	1,121.42	0.30%
Healthcare Services	1,019.20	0.27%
Agri & Agri Products	1,011.25	0.27%
Construction & Engineering	583.61	0.15%
Metals	562.59	0.15%
Plastics	465.74	0.12%
Total	3,76,929.46	100.00%

- c) The acquisition price in tables (a) & (b) above includes financial assets acquired till 31 March 2025 including financial assets resolved till date.

- d) Status of financial assets acquired in the Trusts set up by Indiabulls Asset Reconstruction Company Limited as on 31 March 2025 as required as per RBI Notification No. DBNS.PD(SC/RC).8/CGM(ASR) dated 21 April 2010:

Particulars	2024-25	2023-24
i. Value of financial assets outstanding for realisation as at 1 April	73,916.36	63,094.15
ii. Value of financial assets acquired during the financial year	2,782.00	26,950.00
iii. Value of financial assets realised during the financial year *	18,983.65	16,127.78
iv. Value of financial assets written-off/(back) during the financial year	-	-
v. Value of financial assets outstanding for realisation as on March 31 (i+ii-iii-iv)	57,714.72	73,916.36
vi. Value of land and / or building acquired in ordinary course of business of reconstruction of assets	Nil	Nil

* Surplus realisation, if any, over & above the value of financial assets has been adjusted in (iii) above



c) Status of Security Receipts (SRs) issued by the Trusts set up by Indiabulls Asset Reconstruction Company Limited as on 31 March 2025:

Particulars	Value of SRs redeemed fully during the year	Value of SRs redeemed partially during the year	Total Value
i. SRs outstanding as on 1 April		76,662.25	76,662.25
ii. Movement during the year from partially to fully redeemed	-	-	-
iii. SRs issued during the year	-	2,782.00	2,782.00
iv. SRs redeemed during the year	-	16,651.51	16,651.51
v. SRs written-off during the year	-	-	-
vi. SRs outstanding as on 31 March (i+ii+iii-iv-v)	-	62,792.74	62,792.74

f) Additional disclosures as required in circular no. DNBS(PD) CC. No. 41/SCRC/26.03.001/2014-2015 dated 5 August 2014 for the Assets acquired after the aforesaid dates:

Particulars	Particulars
i. Details of Acquisition value of Assets more than the book value alongwith the basis of their valuation	Nil
ii. Details of Assets of the Trusts (at Trust level) disposed off during the year at substantial discount (more than 20% of valuation as at the previous year end) and the reasons thereof.	Nil
iii. Details of Assets where the value of the SRs has declined more than 20% below the acquisition value.	Nil

g) Additional disclosures as required in circular no. (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 on the ageing of the unrealised management fee recognised:

	As at the end of Current year	As at the end of Previous year
Outstanding Amount of unrealised management fee	Nil	Nil
1. Out of the above, amount outstanding for:	Nil	Nil
(a) Amounts where the net asset value of the security receipts has fallen below 50 per cent of the face value	Nil	Nil
(b) Other amounts unrealised for	Nil	Nil
(i) More than 180 days but upto 1 year	Nil	Nil
(ii) More than 1 year but upto 3 years	Nil	Nil
(iii) More than 3 years	Nil	Nil
Allowances held for unrealised management fee	Nil	Nil
Net unrealised management fee receivable	Nil	Nil



Indiabulls Asset Reconstruction Company Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2025

(All amounts in Rs. Lakhs unless stated otherwise)

38 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

	As at 31 March 2025		As at 31 March 2024	
	Within 12 months	After 12 months	Within 12 months	After 12 months
ASSETS				
Financial assets				
Cash and cash equivalents, including Bank balances other than cash and cash equivalents	1,887.21	-	1,162.16	-
Investments	9,207.61	36,830.43	10,683.34	42,733.34
Other financial assets	-	34.01	-	30.92
	11,094.82	36,864.44	11,845.49	42,764.26
Non-financial assets				
Current tax assets	951.66	-	391.07	-
Property, plant and equipment	-	247.94	-	325.41
Other non-financial assets	-	62.86	-	269.72
	951.66	310.81	391.07	595.13
TOTAL ASSETS	12,046.48	37,175.25	12,236.56	43,359.39
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	139.68	-	112.99	-
Other payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	562.04	-	1,248.36	-
Debt securities	-	-	-	-
Other financial liabilities	645.04	-	794.11	-
	1,346.76	-	2,155.46	-
Non-financial liabilities				
Current tax liabilities (net)	-	-	-	-
Provisions	-	127.32	0.65	1,020.79
Other non-financial liabilities	53.97	-	84.67	-
	53.97	127.32	85.32	1,020.79
TOTAL LIABILITIES	1,400.74	127.32	2,240.78	1,020.79
Net	10,645.74	37,047.93	9,995.78	42,338.60

For SRKS AND ASSOCIATES

Chartered Accountants

Firm Registration No. 025002C




Santosh Kumar Jha

Partner

Membership No.: 514514

For and on behalf of the board of directors

Indiabulls Asset Reconstruction Company Limited




Amit Gandhi
Whole Time Director & CEO
DIN: 07606699
Place : Mumbai



Sargam Kataria
Director
DIN: 07133394

 Place : New Delhi
Date : 2nd May 2025



Keyur Morparia
Chief Financial Officer



Ram Mehar
Company Secretary
M. No. : 6039

 Place : Patna
Date : 2nd May 2025
