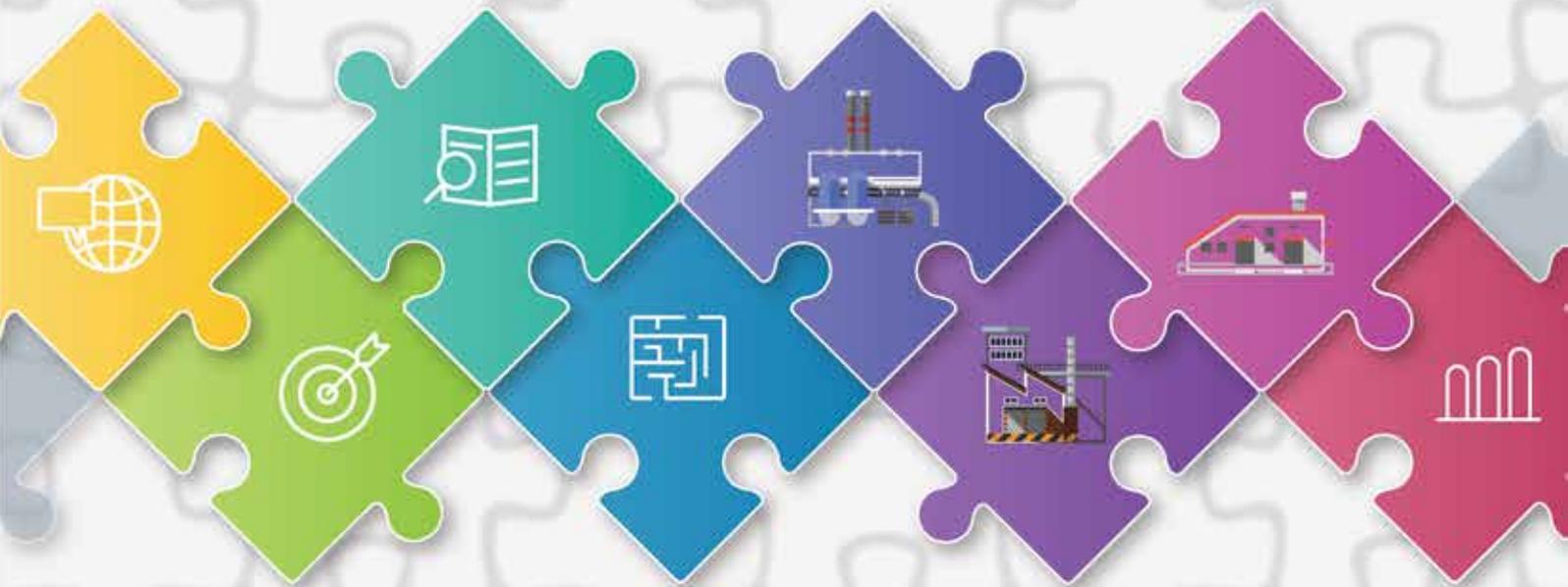


Annual Report 2020-21



Restoring Productivity of NPAs



isarc

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

Principal Sponsors

Small Industries Development Bank of India (SIDBI)
SIDBI Venture Capital Limited

Sponsors

Punjab National Bank
Bank of Baroda

Chief Executive Officer

Shri Sunil S. Mirashi

Chief Financial Officer

Shri K Prakash

Company Secretary

Smt. Ketki Muzumdar

Statutory Auditors

M/s U G Devi & Co.,
Chartered Accountants

Bankers

State Bank of India
IDBI Bank Ltd.

Registered Office

Swavalamban Bhavan,
Plot No. C-11, G- Block,
Bandra- Kurla Complex,
Bandra (East), Mumbai 400051
Telephone: +91 22 6753 1100
E-mail : isarc@isarc.in
Website : www.isarc.in

Registrar & Share Transfer Agent

Satellite Corporate Services Private Limited
Unit No. 49, Bldg No.13-A-B, 2nd Floor,
Samhita Commercial Co-Op. Soc. Ltd.
Off Andheri Kurla Road, MTNL Lane,
Sakinaka, Mumbai - 400 072
Email Id : service@satellitecorporate.com
Telephone: +91 22 2852 0461

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**BOARD OF DIRECTORS
(AS ON 07.09.2021)**



Shri Sivasubramanian Ramann
Chairman



Shri V.S.V. Rao
Nominee Director - SIDBI



Shri Rajneesh Karnatak
Nominee Director - PNB



Shri Virendra Khandelwal
Nominee Director - BOB



Shri Anup Sankar Bhattacharya
Independent Director



Shri Shyam Sundar Barik
Independent Director



Smt. Rachna Dikshit
Independent Director

NOTICE OF 13TH ANNUAL GENERAL MEETING

Notice is hereby given that the 13th Annual General Meeting of the Members of **India SME Asset Reconstruction Company Limited** will be held through Video Conference on the 30th day of September, 2021 at 11.30 a.m. to transact the business stated herein, in compliance with the provisions of the Companies Act, 2013 and the Rules made thereunder read with General Circular No. 14/ 2020 dated 8th April 2020, General Circular No. 17/2020 dated 13th April 2020, General Circular 20/2020 dated 5th May 2020 and circular No. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended March 31, 2021 and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri Virendra Kumar Khandelwal (08450201), who retires by rotation and being eligible, has offered himself for reappointment.

Special Business:

3. To re-appoint Shri Anup Sankar Bhattacharya as an Independent Director of the Company
To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and rules made thereunder read with Schedule IV to the Act (including any statutory modification(s) or re enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Shri Anup Sankar Bhattacharya (DIN: 02719232), who holds office of Independent Director up to the conclusion of this i.e. 13th Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose the candidature of Shri Anup Sankar Bhattacharya for the office of an Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of three consecutive years commencing from September 30, 2021 up to the date of AGM to be held in September, 2024, subject to RBI approval.”

“RESOLVED FURTHER THAT the Chief Executive Officer, Chief Financial Officer or Company Secretary of the Company be and are hereby severally authorized to do or cause to be done all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

4. To re-appoint Shri Shyam Sundar Barik as an Independent Director of the Company
To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and rules made

thereunder read with Schedule IV to the Act (including any statutory modification(s) or re enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Shri Shyam Sundar Barik (DIN: 08184820), who holds office of Independent Director up to the conclusion of this i.e. 13th Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose the candidature of Shri Shyam Sundar Barik for the office of an Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of three consecutive years commencing from September 30, 2021 up to the date of AGM to be held in September, 2024, subject to RBI approval.”

“**RESOLVED FURTHER THAT** the Chief Executive Officer, Chief Financial Officer or Company Secretary of the Company be and are hereby severally authorized to do or cause to be done all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

India SME Asset Reconstruction Company Limited

CIN: U67190MH2008PLC181062

Registered Office:

Swavalamban Bhavan, C-11,

'G' Block, Bandra – Kurla Complex,

Bandra (E), Mumbai – 400051

Email: cs@isarc.in / website: www.isarc.in

Place: Mumbai

By order of the Board of Directors**Date: September 08, 2021****Sd/-****(Ketki Muzumdar)****Company Secretary & Compliance Officer****M.No.: A30638****Notes:-**

1. The relevant explanatory statement pursuant to the provisions of Section 102(1) of the Companies Act, 2013, read with the relevant Rules made thereunder (the “Act”), setting out the material facts and reasons, in respect of Item No. 3 & 4 of this Notice, is annexed herewith.
2. In view of the prevailing lock down enforced across India, due to the outbreak of COVID-19 Pandemic and the restrictions imposed on gathering of people through social distancing norms, the Ministry of Corporate Affairs (“MCA”) vide General Circular No. 14/ 2020 dated 8th April 2020, General Circular No. 17/2020 dated 13th April 2020 and General Circular No. 20/2020 dated 5th May 2020 and circular No. 02/2021 dated January 13, 2021 (“the relevant Circulars”), has permitted companies to hold annual general meetings through Video Conferencing (“VC”) or other audio visual means (“OAVM”), during the calendar year 2020. In compliance with the relevant Circulars and other applicable provisions of the Act, the 13th Annual General Meeting of the Members of the Company (the “AGM”), is being conducted through VC.

3. In terms of the relevant Circulars, the Members are requested to take note of the following:
 - Notice convening the AGM of the Company and the Annual Report for the financial year 2020-21 are being sent only by email to those Members who have registered their email address with the Company and have also been uploaded on the website of the Company viz www.isarc.in
 - Since the AGM is being held through VC, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by Members is not available and as such the Proxy Form and Attendance Slip are not annexed to this Notice.
 - Pursuant to the relevant Circulars, representatives of the Members may be appointed for the purpose of participation and voting in AGM. Corporate Members intending to authorize their representatives to attend the AGM are requested to email the same to cs@isarc.in, along with certified true copy of the latest Board Resolution or Power of Attorney, authorizing their representative to participate and vote at the AGM, on their behalf.
 - Members are requested to send their queries, if any, on Annual Report, to the Company Secretary, not less than 2 days before the date of Meeting, so that the requisite information/ explanations can be provided in time.
 - Details for attending the AGM through VC / OAVM will be shared with the members separately.
 - Attendance of Members at the AGM through VC shall be counted for the purpose of reckoning the quorum, under the provisions of Section 103 of the Act read with the relevant Circulars.
4. Pursuant to Section 139 of the Companies Act, 2013, the Auditors of a Government Company and deemed Government Company are to be appointed or re-appointed by the Comptroller and Auditor General of India (CAG) and in pursuant to Section 142 of the Companies Act, 2013, their remuneration has to be fixed by the Company in the Annual General Meeting or in such manner as the Company in general meeting may determine.
5. M/s U.G. Devi & Co., Chartered Accountants, Mumbai have been reappointed as the Statutory Auditors of the Company for the year 2021-22 also by CAG through their letter dated August 18, 2021. The Members had authorized the Board in the 12th AGM held on September 30, 2020 to fix an appropriate remuneration of Statutory Auditors as may be deemed fit by the Board for FY2020-21 and for the subsequent financial years as and when the appointment of Statutory Auditors is made by C&AG. Accordingly, the Board, at its meeting held on September 07, 2021, has fixed appropriate remuneration of the Statutory Auditors for the Financial Year 2021-22.
6. All the documents referred to in this Notice and the Explanatory Statement setting out the material facts in respect of Item No.1 and the Statutory Registers, will be made available for inspection by the Company and as such the Members are requested to send an email to cs@isarc.in.
7. In case a demand for poll is made by any member for any item to be discussed in Annual

General Meeting, members may cast their vote at the designated email address i.e. cs@isarc.in.

8. Since the AGM is being held through VC, the route map for the AGM venue, is not attached.
9. Members may contact the Company for conveying grievances, if any, relating to the conduct of the AGM, at the following address:

India SME Asset Reconstruction Company Limited

CIN: U67190MH2008PLC181062

Registered Office:

Swavalamban Bhavan, C-11,

'G' Block, Bandra – Kurla Complex,

Bandra (E), Mumbai – 400051

Email: cs@isarc.in / website: www.isarc.in

Place: Mumbai

By order of the Board of Directors

Date: September 08, 2021

Sd/-

(Ketki Muzumdar)

Company Secretary & Compliance Officer

M.No.: A30638

Statements pursuant to Section 102 of the Companies Act, 2013 setting out all the material facts relating to the Special Business as set out in Items No. 3&4 of this Notice.

Item No. 3&4

Re-appointment of Shri Anup Sankar Bhattacharya Shri Shyam Sundar Barik as an Independent Directors of the Company

Pursuant to the Provisions of Section 149 of the Companies Act, 2013, the constitution of the Board should inter-alia consists of 3 (three) Independent Directors. As per provisions of Section 149 (10) of the Companies Act, 2013, an Independent Director shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report.

The term of Shri Anup Sankar Bhattacharya and Shri Shyam Sundar Barik as an Independent Director of the Company was with effect from June 01, 2018 and July 25, 2018 respectively and will expire on the conclusion of this Annual General Meeting.

The Nomination & Remuneration Committee at its Meeting held on September 06, 2021 considering the knowledge, acumen, expertise and experience in their respective fields and the substantial contribution made by these Directors during their tenure as an Independent Director since their appointment, has recommended to the Board that continued association of these Directors as Independent Directors would be in the interest of the Company. Based on the above, the Nomination & Remuneration Committee and the Board in its meeting held on September 07, 2021 has recommended the re-appointment of these Directors as Independent Directors on the Board of the Company, to hold office for the second term of three consecutive years commencing from September 30, 2021 to the date of AGM to be held in September, 2024. They are not liable to retire by rotation.

Further, the Board of Directors at its meeting held on July 02, 2021 had evaluated the performance of Shri Anup Sankar Bhattacharya and Shri Shyam Sundar Barik on various grounds such as qualification, knowledge, experience, track record, integrity, number of Board meetings and General meetings attended, their participation in the meetings, time devoted by them and independent judgment expressed by them. Considering the aforementioned evaluation, it is proposed to re-appoint Shri Anup Sankar Bhattacharya and Shri Shyam Sundar Barik as Independent Directors for the further period of three years.

Both the Independent Directors have expressed their willingness for re-appointment and declared that they are not disqualified and meet the criteria of Independence and will act as Independent Directors, if re-appointed.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Shri Anup Sankar Bhattacharya and Shri Shyam Sundar Barik for their re-appointment to the office of Independent Directors.

The Board recommends the resolution in relation to re-appointment of Shri Anup Sankar Bhattacharya and Shri Shyam Sundar Barik as Independent Directors as set out at Item No. 3 & 4 of the Notice, for the approval of the Members of the Company.

None of the Promoters, Directors, Key Managerial Personnel of your Company and their relatives are considered to be concerned or interested financially or otherwise, in this Resolution.

Brief profiles of the above Independent Directors are enclosed as Annexure - A

India SME Asset Reconstruction Company Limited

CIN: U67190MH2008PLC181062

Registered Office:

Swavalamban Bhavan, C-11,
'G' Block, Bandra - Kurla Complex,
Bandra (E), Mumbai - 400051
Email: cs@isarc.in / website: www.isarc.in

Place: Mumbai

Date: September 08, 2021

By order of the Board of Directors

Sd/-
(Ketki Muzumdar)
Company Secretary & Compliance Officer
M.No.: A30638

Annexure - A
Brief Profile of Directors seeking appointment/reappointment at the Annual General Meeting

Information as required under Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) is given hereunder:

Name	Shri Virendra Kumar Khandelwal
DIN	08450201
Age	58
Qualification and Expertise in specific functional areas	Shri Khandelwal is currently a General manager-Recovery at BOB, Mumbai. He is Bachelor in Commerce with LLB, MBA and CAIIB. He has 28 years of experience at various verticals of BOB like Corporate Credit, Risk Management, Credit Monitoring, Debt recovery etc.
Terms and conditions of appointment	Nominee Director Liable to retire by rotation.
Details of remuneration sought to be paid	Nil
Details of the remuneration last drawn ((FY 2020-21)	Nil
Date of first appointment on the Board	July 03, 2020
Shareholding in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel	None
The number of Meetings of the Board attended during (FY 2020-21)	4/5
Other Directorships (excluding India SME Asset Reconstruction Company Limited)	NIL
Membership / Chairmanship of Committees of other Board	NIL

Name	Shri Anup Sankar Bhattacharya
DIN	08759332
Age	69
Qualification and Expertise in specific functional areas	Shri Bhattacharya was the Director of Institute of Banking Personnel Selection. He was Member of the Governing Council of Indian Institute of Banking & Finance. He is an Honorary Fellow of Indian Institute of Banking & Finance. Shri Bhattacharya is Ex-Chairman and Managing Director of Bank of Maharashtra. He is having rich experience and in-depth knowledge of the Banking Industry from across various markets in India.

Terms and conditions of appointment	Independent Director not liable to retire by rotation.
Details of remuneration sought to be paid	Sitting Fees
Details of the remuneration last drawn ((FY 2020-21)	Sitting Fees
Date of first appointment on the Board	June 01, 2018
Shareholding in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel	None
The number of Meetings of the Board attended during (FY 2020-21)	5/5
Other Directorships (excluding India SME Asset Reconstruction Company Limited)	Nil
Membership / Chairmanship of Committees of other Board	Nil

Name	Shri Shyam Sundar Barik
DIN	08184820
Age	63
Qualification and Expertise in specific functional areas	<p>Shri Shyam Sundar Barik, retired Chief General Manager-in-charge, Dept. of Banking Regulation, Reserve Bank of India, was appointed as Independent Director in the 10th Annual General Meeting held on September 28, 2018.</p> <p>Shri Barik holds Post Graduation in Economics and a CAIIB. Shri Barik has worked for more than 31 years with RBI in the areas such as currency management, regulation and supervision of commercial banks and urban cooperative banks, redressal of customer grievances under Banking Ombudsman Scheme, financial inclusion and financial literacy etc. He has vast experience in the field of banking and finance.</p>
Terms and conditions of appointment	Independent Director not liable to retire by rotation.
Details of remuneration sought to be paid	Sitting Fees
Details of the remuneration last drawn ((FY 2020-21)	Sitting Fees
Date of first appointment on the Board	July 25, 2018
Shareholding in the Company	Nil

Relationship with other Directors, Manager and other Key Managerial Personnel	None
The number of Meetings of the Board attended during (FY 2020-21)	5/5
Other Directorships (excluding India SME Asset Reconstruction Company Limited)	SBM Bank (India) Limited
Membership / Chairmanship of Committees of other Board	Nil

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
DIRECTORS' REPORT



Dear Members,

Your Directors have pleasure in presenting the 13th Annual Report of the Company on the business, operations and state of affairs of the Company together with the Audited Financial Statements for the financial year ended March 31, 2021.

FINANCIAL PERFORMANCE OF THE COMPANY:

Brief particulars of the financial performance of the Company during the Financial Year (FY) 2020-21 and previous year is as under: -

Sl. No.	Particulars	(₹ in Lakhs)	
		Year ended 31-Mar-21	Year ended 31-Mar-20
I	Revenue from operation	612	459
II	Other Income	497	501
III	Total revenue (I +II)	1109	960
IV	Operating Expenses	374	424
V	Operating Profit (III-IV)	735	536
VI	Provisions for SRs/ Diminution in value of SR as per RBI Guidelines	570	1210
VII	Provision for Advances to Trusts	20	21
VIII	Write-off of SRs		0
IX	EBITDA (V- VI-VII-VIII)	145	(695)
X	Interest	0	0
XI	Depreciation	3	6

(₹ in Lakhs)

Sl. No.	Particulars	Year ended	Year ended
		31-Mar-21	31-Mar-20
XII	PBT (IX – X - XI)	142	(701)
XIII	Tax	106	138
XIV	PAT (XII - XIII)	36	(839)
XV	Earnings Per Share (EPS) (Basic & Diluted)	0.04	(0.84)

FINANCIAL SUMMARY

Summary of performance of the Company in brief during FY 2020-21 is as under:

- Revenue from Operations has increased to ₹612 lakh in FY2020-21 as compared to ₹459 lakh in the previous year.
- Operating expense has come down to ₹ 374 lakh from ₹ 424 lakh in previous year.
- As per RBI extant guidelines, the Company has made provision for SRs / diminution in the value of SRs to the tune of ₹ 570 lakh in FY 2020-21 (Previous Year provision ₹ 1210 lakh).
- The Company has earned Operating Profit of ₹735 lakh and Profit after Tax of ₹36 lakh in FY 2020-21.
- Net worth of the Company has marginally increased from ₹11,233 lakh in FY 2019-20 to ₹11,269 lakh in 2020-21.
- It may also be noted that the Cash and Deposits with Banks have increased from ₹ 7,175 lakh as on March 31, 2020 to ₹ 7,959 lakh as on March 31, 2021.

STATE OF COMPANY'S AFFAIRS

The operating and financial performance of the Company has been given in the Management Discussion and Analysis Report which forms part of this Board Report.

THE CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

DIVIDEND

In order to conserve capital and to deal with the prevailing uncertain economic environment, your Directors do not recommend any dividend payment at the ensuing AGM of the Company.

Transfer of Unclaimed Dividend etc. to Investor Education and Protection Fund (IEPF)

Since there was no amount lying w.r.t unpaid/unclaimed Dividend, the provisions of Section 125 of the Companies Act, 2013 do not apply.

DEPOSITS

During the year under review, the Company had neither accepted nor held any deposits from the public, and shall not accept any deposits from the public without obtaining prior approval from the Reserve Bank of India.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Environment for Asset Reconstruction Companies

As India battles the ferocious new infections, a strong policy response is building up. Economic activity in India is holding up against COVID-19's renewed onslaught. Apart from contact-intensive sectors, activity indicators largely remained resilient in March and grew beyond pre-pandemic levels. The resurgence in COVID-19, if not contained in time, protracted restrictions and disruptions in supply chains would add to inflationary pressures. Pandemic protocols, speedier vaccination, ramping up hospital and ancillary capacity, and remaining resolutely focused on a post pandemic future of strong and sustainable growth with macroeconomic and financial stability is the way forward.

Asset Reconstruction Companies (ARCs) are important players in the asset resolution mechanism in India. Unlike many other countries that experimented with a public sector model of asset management companies marked by their existence for a pre-defined period following banking crises or crises-like situations, India introduced ARCs as private sector institutions as part of its ongoing financial sector reforms.

Highlights:

- Notwithstanding the increase in the number of ARCs over time, there has been a concentration in the ARC industry in terms of the assets under management, and the Security Receipts (SRs) issued by a few leading players.
- Despite the policy push to broaden and enhance the capital base of these companies, they have remained reliant primarily on domestic sources of capital, particularly from banks.
- The cost of acquisition to book value ratio, although posting a slow rise, remains low and is marked by wide variations across ARCs and economic sectors.
- The ARCs have predominantly resorted to rescheduling of payment obligations as a method of resolution.
- There is considerable concentration of older SRs in the books of the ARCs.

Although the number of ARCs has increased over time, their business has remained highly concentrated. Of the total AUM, about 62 per cent and 76 per cent were held by the top-three and top-five ARCs in March 2020, respectively. Furthermore, in terms of the capital base of the industry, 62 per cent was held by top-three ARCs; the corresponding share was 67 per cent for the top-five ARCs.

The IBC, 2016 has been a milestone in the development of the asset resolution infrastructure in India. The percentage of assets recovered through IBC has been on a rise in recent years, while the percentage of assets recovered through ARCs has shown a decline. However, ARCs account for about 30 per cent of the total assets recovered through various channels and remain a complementary mechanism post-IBC for asset resolution.

The Hon'ble Finance Minister, Ms. Nirmala Sitharaman had announced in her 2021-22 Union Budget speech that an ARC and an AMC would be set up to "clean-up the bank books."

The high level of provisioning by public sector banks of their stressed assets calls for measures to clean up the bank books. An Asset Reconstruction Company and Asset Management Company would be set up to consolidate and take over the existing large value stressed

debt and then manage and dispose of the assets to Alternate Investment Funds and other potential investors for eventual value realization.

The movement in asset quality of banks and NBFCs following the COVID-19 pandemic could bring ARCs into greater focus and action. Going forward, the introduction of a new asset reconstruction Company for addressing the NPAs of public sector banks may also change the operation models of the existing ARCs. There is a definite scope for the entry of a well-capitalised and well-designed entity in the Indian ARC industry; such an entity will strengthen the asset resolution mechanism further.

In that context, a National Asset Reconstruction Company (NARC), the Indian version of a bad bank, has received the government approval with equity participations from public sector banks (PSBs) and non-bank lenders to acquire the large value NPAs from banks and non-banks. Setting up of the NARC would, however, leave ample scope for other ARCs to acquire NPAs from banks and non-bank entities in the MSME sectors.

Operations

(i) Asset Acquisition:

Your Directors in its meeting held on November 20, 2020 have decided to start new acquisitions in the Company for smooth functioning. Management is in the process of scouting quality assets which should be acquired by the Company. However, no acquisition was made during the year under review in view of Pandemic situation.

(ii) Asset Resolution / Recovery:

During the year, the gross & net recovery stood at ₹895 lakh & ₹822 lakh respectively. Security Receipt (SRs) worth ₹1.67 crore were redeemed during FY 2020-21 (after adjusting management fee and all commissions & expenses) to SR holders including ISARC (₹12.86 crore in the previous year). The cumulative gross recovery (since commencement of business) till March 31, 2021 aggregated ₹28526 lakh of which ₹14221 lakh had been redeemed to SR holders including ISARC. The recovery suffered due to lockdown across country and closure of Courts and Tribunals during the year 2020-21, as some large amounts of expected recoveries could not be realised.

(iii) Assets under Management:

The aggregate SR issuance (since commencement of business) amounts to ₹54,391 lakh, out of which, SRs amounting to ₹39831 lakh were outstanding as on March 31, 2021, SR amounting to ₹14221 lakh has been redeemed and SRs amounting to ₹338 lakh has been written off till March 31, 2021. The AUM (including additional funding), since commencement of business is ₹55,095 lakh whereas the Net AUM of the Company is ₹39,876 lakh as on March 31, 2021.

(iv) Ratings of security receipts & Net Asset Value (NAV) of SRs:

As on March 31, 2021 aggregate SRs amounting to ₹33,766 lakh have been rated by rating agencies under the recovery ratings scale as per the guidelines issued by RBI to SC/RC companies and the corresponding NAVs have been communicated to the SR holders.

MATERIAL CHANGES AND COMMITMENTS

The recovery suffered as some large amounts of expected recoveries could not be realised due to lockdown across country and closure of Courts and Tribunals during March, 2021. Except that, there were no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

RISK MANAGEMENT

The Board of Directors of the Company has framed a Risk Management Policy and has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Committee ensures that the Company has a suitable framework for Risk Management and oversees the implementation of the risk management policy. The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified are systematically addressed through mitigating actions on a continuing basis.

CORPORATE GOVERNANCE:

The Board of Directors, along with its Committees provide leadership and guidance to the Company's Management and directs, supervises and controls the activities of the Company. The size of the Board of the Company commensurate with its size and business operations. In addition to the governance practices, the Board lays strong emphasis on transparency, accountability and integrity. At present, the Board strength is 7 (seven) Directors comprising of 4 (four) Non-Executive Non Independent Directors, and 3 (three) Independent Directors. Shri Sivasubramanian Ramann, IA&AS, CMD, SIDBI, has taken over as Chairman of ISARC with effect from August 10, 2021.

A detailed report on the Composition of the Board and its Committees including the profile of the Directors is given in the Corporate Governance Report enclosed as **Annexure I**.

DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP)

The composition of the Board is in compliance with the applicable provisions of the Companies Act, 2013, ("Act") and the rules framed thereunder, guideline(s) issued by the Reserve Bank of India and other applicable laws, inter alia, with respect to appointment of women director, non-executive director(s) and independent director(s).

Director(s) retiring by rotation

In accordance with the provisions of the Companies Act, 2013 read along with the applicable Companies (Appointment and Qualification of Directors) Rules, 2014, Shri Virendra Kumar Khandelwal (DIN: 08450201), is liable to retire by rotation at the forthcoming Annual General Meeting being longest in office, in compliance with Section 152(6) and other applicable provisions of Companies Act, 2013 and, being eligible, offers himself for re-appointment.

Cessation of Directors & KMP

Shri Subhendu Moitra (DIN: 00041619) has resigned as a Managing Director & CEO (Key Managerial Personnel) of the Company with effect from July 14, 2020.

Shri Mohammad Mustafa bearing DIN: 06887517, Chairman and Director nominated by SIDBI ceased to be a Director on the Board of the Company with effect from August 27, 2020.

Shri Manoj Mittal bearing DIN: 01400076, Nominee Director representing SIDBI ceased to be a Director on the Board of the Company with effect from January 21, 2021.

Shri Manjit Singh Kochar bearing DIN: 08298764, Nominee Director representing Punjab National Bank ceased to be a Director on the Board of the Company with effect from March 26, 2021.

Ms. Prity Adwani, Company Secretary & Compliance Officer designated as Key Managerial Personnel (KMP) of the Company has resigned with effect from July 02, 2021.

Shri Rishi Dwivedi, Chief Executive Officer (deputed by SIDBI on interim basis) and designated as Key Managerial Personnel (KMP) of the Company has been repatriated to SIDBI with effect from August 17, 2021, pursuant to SIDBI's letter dated August 17, 2021.

Appointment of Directors & KMP

The Company has received approval from Reserve Bank of India (RBI) for appointment of Shri Sivasuramanian Ramann, IA&AS, Chairman & Managing Director representing Small Industries Development Bank of India having DIN No. 07685657, who has been nominated as Director on the Board and Non-Executive Chairman of the Company by SIDBI. The Board of ISARC, by circular resolution dated August 10, 2021, approved the appointment of Shri Raman as a Nominee Director representing SIDBI and designated him as Non-Executive Chairman of the Company.

ISARC also received approval from Reserve Bank of India (RBI) for appointment of Shri V. Satya Venkata Rao, Deputy Managing Director representing Small Industries Development Bank of India having DIN No. 00334394, who has been nominated as Director on the Board of Company by SIDBI. The Board of ISARC, by circular resolution dated May 21, 2021, approved the appointment of Shri V. Satya Venkata Rao as a Nominee Director representing SIDBI.

ISARC also received approval from Reserve Bank of India (RBI) for appointment of Shri Rajneesh Karnatak (DIN: 08912491), who has been nominated as Director on the Board of Company by Punjab National Bank in place of Shri Manjit Singh Kochar (DIN: 08298764), whose nomination was withdrawn from the Board of the Company. The Board of ISARC in its meeting held on March 26, 2021 approved the nomination received from Punjab national Bank, one of the sponsors of ISARC, for appointment of Shri Rajneesh Karnatak as a Nominee Director representing PNB,

Ms. Prity Adwani (since resigned) was appointed as Company Secretary & Compliance Officer and designated as Key Managerial Personnel (KMP) by the Board of ISARC at its meeting held on July 03, 2020 with immediate effect.

Shri K Prakash, Assistant General Manager (AGM) deputed by SIDBI has been appointed as Chief Financial Officer (CFO) and designated as Key Managerial Personnel (KMP) by the Board of ISARC at its meeting held on July 03, 2020 with effect from July 13, 2020.

Shri Rishi Dwivedi, General Manager (GM) deputed from SIDBI has been appointed as Chief Executive Officer (CEO on interim basis) till the appointment of MD & CEO in the Company.

On repatriation of Shri Rishi Dwivedi, GM to SIDBI with effect from August 17, 2021, Shri

Sunil S Mirashi, COO (on deputation from SIDBI), has been appointed as the Chief Executive Officer of the Company and designated as Key Managerial Personnel (KMP) by the Board of Directors at its meeting held on September 07, 2021 with immediate effect.

Smt. Ketki Muzumdar, has been appointed as Company Secretary & Compliance Officer and designated as Key Managerial Personnel (KMP) by the Board of ISARC at its meeting held on September 07, 2021 with immediate effect.

Appointment of Independent Directors

In compliance with the provisions of Section 149 of the Companies Act, 2013, Smt. Rachna Dikshit (DIN: 08759332) was appointed as an Additional Director and an Independent Woman Director and her appointment for a term of three years w.e.f. July 03, 2020 to July 02, 2023 was subsequently approved by the Members in their 12th Annual General Meeting.

DIRECTOR(S) DISCLOSURE

Based on the declarations and confirmations received in terms of the applicable provisions of the Act, circulars, notifications and directions issued by the Reserve Bank of India and other applicable laws, none of the Directors of your Company is disqualified from being appointed as Directors of the Company.

The Company has received necessary declarations from the Independent Directors, affirming compliance with the criteria of independence laid under the provisions of Section 149(6) and sub rule 3 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 of the Act.

Your Board of Directors is of the Opinion that Independent Directors appointed / re-appointed during the year under review have the required integrity, expertise and experience (including the proficiency) as required under the applicable laws.

The profile of Independent Directors forming part of the Corporate Governance Report, is annexed as **Annexure I** to this report.

BOARD EVALUATION

Pursuant to provisions of the Companies Act, 2013, the Board has carried out an Annual Performance Evaluation of its own performance, and the Directors individually, including Chairman, as well as the evaluation of the working of its Audit, Nomination & Remuneration, CSR and other Committees of the Board of Directors.

A structured questionnaire designed for the performance evaluation of the Board, its Committees, Chairman and individual directors, and in accordance with the criteria set and covering various aspects of performance, was circulated to all the directors of the Company for the annual performance evaluation. Based on the assessment of the responses received to the questionnaire from the directors on the annual evaluation of the Board, its Committees, the Chairman and the individual Directors, a summary of the Board Evaluation was placed before the meeting of the Board of Directors for consideration. Accordingly, the Board at its 61st meeting held on July 02, 2021, assessed the performance of all the Directors including Independent Directors. The Directors were satisfied with the results of the performance evaluation of the Board & its Committees, Chairman and individual directors.

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS

During the year under review, the Company has not given any loan or provided any guarantee and has not made any investments in terms of Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

All the Related Party Transactions entered by the Company are on arm's length basis and in the ordinary course of business. The disclosure in this regard forming part of this report is provided in the financial statement. All the Related Party Transactions as required under applicable accounting standards are reported in the Notes to the financial statement.

Relevant Form (AOC-2) for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 is given as **Annexure II** to this Report.

During the year, the Company has not entered into any contract/arrangement/transaction with related parties which may have a potential conflict with the interest of the Company at large.

Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee for their review on a periodical basis.

None of the Directors has any pecuniary relationship or transactions with the Company.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of section 134(3)(a) and section 92(3) of the Companies Act, 2013, read with rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the company as on 31st March, 2021, once prepared, shall be disclosed on the Company's website at <http://isarc.in/about.htm#d>.

Annual return as on 31st March, 2020 in form MGT-7 is available on the website of the Company viz. <http://isarc.in/about.htm#d>.

CORPORATE SOCIAL RESPONSIBILITY

The Company sees itself as an essential part of society and is well aware of its responsibilities beyond financial considerations towards improving the quality of life of the communities at large.

In accordance with the provisions of Section 135 of the Act and the CSR Policy, the Company has contributed ₹31,05,000/- (Rupees Thirty One Lakhs Five Thousand Only) (being the unspent allocation of preceding financial years) during 2020-21 to the PM's National Relief Fund towards CSR expenditure in various projects stipulated under Schedule VII of the Act. The details of the same are enclosed as **Annexure III** to this Report as mandated under the said Rules. The Policy adopted by the Company on Corporate Social Responsibility (CSR) is placed on the website of the Company at (<http://isarc.in/about.htm#d>).

SECRETARIAL STANDARDS:

The Company complies with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134 of the Companies Act, 2013:

- (a) in the preparation of the annual accounts for financial year ended March 31, 2021, the applicable accounting standards and RBI guidelines were followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the year ended on that date;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) the Directors had prepared the annual accounts for financial year ended March 31, 2021 on a 'going concern' basis.
- (e) the Directors had prepared quarterly financials duly audited by the internal auditors and reviewed by the Statutory Auditors during the year.
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors:

In accordance with the provisions of Section 139(5) of the Companies Act, 2013 and the Rules framed thereunder (the Act), the Statutory Auditors of your Company are appointed by the Comptroller and Auditor General of India (C&AG). M/s U G Devi & Co., Chartered Accountants, Mumbai was appointed as Statutory Auditor for the financial year 2020-21.

The statutory auditors have not reported any incident of fraud during the year under review. Further, the auditor's report does not contain any qualification, reservation or adverse remark.

Internal Auditors

In terms of provisions of Section 138 of the Act and other applicable laws, M/s. Ray & Ray, Chartered Accountants, were the Internal Auditors of the Company for the FY 2020-21. The Internal Audit reports are reviewed by the Audit Committee on periodical basis.

Goods and Service Tax (GST) Auditor

M/s Parekh Shah & Lodha, Chartered Accountants was appointed as GST Auditor of the Company to carry out the Goods and Service Tax (GST) audit for the financial year 2019-20.

Secretarial Audits:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit has been carried out by M/s. Ragini Chokshi & Co., Practicing Company Secretary, Mumbai

for the financial year 2020-21 which confirms that the Company has complied with all the applicable provisions of the corporate laws, guidelines, rules, etc. The Secretarial Audit report for the financial year ended March 31, 2021 is attached as **Annexure IV** to this Report.

Observations of the Secretarial Auditor and the Comments of the Board of Directors on the same are as follows:

Sr. No.	Observations	Comments of Board of Directors
1	As per Section 173(1) of Companies Act, 2013, not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board and as per MCA General Circular no.11/2020 dated 24 th March, 2020, as a onetime relaxation the gap between two consecutive meetings of the Board was extended to 180 days till 30 th September, 2020. The gap between two consecutive Board Meetings held on 17/12/2019 and 03/07/2020 exceeded 180 days.	Due to the Covid Pandemic and Lockdown in the Country, Statutory Audit got delayed and therefore Meeting could not be held in due time.
2	As per Section 203 (4) of Companies Act, 2013, If the office of any whole-time key managerial personnel is vacated, the resulting vacancy shall be filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy. The vacancy caused by resignation of Company Secretary (KMP) and Chief Financial Officer (KMP) of company was filled after a period of 6 months.	The company was not able to find correct profile of the candidate for post of CS & CFO. Hence, there was delay in filling up the vacancies.
3	As per Section 92(2) of Companies Act, 2013 read with Rule 11 of Companies Management and Administration) Rules, 2014, every company shall file its Annual Return in Form MGT-7 except One Person Company and Small Company. There was a typing error in Form MGT-7.	It was the inadvertent human error. However, we will make sure such mistake is not repeated in future.

REVIEW OF ACCOUNTS BY COMPTROLLER AND AUDITOR GENERAL OF INDIA

The C&AG vide their letter dated September 01, 2021 has stated that their office has decided not to conduct supplementary audit of the financial statements of the Company for the year ended March 31, 2021 and as such have no comments to make under Section 143(6)(b) of the Companies Act, 2013.

As advised by the Office of the C&AG, the comments of C&AG for the year ended March 31, 2021 are being placed next to the report of Statutory Auditors of your Company in this Annual Report.

DISCLOSURE OF ORDER PASSED BY REGULATORS OR COURTS OR TRIBUNAL

During the year under review, no such order was passed by the regulators or courts or tribunals which impacts the going concern status and Company's operations in future.

APPLICATIONS UNDER IBC:

There is NIL case filed against the Company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

However, the Company being the Financial Creditor for various Borrower Companies, proceedings are going on under the Insolvency and Bankruptcy Code, 2016 for recovery of loan amount.

INTERNAL FINANCIAL CONTROL (IFC)

Your Company has adequate internal control on Financial Reporting for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies; accuracy and completeness of the accounting records; timely preparation of reliable financial information, which is commensurate with the operations of the Company. These are routinely tested and certified by Statutory as well as Internal Auditors. Significant audit observations, if any and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Since the Company does not carry any manufacturing activities, disclosures pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo, are not applicable to your company during the year under review. The Company is however, constantly pursuing its goal of technological up-gradation in a cost effective manner for delivering quality customer service.

HUMAN RESOURCES

Your Company believes that employees are its main strength. The Company has operated on lean but effective staff structure and the same shall be suitably augmented to suit the business requirements of the Company from time to time.

The company has undertaken steps for employees' health and safety while ensuring continuous operations during the COVID 19 pandemic. All the employees have been covered under the Group Medical Insurance Policy taken by the company during the year. Prior to the lockdown, precautionary measures such as hand sanitizers for all employees, discontinuation of group meetings, encouraging use of digital channels, restriction on non-essential domestic travel were implemented. Post Lockdown, many employees are working from home, and regular connects and reviews are undertaken through Microsoft Teams Software.

ACKNOWLEDGEMENTS

Your Directors express their appreciation and gratitude for the co-operation, assistance and guidance received from Government of India, Reserve Bank of India (RBI), shareholders, bankers, regulatory bodies and other business constituents during the year under review.

Your Directors also place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the year.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place: Bengaluru

Date: September 08, 2021

Sd/-

**Sivasubramanian Ramann
Chairman**

Annexure I**REPORT ON CORPORATE GOVERNANCE**

The Directors' Report on the compliance of the Corporate Governance is given below:

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes that good Corporate Governance practices ensure ethical and efficient conduct of the affairs of the Company and also help in maximising value for all its stakeholders like customers, employees and society at large in order to build an environment of trust and confidence among all the constituents.

The Company recognises that good corporate governance is a continuous exercise and reiterates its commitment to pursue highest standards of corporate governance such as empowerment and integrity of its employees, transparency in decision making process, fair & ethical dealings with all, and last but not the least, accountability to all the stakeholders.

ISARC's governance structure is based on the principles of freedom to the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and responsibility so as to meet the expectation of all the stakeholders. In line with these principles, the Company has formed three tiers of Corporate Governance structure, viz.:

- (a) The Board of Directors:** The primary role of the Board is to protect the interest and enhance value for all the stakeholders. It conducts overall strategic supervision and control by setting the goals & targets, policies, reporting mechanism & accountability and decision-making process to be followed.
- (b) Committees of Directors:** Such as Audit Committee, Executive Committee, Nomination & Remuneration Committee, Risk Management Committee, Corporate Social Responsibility Committee, etc. focus on financial reporting, audit & internal controls, compliance issues, appointment and remuneration of Directors and Senior Management Employees, sustainable development and business and risk management framework.
- (c) Executive Management:** The entire business including the support services are managed with clearly demarcated responsibilities and authorities at different levels.

BOARD OF DIRECTORS

The Board of Directors comprises an optimum combination of Executive and Non-Executive Directors (which includes Independent and Nominee Directors). Independent Directors are persons with proven record in the fields of Audit / Accounts, Finance, Management, Law and Banking.

The Board of Directors take active participation in the Board and Committee Meetings by providing valuable inputs to the Management on various aspects of audit / accounts, policy direction, governance, compliance, etc. and thus enhance the transparency in the decision-making process of the Board of Directors.

Composition of Board of Directors

In compliance with the provisions of the Companies Act, 2013 the composition of Board of Directors of the Company is as follows:

Name of the Director(s)	Category
Shri Sivasubramanian Ramann, IA&AS	Non-Executive Chairman & Nominee Director: SIDBI
Shri V. Satya Venkata Rao	Nominee Director: SIDBI
Shri Rajneesh Karnatak	Nominee Director: PNB
Shri Anup Sankar Bhattacharya	Independent Director
Shri Shyam Sundar Barik	Independent Director
Smt. Rachna Dikshit	Independent Director
Shri Virendra Khandelwal	Nominee Director: BOB

Profile of Directors:

The Brief profile of each Director is given below:

1) Shri Sivasubramanian Ramann, IA&AS [Non-Executive Chairman and Nominee Director by Small Industries Development Bank of India (SIDBI)]

Shri Sivasubramanian Ramann, IA&AS, took over as Chairman & Managing Director of Small Industries Development Bank of India on April 19, 2021, in terms of the Government of India notification dated April 07, 2021. Shri Ramann has been appointed as the Non-Executive Chairman of ISARC with effect from August 10, 2021. He belongs to 1991 batch of Indian Audit & Accounts Service (IA&AS). Prior to the present assignment, he was MD & CEO of National e-Governance Services Limited from December 2016 Prior to joining NeSL, Shri Ramann was the Principal Accountant General (Audit), Jharkhand, Ranchi during 2015-2016. He worked with SEBI as CGM and later Executive Director between 2007 & 2013.

He held various positions in the offices under the C&AG of India in various States and also worked as Executive Secretary to the C&AG of India. He worked as First Secretary, at Indian High Commission, London for auditing the accounts of various Indian Embassies in Europe. He is BA (Hons) Economics from St Stephens College and MBA from FMS, Delhi University. He has done M. Sc. in Regulations from London School of Economics and Certified Internal Auditor from IIA Florida. He completed LLB from Mumbai University and Post Graduate Diploma in Securities Law.

2) Shri V. Satya Venkata Rao (Nominee Director - SIDBI)

Shri V. Satya Venkata Rao, DMD of Small Industries Development Bank of India is a Postgraduate in Law with distinction of securing a Gold Medal from Andhra University in Masters of Law, has more than three decades of experience in the financial sector encompassing several areas of Project Finance, Institutional Finance, Corporate Finance, Treasury & Resource Management, Risk Management, NPA Management, Venture Capital, Information Technology, Legal, Human Resources, Corporate Communications, etc. and also possesses board level experience on virtue of being on the boards of leading companies in India.

Shri Rao is the member of the Nomination & Remuneration Committee, Executive Committee and CSR Committee of the Board of Directors of the Company.

3) Shri Rajneesh Karnatak (Nominee Director – Punjab National Bank)

Shri Rajneesh Karnatak, Nominee Director has been nominated by Punjab National Bank on the Board of the Company with effect from March 26, 2021. Shri Karnatak is Chief General Manager at Punjab National Bank. He is a Post Graduate in Commerce stream (M.Com.) and is a Certified Associate from Indian Institute of Bankers (CAIIB). He has rich experience of more than 26 years in erstwhile Oriental Bank of Commerce. He carries varied Branch and Administrative Office experience. He has headed Large Corporate Credit branches also. As General Manager in erstwhile Oriental Bank of Commerce, he has headed verticals such as Credit Monitoring, Digital Banking and Mid Corporate Credit. Presently, he is heading Credit Review & Monitoring Division of Punjab National Bank.

Shri Karnatak is the member of the Audit Committee, Corporate Social Responsibility Committee and Risk Management Committee of the Board of Directors of the Company.

4) Shri Anup Sankar Bhattacharya (Independent Director)

Shri Anup Sankar Bhattacharya was appointed as an Independent Director in the 10th Annual General Meeting held on September 28, 2018.

Shri Bhattacharya was the Director of Institute of Banking Personnel Selection. He was Member of the Governing Council of Indian Institute of Banking & Finance. He is an Honorary Fellow of Indian Institute of Banking & Finance. Shri Bhattacharya is Ex-Chairman and Managing Director of Bank of Maharashtra. He is having rich experience and in-depth knowledge of the Banking Industry from across various markets in India.

Shri Anup Sankar Bhattacharya is the Chairman of Nomination & Remuneration Committee and Corporate Social Responsibility Committee of the Board of ISARC. He is also member of Audit Committee of the Board of Directors of the Company.

5) Shri Shyam Sundar Barik (Independent Director)

Shri Shyam Sundar Barik, retired Chief General Manager-in-charge, Dept. of Banking Regulation, Reserve Bank of India, was appointed as Independent Director in the 10th Annual General Meeting held on September 28, 2018.

Shri Barik holds Post Graduation in Economics and a CAIIB. Shri Barik has worked for more than 31 years with RBI in the areas such as currency management, regulation and supervision of commercial banks and urban cooperative banks, redressal of customer grievances under Banking Ombudsman Scheme, financial inclusion and financial literacy etc. He has vast experience in the field of banking and finance.

Shri Barik is the Chairman of the Audit Committee, Executive Committee & Risk Management Committee of the Board of Directors of the Company. He is also member of Nomination & Remuneration Committee and Corporate Social Responsibility Committee of the Board of Directors of ISARC.

6) Smt. Rachna Dikshit (Independent Woman Director)

Smt. Rachna Dikshit who retired as Regional Director, Reserve Bank of India (RBI) was appointed as an Independent Director, and as an Independent Woman Director of ISARC w.e.f. July 03, 2020.

Smt Dikshit is MA in Political Science with CAIIB. During her long experience with RBI in addition to supervisory functions she closely coordinated with other Financial Institutions and Government functionaries. She performed the role of spearheading financial literacy an inclusion for the unbanked and underbanked population which are marginalized and interacted with small, medium and micro enterprises to push banking assistance. During her posting as GM, Department of Banking Regulation, RBI Central Office, she was responsible for Financial Institutions Division and Credit Information Division. She was also part of the Kapoor Committee constituted by the Governor of RBI to study Credit Flow to SSIs in 1998.

Smt. Rachna Dikshit is the member of Executive Committee of the Board of Directors of ISARC.

7) Shri Virendra Kumar Khandelwal (Nominee Director- Bank of Baroda)

Shri Virendra Kumar Khandelwal, General Manager of Bank of Baroda (BOB) was appointed as Nominee of Bank of Baroda on the Board of the ISARC with effect from July 03, 2020.

Shri Khandelwal is currently a General manager- Recovery at BOB, Mumbai. He is Bachelor in Commerce with LLB, MBA and CAIIB. He has 28 years of experience at various verticals of BOB like Corporate Credit, Risk Management, Credit Monitoring, Debt recovery etc.

Shri Khandelwal is the member of Risk Management Committee of the Board of Directors of ISARC.

Meetings of the Board of Directors:

The Board met at least once in a quarter to consider among other businesses, quarterly performance of the Company and financial results. To enable the Board to discharge its responsibilities effectively and take informed decisions, necessary information is made available to the Board including circulation of agenda and notes thereof as well as presentations on financials and other critical areas of operations of the company. The Board is also kept informed of major events/items and approvals taken, wherever necessary. CEO, at the Board Meetings keeps the Board apprised of the overall performance of the Company at such meetings. The Board also takes decisions by circular resolutions which are noted by the Board at the subsequent meeting.

During the financial year 2020-21, the Company held 5 (five) meetings of the Board of Directors as per Section 173 of Companies Act, 2013. These were held on July 03, 2020, September 07, 2020, November 20, 2020, December 30, 2020 and March 26, 2021.

Separate Meeting of Independent Directors

As stipulated by the Code of Independent Directors under Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on March 18, 2021 to review the performance of the Board, Chairman and Board-Management relations.

The Independent Directors are adhering to the Code of Conduct prescribed under Schedule IV of the Companies Act, 2013.

Committees of the Board of Directors

In accordance with the applicable provisions of the Act, the circular(s), notification(s) and directions issued by the Reserve Bank of India and the Company's internal corporate governance requirements, the Board has constituted various Committees with specific terms of reference to focus on specific issues and ensure expedient resolution on diverse matters.

These include the Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Executive Committee and Risk Management Committee. The matters pertaining to financial results and auditors report are taken care of by the Audit Committee and those pertaining to nomination / remuneration of Key Executives and Directors are within the realms of Nomination & Remuneration Committee. The term of reference of Committee of Directors is as per the Charter duly approved by the Board. The Corporate Social Responsibility (CSR) Committee focuses on compliance of CSR policy and framework by the Company and monitors the expenditure to be incurred by the Company. The Risk Management Committee manages the integrated risk and further oversee the Risk Management function of the Company.

The Company Secretary acts as the Secretary for all the aforementioned Committees. The minutes of the meetings of all Committees along with summary of key decision/discussion taken at each Committee, is placed before the Board for discussion / noting /approval.

1. Audit Committee

The Members of Committee possess strong accounting and financial management knowledge. The Committee meets the composition requirement pursuant to the provisions of Section 177 of the Companies Act, 2013.

The Committee was reconstituted vide Board Resolution dated March 26, 2021 with the induction of Shri Rajneesh Karnatak as member of the Committee in place of Shri Manjit Singh Kochar, who ceased to be a Director of ISARC w.e.f. March 26, 2021.

The composition of Audit Committee is as under:

- | | | |
|-----------------------------------|---|------------------------------------|
| I. Shri Shyam Sundar Barik | : | Chairperson (Independent Director) |
| II. Shri Anup Sankar Bhattacharya | : | Member (Independent Director) |
| III. Shri Rajneesh Karnatak | : | Member (Nominee Director) |

During the financial year ended March 31, 2021, the Audit Committee met four (4) times on June 23, 2020, September 04, 2020, October 29, 2020 and February 04, 2021

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is formed in compliance with the provisions of Section 178 of the Companies Act, 2013.

The Committee was reconstituted vide Board Circular resolution dated May 24, 2021 with the induction of Shri V. Satya Venkata Rao as member of the Committee in place of Shri Manoj Mittal, who ceased to be a Director of ISARC w.e.f. January 21, 2021.

The composition of Nomination and Remuneration Committee is as under:

- I. Shri Anup Sankar Bhattacharya : Chairperson (Independent Director)
- II. Shri V. Satya Venkata Rao : Member (Nominee Director)
- III. Shri Shyam Sundar Barik : Member (Independent Director)

The NRC functions, *inter-alia*, in accordance with Section 178 of the Companies Act, 2013, identify persons who are qualified to become Directors, recommend to the Board for their appointment and removal and carry out evaluation of every Director's performance. Besides these, it also functions in accordance with the following terms of reference:

- (i) Motivate employees and promote excellence in their performance, recognize merits and achievements, retain talent in the Company and finally, to promote the feeling of belongingness.
- (ii) Take all decisions relating to Human Resources, including pertaining to attraction and retention strategies for employees, employee development strategies, compensation (including salaries and salary adjustments, incentives / benefits), methodology for performance rating, etc., within the broad framework approved by Board.

In addition to the term of reference of the NRC, ISARC also have the Nomination and Remuneration policy in place which formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a Director and also criteria for determining the remuneration of the Directors, Key Managerial Personnel and other employees. The Nomination and Remuneration Policy is placed on the website of the Company at <http://isarc.in/about.htm#d>.

During the financial year ended March 31, 2021 the Nomination & remuneration Committee met two (2) times on June 05, 2020 and September 07, 2020.

3. Corporate Social Responsibility Committee

The CSR Committee is formed in compliance with the provisions of Section 135 of the Companies Act, 2013.

The Committee was reconstituted vide Board Resolution dated March 26, 2021 with the induction of Shri Rajneesh Karnatak as member of the Committee in place of Shri Manjit Singh Kochar, who ceased to be a Director of ISARC w.e.f. March 26, 2021, and vide Circular resolution dated May 24, 2021 with the induction of Shri V. Satya Venkata Rao as member of the Committee in place of Shri Manoj Mittal, who ceased to be a Director of ISARC w.e.f. January 21, 2021.

The composition of Corporate Social Responsibility Committee is as under:

- I. Shri Anup Sankar Bhattacharya : Chairperson (Independent Director)
- II. Shri V. Satya Venkata Rao : Member (Nominee Director)
- III. Shri Shyam Sundar Barik : Member (Independent Director)
- IV. Shri Rajneesh Karnatak : Member (Nominee Director)

During the financial year ended March 31, 2021, the CSRC did not meet but approved a resolution by circulation on July 09, 2020.

4. Executive Committee

The Board had constituted the Executive Committee to take decisions w.r.t. acquisitions of financial assets and matters related thereto.

The Committee was reconstituted vide Board Circular resolution dated May 24, 2021 with the induction of Shri V. Satya Venkata Rao as member of the Committee in place of Shri Manoj Mittal, who ceased to be a Director of ISARC w.e.f. January 21, 2021.

The composition of Executive Committee is as under:

- I. Shri Shyam Sundar Barik : Chairperson (Independent Director)
- II. Shri V. Satya Venkata Rao : Member (Nominee Director)
- III. Smt. Rachna Dikshit : Member (Independent Director)

During the financial year ended March 31, 2021 the Executive Committee met once on March 26, 2021.

5. Risk Management Committee

The Risk Management Committee of the Company is formed to identify and resolve the risk involved in the business of the Company.

The Committee was reconstituted vide Board Resolution dated March 26, 2021 with the induction of Shri Rajneesh Karnatak as member of the Committee in place of Shri Manjit Singh Kochar, who ceased to be a Director of ISARC w.e.f. March 26, 2021.

The composition of Risk Management Committee is as under:

- I. Shri Shyam Sundar Barik : Chairperson (Independent Director)
- II. Shri Virendra Khandelwal : Member (Nominee Director)
- III. Shri Rajneesh Karnatak : Member (Nominee Director)

During the financial year ended March 31, 2021, no meeting of the RMC was held.

6. Internal Complaints Committee

In terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, ("Sexual Harassment Act") the Board had formulated and adopted a policy on prevention of sexual harassment at workplace and takes all necessary measures to ensure a harassment-free workplace and has instituted an Internal Complaints Committee for redressal of complaints and to prevent sexual harassment. The Company believes that all employees, including other individuals who are dealing with the Company have the right to be treated with dignity.

During the year under review, there is no complaint of any sexual harassment.

7. Annual General Meeting

The 12th Annual General Meeting of the Company was held through Video Conferencing in Microsoft Teams. All the applicable provisions of the Companies Act and Rules made thereunder w.r.t. conducting of General Meeting with Video Conferencing were duly adhered. AGM was attended by the Members, Chairperson of Audit Committee, Chairperson of the Nomination and Remuneration Committee of the Board as required under Companies Act, 2013.

During the year, no Extra Ordinary General Meeting of the Company was held.

ATTENDANCE OF THE MEMBERS IN THE BOARD AND COMMITTEE MEETINGS DURING THE YEAR

Type of Meeting	No of meetings held	Shri Muhammad Mustafa	Shri Manoj Mittal	Shri Subhendu Moitra	Shri Anup Sankar Bhattacharya	Shri Shyam Sundar Barik	Smt. Rachna Dikshit	Shri Manjit Singh Kochar	Shri Rajneesh Karnatak	Shri Virendra Khandelwal
Board	5	0	4	1	5	5	5	5	1	4
ACB	4	NA	NA	NA	4	4	NA	3	NA	NA
NRC	2	NA	2	NA	2	2	NA	NA	NA	NA
CSRC	0	-	-	-	-	-	-	-	-	-
RMC	0	-	-	-	-	-	-	-	-	-
AGM	1	NA	0	NA	1	1	1	1	NA	1

5. General Shareholders' Information

1) *Share Capital*

During the year under review, there have been no changes in the share capital of the Company. As on March 31, 2021, the Authorized, Issued, Subscribed and Paid-up Share Capital of the Company is Rs 100/- Crore only.

2) *Investor Correspondence:*

The Company Secretary
 India SME Asset Reconstruction Company Ltd.
 Swavalamban Bhavan, Plot No. C-11,
 G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400051
 Telephone: +91 22 67221463
 E-mail : isarc@isarc.in
 Website : www.isarc.in

3) *Subsidiaries / Joint Venture / Associate Companies*

Your Company does not have any Subsidiary, Joint Venture or Associate Companies in accordance with the provisions of the Act, and hence, disclosure regarding the same is not applicable.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place: Bengaluru

Date: September 08, 2021

**Sd/-
 Sivasubramanian Ramann
 Chairman**

Annexure II
FORM AOC - 2

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub - section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

a)	Name (s) of the related party and nature of relationship	:	NIL
b)	Nature of contracts/arrangements/transactions	:	NIL
c)	Duration of the contracts / arrangements / transactions	:	NIL
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	NIL
e)	Justification for entering into such contracts or arrangements or transactions	:	NIL
f)	Date (s) of approval by the Board	:	NIL
g)	Amount paid as advances, if any	:	NIL
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	:	NIL

2. Details of material contracts or arrangement or transactions at arm's length basis

i)	Name (s) of the related party and nature of relationship *	:	Small Industries Development Bank of India (SIDBI)
j)	Nature of contracts/arrangements/transactions	:	1. Deputation Charges (SIDBI) 2. Rent Paid (SIDBI)
k)	Duration of the contracts / arrangements / transactions	:	Continuous
l)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	As specified in Related Party Disclosures forming part of Financial Statements
m)	Justification for entering into such contracts or arrangements or transactions	:	NA
n)	Date (s) of approval by the Board	:	Transaction at arm's length and in ordinary course of business
o)	Amount paid as advances, if any	:	NIL
p)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	:	Transaction at arm's length and in ordinary course of business

* Please note that the transactions with the trusts are in the ordinary course of business and are at arm's length basis. Disclosures for the transactions with trusts are disclosed in Related Party Disclosures forming part of Financial Statements.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place: Bengaluru

Date: September 08, 2021

**Sd/-
Sivasubramanian Ramann
Chairman**

Annexure III
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(As prescribed under Section 135 of the Companies Act, 2013 and The Companies (Corporate Social Responsibility Policy) Rules 2014)

1. Brief outline on CSR Policy of the Company:

The CSR Policy of the Company has been framed in accordance with Section 135 of the Companies Act 2013 and the rules framed thereunder. The Policy shall apply to all CSR programs undertaken/sponsored by the Company executed by the Company and to the contributions made by the Company to Prime Minister's National Relief Fund or any other fund set up by the Government under Schedule VII of the Companies Act, 2013.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Anup Sankar Bhattacharya	Chairperson (Independent Director)	Nil	Nil
2	Shri Shyam Sundar Barik	Independent Director	Nil	Nil
3	Shri V. Satya Venkata Rao	Nominee Director	Nil	Nil
4	Shri Rajneesh Karnatak	Nominee Director	Nil	Nil

3. Web-link for the CSR committee, CSR Policy and CSR projects:

<https://isarc.in/about.hm#d> \

4. Impact assessment of CSR projects: Not Applicable.
5. Details of the amount available for set off and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
NIL			

6. Average net profit of the company as per section 135(5): ₹ -13,98,16,716/-
7.

(a)	Two percent of average net profit of the company as per section 135(5):	NIL
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years:	₹ 31,05,000/-
(c)	Amount required to be set off for the financial year, if any:	NIL
(d)	Total CSR obligation for the financial year (7a+7b- 7c):	₹ 31,05,000/-

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
₹ 31,05,000/-		NIL	Prime Minister's National Relief Fund	₹ 31,05,000/-	October 28, 2020

8. (a) CSR amount spent or unspent for the financial year:
(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII	Local area	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project (in ₹).	Mode of Implementation Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
NIL												

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in ₹).	Mode of implementation on - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
NIL									

(d)	Amount spent in Administrative Overheads:	NIL
(e)	Amount spent on Impact Assessment, if applicable:	NIL
(f)	Total amount spent for the Financial Year (8b+8c+8d+8e):	₹ 31,05,000/-
(g)	Excess amount for set off, if any:	NIL

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	NIL
(ii)	Total amount spent for the Financial Year	NIL
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Rs. 31,05,000/-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹).	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹).
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1	FY 2019-20	NA	₹ 31,05,000/- spent in FY 2020-21	Prime Minister's National Relief Fund	₹ 31,05,000/-	October 28, 2020	NIL

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹).	Status of the project Completed / Ongoing.
NIL								

10. In case of creation or acquisition of capital asset, (Details relating to the asset so created or acquired through CSR spent in the financial year): NIL

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

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) : NA

Sd/-

SHRI ANUP SANKAR BHATTACHARYA
CHAIRMAN CSR COMMITTEE
 DIN - 02719232

Sd/-

SHRI SHYAM SUNDAR BARIK
(MEMBER OF CSR COMMITTEE)
 DIN - 08184820

Annexure IV

FORM NO MR-3

SECRETARIAL AUDIT REPORT

FOR THE PERIOD 01-04-2020 TO 31-03-2021

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

To,

The Members,

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

Swavalamban Bhavan, C-11, G Block,

Bandra Kurla Complex, Bandra East,

Mumbai - 400051.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED (CIN: U67190MH2008PLC181062)** (hereinafter called “the company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering **1st April, 2020 to 31st March, 2021** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period **1st April, 2020 to 31st March, 2021** according to the provisions of:

The Companies Act, 2013 (the Act) and the rules made there under;

The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable During The Period Of Audit)**The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): **-(Not Applicable During The Period Of Audit)**

The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ;

The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under applicable Acts, Laws and Regulations to the Company.

We are of the opinion that the management has complied with the following laws specifically applicable to the Company:

Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

Regulatory Guidelines and Regulations issued by Reserve Bank of India issued under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

Securitization Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003.

We have also examined compliance with the applicable clauses of the following:

Secretarial Standards issued by The Institute of Company Secretaries of India, (SS-1 & SS-2).

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

1. As per Section 173(1) of Companies Act, 2013, not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board and as per MCA General Circular no.11/2020 dated 24th March, 2020, as a one time relaxation the gap between two consecutive meetings of the Board was extended to 180 days till 30th September,. The gap between two consecutive Board Meetings held on 17/12/2019 and 03/07/2020 exceeded 180 days.
2. As per Section 203 (4) of Companies Act, 2013, If the office of any whole-time key managerial personnel is vacated, the resulting vacancy shall be filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy.

The vacancy caused by resignation of Company Secretary (KMP) and Chief Financial Officer (KMP) of company was filled after a period of 6 months.

3. As per Section 92(2) of Companies Act, 2013 read with Rule 11 of Companies Management and Administration) Rules, 2014, every company shall file its Annual Return in Form MGT-

7 except One Person Company and Small Company. There was a typing error in Form MGT-7.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in due compliance with law, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes

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

We further report that During the year 2020-21 following actions/events reported having major bearing on the Operation of the company: -

Mr. Virendra Khandelwal was appointed as Nominee Director representing Bank of Baroda with effect from 03/07/2020.

Mrs. Rachna Dikshit was appointed as Additional Independent Director with effect from 03/07/2020 and regularized as Independent Director with effect from 30/09/2020.

Ms. Prity Adwani was appointed as Company Secretary with effect from 03/07/2020.

Mr. K Prakash was appointed as Chief Financial Officer of company with effect from 13/07/2020.

Mr. Subhendu Moitra ceased to be Managing Director & Chief Executive Officer with effect from 14/07/2020.

Mr. Mohammad Mustafa ceased to be a Nominee Director with effect from 27/08/2020 as his nomination was withdrawn by SIDBI.

Mr. Rishi Dwivedi was appointed as Chief Executive Officer designated as Key Managerial Personnel with effect from 07/09/2020.

Mr. Manoj Mittal ceased to be a Nominee Director with effect from 21/01/2021 as his nomination was withdrawn by SIDBI.

Mr. Rajneesh Karnatak was appointed as Nominee Director representing Punjab National Bank in place of Mr. Manjit Singh Kochar with effect from 26/03/2021.

FOR RAGINI CHOKSHI & CO.

Place: Mumbai
Date: 04-09-2021

sd/-
(KULDEEP BOTHRA)
(PARTNER)
ACS No. 37452
C.P. No. 15159
UDIN: A037452C000896585

**Shareholding Pattern
(as on 07.09.2021)**

Sr. No.	Name of the Shareholder	Shareholding (%)
1.	SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA	15.00
2.	SIDBI VENTURE CAPITAL LIMITED	11.00
	PUBLIC SECTOR BANKS Sponsors	
3.	PUNJAB NATIONAL BANK	20.90
4.	BANK OF BARODA	14.00
5.	UNION BANK OF INDIA	8.00
6.	PUNJAB AND SIND BANK*	5.00
7.	INDIAN BANK**	4.00
8.	CANARA BANK	4.00
9.	BANK OF MAHARASHTRA	4.00
10.	UCO BANK	4.00
	FINANCIAL INSTITUTIONS	
11.	LIFE INSURANCE CORPORATION OF INDIA	9.00
12.	KERALA FINANCIAL CORPORATION	0.35
13.	ANDHRA PRADESH STATE FINANCIAL CORPORATION	0.35
14.	RAJASTHAN FINANCIAL CORPORATION	0.10
	OTHER COMPANIES	
15.	APITCO LIMITED	0.30
	TOTAL	100.00

* Shareholding of Punjab National bank (PNB) has been increased to 20.90 % due to merger of United Bank of India and Oriental Bank of Commerce (holding 10% and 1.90% respectively) with PNB w.e.f. April 01, 2020.

** Allahabad Bank had 4% shareholding in ISARC. However, due to the merger of Allahabad Bank with Indian Bank w.e.f. April 01, 2020, Indian Bank holds 4% shareholding in ISARC.

Independent Auditor's Report

To the Members of India SME Asset Reconstruction Company Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

1. Opinion

We have audited the accompanying Standalone Financial Statements of **India SME Asset Reconstruction Company Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit And Loss, the Statement of Cash Flows for the year then ended and notes to the Standalone Financial Statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profits, and its cash flows for the year ended on that date.

2. Basis For Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) prescribed under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

3. Emphasis of Matters

We draw attention to Note 32 of the Standalone Financial Statements, as regards to the management evaluation of COVID-19 for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

4. Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the Standalone Financial Statements and our auditors' report thereon.

Our opinion on the Standalone 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 Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is

materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

5. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with the Companies (Accounting Standards) Amendment Rules, 2016.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

6. Auditors' Responsibility for the Audit of the Standalone Financial Statements

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

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

- a. 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.

- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the

Companies Act, 2013, 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.

- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. 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.
- e. 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.

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

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

7. Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Section 143(11) of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order.
- II. As required by Section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in „Annexure B" a statement on the directions and sub directions issued by the Comptroller and Auditor General of India.
- III. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Accounting Standards) Amendment Rules, 2016 and the guidelines issued by The Reserve Bank of India from time to time under SARFAESI Act, to the extent applicable;
- e) On the basis of written representations received from the directors of the Company and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid/provided by the Company to its Directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- h) 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:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 31 to the Standalone Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts having any material foreseeable losses.
 - iii. There are no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

For **U. G. Devi & Company**
Chartered Accountants
FRN. No. 102427-W

Sd/-
(Vinay U. Devi)
Partner
Membership No. 38973
UDIN: 21038973AAAAJN8010

Mumbai,
Dated: July 02, 2021

Annexure “A” to the Independent Auditors’ Report of India SME Asset Reconstruction Company Limited for the year ended 31st March 2021 (referred to in our report of even date).

We report that

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As per information and explanations given to us, the fixed assets have been physically verified by the management at regular intervals in accordance with the programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its fixed assets. According to the information & explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the Company does not own any immovable property included under the head fixed assets. Accordingly, provisions of clause 3(i)(c) of the order is not applicable to the company.
- (ii) The Company is into the services sector, primarily rendering asset reconstruction and securitization services and as such does not hold inventories and accordingly provisions of clause 3 (ii) of the Order are not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clauses 3 (iii) (a) to (c) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given/made loans, investments, guarantees, and security. The issue of compliance with the provisions of section 185 and 186 of the Companies Act, 2013, therefore does not arise.
- (v) The Company has not accepted any deposits from the public to which the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under apply. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and the records of the company examined by us, the company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Income-Tax, Goods & Services Tax and any other material statutory dues applicable to it. No undisputed amounts payable in respect of Income-Tax, Goods & Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other material statutory dues were outstanding as at 31st March, 2021 for period of more than six months from the date they became payable.
 - (b) According to the records of the Company, the dues of Income Tax which have not been deposited on March 31, 2021 on account of any dispute, are as follows:

Name of Statute	Nature of Dues	Period to which the amount relates	Forum where dispute is pending	Amount Involved (₹)	Amount Unpaid (₹)
Income Tax Act, 1961	Income Tax	2011-12	CIT(A)	19,73,166	5,900
Income Tax Act, 1961	Income Tax	2011-12	CIT(A)	40,40,300	NIL

- (viii) According to the information and explanations given to us, the Company has not borrowed any amounts from financial institutions, banks, government or by issue of debentures. Accordingly, the provisions of clause 3(viii) of the Order are not applicable to the Company
- (ix) The Company has neither raised money by way of initial public offer or further public offer (including debt instruments) nor taken any term loans. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanations provided by the management we report that no fraud by the Company and no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations provided by the management, the managerial remuneration has been paid/provided in accordance with the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore the provisions of clause 3 (xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations provided by the Management, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations provided to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company and not commented upon.
- (xv) According to the information and explanations provided by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Act.
- (xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For U. G. Devi & Company
Chartered Accountants
FRN. No. 102427-W

Sd/-
(Vinay U. Devi)
Partner
Membership No. 38973
UDIN: 21038973AAAAJN8010

Mumbai,
Dated: July 02, 2021

Annexure “B” to the Independent Auditors’ Report of India SME Asset Reconstruction Company Limited for the year ended 31st March 2021 (referred to in our report of even date).

Report in terms of Section 143(5) of the Act on the directions and sub directions issued by the Comptroller and Auditor General of India. We further report as under.

Sr. No.	Directions	Observations of Auditor	Financial Implications/ Impact
1	Whether the company has system in place to process all the accounting transactions through IT systems? If yes, the implications of processing of accounting transactions outside IT System on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the company has a system in place to process all the accounting transactions through IT Systems. In our opinion and as per the records examined by us there are no accounting transactions processed outside the IT System which may affect the integrity of the accounts.	NIL
2	Whether there is any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by alender to the company due to company’s inability to repay the loan? If yes, the financial impact may stated. Whether such cases are properly accounted for?	Not Applicable, as the Company has no borrowings.	NIL
3	Whether funds (grants/subsidy etc.) received / receivable for specific schemes from central /state Government or its agencies were properly accounted for / utilized as per its terms and conditions? List the cases of deviation.	Not Applicable, as the company has not received any funds for specific schemes from central/ state Government or its agencies	NIL

For U. G. Devi & Company
Chartered Accountants
FRN. No. 102427-W

Sd/-
(Vinay U. Devi)
Partner
Membership No. 38973
UDIN: 21038973AAAAJN8010

Mumbai,
Dated: July 02, 2021

**ANNEXURE “C” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE
ON THE FINANCIAL STATEMENTS OF India SME Asset Reconstruction Company
Limited**

**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 **India SME Asset Reconstruction Company Limited** (“the Company”) as of **March 31, 2021** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For U. G. Devi & Company
Chartered Accountants
FRN. No. 102427-W

Sd/-
(Vinay U. Devi)
Partner
Membership No. 38973
UDIN: 21038973AAAAJN8010

Mumbai,
Dated: July 02, 2021

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of financial statements of INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 2 July 2021.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED for the year ended 31 March 2021 under section 143 (6)(a) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

sd/-

(P V Hari Krishna)

Principal Director of Audit (Shipping), Mumbai

Place: Mumbai

Date : 01.09.2021

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
BALANCE SHEET AS AT MARCH 31, 2021

(Amount in ₹)

Particulars	Note No	As at March 31, 2021		As at March 31, 2020	
I EQUITY AND LIABILITIES					
1 Shareholders' Funds					
(a) Share Capital	2	1,000,000,000		1,000,000,000	
(b) Reserves and surplus	3	126,857,929	1,126,857,929	123,296,867	1,123,296,867
2 Non-Current Liabilities					
(a) Other Long Term Liabilities	4	-		-	
(b) Long Term Provisions	5	307,149	307,149	162,460	162,460
3 Current Liabilities					
(a) Short Term Borrowings	6	-		15,500	
(b) Trade Payables	7	3,216,919		1,902,055	
(c) Other Current Liabilities	8	1,981,091		2,998,452	
(d) Short Term Provisions	9	120,575	5,318,585	63,655	4,979,662
TOTAL			1,132,483,663		1,128,438,989
II ASSETS					
1 Non Current Assets					
(a) Property, Plant & Equipment	10				
Tangible		723,324		1,005,108	
Intangible		37,296		72,662	
(b) Non Current Investments	11	231,638,473		291,349,488	
(c) Deferred Tax Assets (Net)	12	9,244,279		542,737	
(d) Long Term Loans and Advances	13	53,667,949		62,156,267	
(e) Other Non Current Assets	14	-	295,311,321	-	355,126,262
2 Current Assets					
(a) Trade Receivables	15	5,413,135		5,834,842	
(b) Cash and Bank Balances	16	795,915,954		717,518,927	
(c) Short Term Loans and Advances	17	13,495,444		20,142,352	
(d) Other Current Assets	18	22,347,809	837,172,342	29,816,606	773,312,727
TOTAL			1,132,483,663		1,128,438,989

The accompanying notes 1 to 33 are integral part of the standalone financial statements.

As per our report of even date
 For **U.G Devi & Co.**
 Chartered Accountants
 Firm Reg. No.: 102427W

For and on behalf of Board of Directors
INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

Sd/-
Anup Sankar Bhattacharya
 Director
 DIN:02719232

Sd/-
Shyam Sundar Barik
 Director
 DIN:08184820

Sd/-
(Vinay Devi)
 Partner
 M. No.: 038973
 UDIN:21038973AAAAJN8010
 Mumbai, 2nd July, 2021

Sd/-
K. Prakash
 CFO

Sd/-
Sunil S. Mirashi
 COO

Sd/-
Prity Adwani
 Company Secretary
 M.No.: A42690

Mumbai, 2nd July, 2021

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021

(Amount in ₹)

Particulars	Note No	For the year ended March 31, 2021		For the year ended March 31, 2020	
I Revenue from Operations	19		61,214,678		45,945,288
II Other Income	20		49,672,275		50,053,727
III Total Revenue (I + II)			110,886,953		95,999,015
IV Expenses:					
(a) Employee Benefit Expense	21	22,412,630		25,821,078	
(b) Depreciation and Amortization Expense	10	297,923		633,423	
(c) Other Expenses	22	73,972,572		139,672,023	
Total Expenses			96,683,125		166,126,524
V Profit Before Tax (III - IV)			14,203,828		(70,127,509)
VI Tax Expense:					
(a) Current Tax			19,344,309		13,686,215
(b) MAT Credit Availment/(Entitlement)			-		-
(c) Deferred Tax	12		(8,701,543)		(19,949)
(d) Income Tax - Earlier years			-		115,407
			10,642,766		13,781,673
VII Profit for the Year (V - VI)			3,561,062		(83,909,182)
VII Earnings per Equity Share of ₹ 10/- each:	23				
(1) Basic			0.04		(0.84)
(2) Diluted			0.04		(0.84)

The accompanying notes 1 to 33 are integral part of the standalone financial statements.

As per our report of even date
 For **U.G Devi & Co.**
 Chartered Accountants
 Firm Reg. No.: 102427W

For and on behalf of Board of Directors
INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

Sd/-
Anup Sankar Bhattacharya
 Director
 DIN:02719232

Sd/-
Shyam Sundar Barik
 Director
 DIN:08184820

Sd/-
(Vinay Devi)
 Partner
 M. No.: 038973
 UDIN:21038973AAAAJN8010
 Mumbai, 2nd July, 2021

Sd/-
K. Prakash
 CFO

Sd/-
Sunil S. Mirashi
 COO

Sd/-
Prity Adwani
 Company Secretary
 M.No.: A42690

Mumbai, 2nd July, 2021

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

PARTICULARS	(Amount in ₹)	
	Year Ended 31.03.2021	Year Ended 31.03.2020
<u>A. CASH FLOW FROM OPERATING ACTIVITIES</u>		
Profit before Taxation	14,203,828	(70,127,509)
Adjustments for:		
Add: Depreciation and Amortization Expense	297,923	633,423
Add: Bad Debts	21,201	-
Add: Provision for Deferred Rent	-	-
Add: Loss on sale of Fixed Assets	707	-
Add: Provision for Security Receipts	50,011,193	110,099,783
Add: Provision for Diminution in Value of Security Receipts	7,047,280	10,949,891
Add: Provision for Advances to Trusts	1,974,846	2,112,366
Less: Profit on sale of Fixed Assets	-	-
Less: Reversal of Provision for Deferred Rent	-	474,346
Less: Interest on Fixed Deposits having maturity of more than three months	27,913,353	30,406,067
Operating Profit before Working Capital changes	45,643,625	22,787,541
<u>Changes in Working Capital</u>		
<u>Adjustments for Operating Assets</u>		
Trade Receivables	400,506	(929,675)
Security Deposits:	16,000	3,432,240
Short Term Loans and Advances	6,646,908	(7,444,428)
Other Current Assets	2,743,337	(6,300,428)
<u>Adjustments for Operating Liabilities</u>		
Short Term Borrowings	(15,500)	15,500
Trade Payables	1,314,863	(7,350,846)
Changes in provision	201,609	(445,374)
Other Current Liabilities	(1,017,361)	(1,135,998)
	10,290,362	(20,159,009)
Cash generated from / used in Operation	55,933,987	2,628,532
Less: Taxes paid	6,686,985	2,989,268
Net Cash Flow from Operating Activities (A)	49,247,002	(360,736)
<u>B. CASH FLOW FROM INVESTING ACTIVITIES</u>		
Capital Expenditure on Fixed Assets	-	-
Net Decrease in Investments:		
Security Receipts of Trusts	2,652,542	37,942,671
Sale of Fixed Assets	18,522.00	-
Advances given to Trusts	(6,159,852)	(8,232,780)
Fixed Deposits having maturity of more than three months but less than 12 months	(63,600,957)	(51,192,908)
Fixed Deposits having maturity of more than 12 months	-	-
Interest Received	32,638,814	34,292,862
Net Cash Flow from Investing Activities (B)	(34,450,931)	12,809,845

PARTICULARS	(Amount in ₹)	
	Year Ended 31.03.2021	Year Ended 31.03.2020
<u>C. CASH FLOW FROM FINANCING ACTIVITIES</u>	-	-
Net Cash Flow from Financing activities (C)	-	-
Net Increase in Cash and Cash Equivalents (A + B + C)	14,796,070	12,449,109
Cash and Cash Equivalents at beginning of the year	253,018,459	240,569,350
Cash and Cash Equivalents at end of the year	267,814,529	253,018,459
Reconciliation of Cash and Cash Equivalents with the Balance Sheet:		
Cash and Cash Equivalents as per Balance Sheet (Refer Note 16)	795,915,954	717,518,927
Less: Bank balances not considered as Cash and Cash Equivalents as defined in AS 3 Cash Flow Statements	(528,101,425)	(464,500,468)
Cash and Cash Equivalents at end of the year	267,814,529	253,018,459
The accompanying notes 1 to 33 are integral part of the standalone financial statements.		

As per our report of even date
For **U.G Devi & Co.**
Chartered Accountants
Firm Reg. No.: 102427W

For and on behalf of Board of Directors
INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

Sd/-
Anup Sankar Bhattacharya
Director
DIN:02719232

Sd/-
Shyam Sundar Barik
Director
DIN:08184820

Sd/-
(Vinay Devi)
Partner
M. No.: 038973
UDIN:21038973AAAAJN8010
Mumbai, 2nd July, 2021

Sd/-
K. Prakash
CFO

Sd/-
Sunil S. Mirashi
COO

Sd/-
Prity Adwani
Company Secretary
M.No.: A42690

Mumbai, 2nd July, 2021

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

A. Company Overview:

India SME Asset Reconstruction Company Limited ('the Company') was incorporated under the provisions of Companies Act, 1956 on April 11, 2008 and is registered with Reserve Bank of India ('RBI') as an Asset Reconstruction Company to carry on the business of Securitization or Asset Reconstruction under the provisions of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ('SARFAESI Act') since March 5, 2009.

B. Significant Accounting Policies:

1. Basis of preparation of financial statements:

The financial statements are prepared under the historic cost convention in accordance with the Generally Accepted Accounting Principles ('GAAP') in India, the provisions of the Companies Act, 2013 ('the Act') and the applicable accounting standards as prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014, and the Guidelines/Directions issued by the RBI from time to time under SARFAESI Act. The Accounting policies applied in the preparation and presentation of the financial statements in the current year are the same as those applied in the previous year, except for the changes elaborated in the subsequent pages.

All the assets and liabilities are classified as current or non-current based on Company's normal operating cycle and other criteria set out in Schedule III of the Act. The Company has ascertained its operating cycle as 12 months for this classification.

2. Use of Estimates:

The preparation of Financial Statements in conformity with Generally Accepted Accounting Principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Accounting estimates could change from period to period and the actual results could differ from those estimates. Changes in estimates are reflected in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

3. Revenue Recognition:

The Company sets up various trusts and schemes under the trusts for acquisition of financial assets and the income which accrues to it is accounted for as under:

- a) Management fee is recognized on accrual basis in terms of the provisions of the relevant trust deed/offer document. However, management fees which remains outstanding for a period exceeding 180 days and/or NAV of SRs fall below 50% of FV of SRs is derecognized and the same gets recognized again only on actual receipts basis on recovery in accordance with the RBI guidelines.
- b) Yield on investment in Security Receipts represents excess realization over acquisition cost of investments at the rates agreed in the trust deed / offer documents. It is recognized when the same is distributed by the respective trusts.

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

- c) Upside income represents the realizations made from the investments in security receipts over and above acquisition cost of investments and yield at the prescribed rates. It is recognized when the same is distributed by the respective trusts.
- d) Interest Income:
- Interest income is recognized on accrual basis.
 - In case of Non Performing Assets ('NPA'), as per the income recognition and asset classification norms of RBI, interest income which had been recognized on accrual basis gets derecognized on the date of an asset becoming NPA and till the time the asset is NPA, no further income is recognized on the same on accrual basis. The interest income which gets derecognized gets recognized again only on actual receipt basis.
- e) Interest on advances to the trusts is recognized on accrual basis in terms of the provisions of the relevant trust deed/offer document. However, Interest on advances to the trusts which remains outstanding for a period exceeding 180 days and/or NAV of SRs fall below 50% of FV of SRs is derecognized and the same gets recognized again only on actual receipts basis on recovery in accordance with the RBI guidelines.
- f) Incentive Income is recognized on accrual basis as per the terms of contract. However, Incentive Income which remains outstanding for a period exceeding 180 days is derecognized and the same gets recognized again only on actual receipts basis on recovery in accordance with the RBI guidelines.
- g) Other fee income - Any fee income other than (a) to (f) above (e.g. advisory fees, processing fees, commission income etc.) is recognized on accrual basis as per the terms of contract.

The above stated accounting policies are in accordance with the guidelines and /or directions issued by the RBI from time to time.

4. Property, Plant & Equipment:

Property, Plant & Equipment are carried at cost of acquisition less accumulated depreciation. The cost of Property, Plant & Equipment includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets.

Property, Plant & Equipment are reviewed for impairment in terms of Accounting Standard 28 "Impairment of Assets" and necessary provision for impairment loss, if any, is made. The same is reviewed at each reporting date.

5. Depreciation:

- a) Depreciation is provided on the straight-line method using useful life prescribed in Part C of Schedule II of the Companies Act, 2013.
- b) Individual assets costing less than ₹5,000/- are depreciated in full in the year of acquisition.

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

- c) Depreciation is calculated on a pro-rata basis from the date on which the asset is put to use till the date the assets are sold or disposed or till the date of the financial statements, as the case may be.
- d) Intangible assets are amortized over their estimated useful life on a straight line basis, commencing from the date the asset is available to the company for its use.

6. Investments:

- a) Investments in Security Receipts (SR) held by the company are aggregated for the purpose of arriving at a net depreciation or appreciation of the investment value. Average of latest range of ratings obtained from credit rating agencies is considered for the NAV of the investment. Net depreciation, if any is provided for and net appreciation, if any, is ignored based on valuation Guidelines/ Directions issued by RBI from time to time.
- b) Investments in Financial Assets and in Security Receipts of Trusts have been classified as Non-Current Assets as the resolution period exceeds 12 months and as it is difficult to precisely ascertain the period of recovery.
- c) Financials Assets acquired on the books of the Company are classified under Standard Assets, Sub-Standard Assets, Doubtful Assets and Loss Assets as per applicable RBI Guidelines/Directions. Income recognition and provisioning norms on each of the above categories are applied as per the aforesaid RBI Guidelines/ Directions.

7. Leases:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of profit and loss on a straight-line basis over the lease term in accordance with AS 19.

8. Employees Benefits:

a) Short-Term Benefits:

Short term employee benefits are expensed out in the period in which employees render their services.

b) Post Employment Benefits:

- **Gratuity:**

The Company has an obligation towards gratuity, defined benefit retirement plan covering eligible employees. The plan provides a lumpsum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable to each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The company has obtained insurance policies with the Life Insurance Corporation of India (“LIC”) and

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

makes an annual contribution to LIC for amounts notified by LIC. The company accounts for gratuity benefits payable in future based on an independent external actuarial valuation carried out at the end of the year using the projected unit credit method. Actuarial gains and losses are recognized in the statement of profit and loss in the period in which they arise.

- **Other Long-Term Benefits – Compensated Absences**

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Company makes provision for compensated absences based on an independent actuarial valuation carried out at the end of the year under projected unit credit method. Actuarial gains / losses are recognized in the Statement of profit and loss.

9. Expenses incurred by the Company on behalf of the Trusts:

The expenses incurred on behalf of the trusts are shown as recoverable from the trust in the balance sheet under the head 'Advances to Trusts'. These expenses are reimbursable to the Company as per terms of the respective trust deed/offer document.

10. Provision for Advances to Trusts

The Company has decided to make provision against advances given to trusts which have remained outstanding for a significant period of time.

In accordance with this change, the Company has made provision for the value of advances given to trusts which have remained outstanding for a period exceeding three years as at the Balance Sheet date.

11. Expenses incurred not resulting in acquisition of Financial Assets:

Acquisition related expenses with respect to valuation, due diligence and bidding fees relating to the financial assets, which do not materialize into acquisition, are expensed out in the year in which it is incurred.

12. Earnings Per Share:

Basic:

In arriving at the basic earnings per share, the Company's net profit after tax, computed in terms of the Indian GAAP is divided by the weighted average number of equity shares outstanding on the last day of the reporting period.

Diluted:

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

13. Taxes on Income:

a) Current Tax:

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the company.

b) Deferred Tax:

Deferred Tax resulting from “timing differences” between taxable and accounting income that originate in one year and are capable of reversal in one or more subsequent years is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized, subject to consideration of prudence and is carried forward only to the extent that there is a reasonable/virtual certainty, as the case may be, that the asset will be realized in future.

c) Minimum Alternate Tax Policy:

Minimum Alternate Tax (‘MAT’) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

14. Provisions, contingent liabilities and contingent assets:

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation if:

- a) The Company has a present obligation as a result of a past event,
- b) A probable outflow of resources is expected to settle the obligation, and
- c) The amount of the obligation can be reliably estimated.

A Contingent Liability is disclosed in case of:

- a) A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation,
- b) A present obligation when no reliable estimate is possible,
- c) A possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent assets are neither recognized nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

15. Cash & Cash Equivalents:

Cash and cash equivalents comprise cash, balances in current accounts, fixed deposits with banks with maturities upto three months and fixed deposits with banks with sweep in facility which can be encashed by the Company at any point of time.

16. Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

17. Prior Period Items:

Prior period items are the incomes or expenses which arise in the current financial year as a result of errors or omissions in the preparation of the financial statements of earlier financial years.

18. Impairment of Assets:

An asset is considered as impaired in accordance with Accounting Standard 28 on Impairment of Assets when at the balance sheet date there are indications of impairment and the carrying amount of asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss.

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

19. Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on Borrowing Costs, are capitalized as part of the cost of the asset upto the date when the asset is ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

20. Segment Reporting:

The Company is primarily in a single segment i.e. in the business of asset reconstruction and securitization services. The Company identifies primary segments based on the dominant source, nature and returns, the internal organization and management structure.

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in ₹)

NOTE 2: SHARE CAPITAL

Particulars	March 31, 2021		March 31, 2020	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
Authorised				
Equity Shares of ₹10/- each	100,000,000	1,000,000,000	100,000,000	1,000,000,000
Issued, Subscribed & Paid up				
Equity Shares of ₹10/- each	100,000,000	1,000,000,000	100,000,000	1,000,000,000
Total	100,000,000	1,000,000,000	100,000,000	1,000,000,000

Notes:
a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	March 31, 2021		March 31, 2020	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
At the beginning of the year	100,000,000	1,000,000,000	100,000,000	1,000,000,000
Issued during the year	-	-	-	-
Bought back during the year	-	-	-	-
Outstanding at the end of the year	100,000,000	1,000,000,000	100,000,000	1,000,000,000

b) Statement showing list of the shareholders holding shares more than 5%

Name of Shareholder	March 31, 2021		March 31, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Punjab National Bank	20,900,000	20.90	9,000,000	9.00
Small Industries Development Bank of India	15,000,000	15.00	15,000,000	15.00
SIDBI Venture Capital Limited	11,000,000	11.00	11,000,000	11.00
Bank of Baroda	14,000,000	14.00	14,000,000	14.00
Union Bank of India	8,000,000	8.00	-	-
United Bank of India	-	-	10,000,000	10.00
Punjab & Sind Bank	5,000,000	5.00	5,000,000	5.00
Life Insurance Corporation of India	9,000,000	9.00	9,000,000	9.00
Total	82,900,000		73,000,000	

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

c) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share and to receive dividend thereon. The dividend, proposed by the Board of Directors, is subject to approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in ₹)

	As at 31.03.2021	As at 31.03.2020
NOTE 3: RESERVES AND SURPLUS		
Surplus (Statement of Profit and Loss):		
Balance as per last Financial Statements	123,296,867	207,206,049
Add: Net profit for the current year	3,561,062	(83,909,182)
	126,857,929	123,296,867
NOTE 4: OTHER LONG TERM LIABILITIES		
Deferred Rental Payments	-	-
	-	-
NOTE 5: LONG TERM PROVISIONS		
Provision for Employee Benefits:		
Compensated Absences (Refer Note 24)	307,149	162,460
	307,149	162,460
NOTE 6: SHORT TERM BORROWINGS		
Unsecured:		
Loans and advances from related parties:		
Advance from Trusts (Refer Note 25 (B)(II)(6))	-	15,500
	-	15,500
NOTE 7: TRADE PAYABLES		
Trade Payables:		
Micro, Small and Medium Enterprises (Refer Note 29)	-	-
Others	3,216,919	1,902,055
	3,216,919	1,902,055
NOTE 8: OTHER CURRENT LIABILITIES		
Other Payables:		
Statutory Liabilities	1,981,091	2,998,452
	1,981,091	2,998,452
NOTE 9: SHORT TERM PROVISIONS		
Provision for Employee Benefits:		
Compensated Absences (Refer Note 24)	120,575	63,655
	120,575	63,655

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Gross Block						Depreciation/Amortisation			Net Block	
	As on 01.04.2020	Additions	Deductions	As on 31.03.2021	As on 01.04.2020	For the Year	Deductions	As on 31.03.2021	As at 31.03.2021	As at 31.03.2020	
	(Amount in ₹)										
Tangible Assets:											
Plant & Machinery:											
Vehicles	1,053,642 (1,053,642)	-	-	1,053,642 (1,053,642)	1,000,771 (1,000,771)	-	-	-	1,000,771 (1,000,771)	52,871 (52,871)	52,871 (52,871)
Office Equipments	1,049,746 (1,049,746)	-	186,442	863,304 (1,049,746)	902,841 (765,848)	63,451 (136,993)	177,061	-	789,231 (902,841)	74,073 (146,905)	146,905 (283,898)
Computers	1,786,623 (1,786,623)	-	102,500	1,684,123 (1,786,623)	1,619,989 (1,432,505)	83,678 (187,484)	97,386	-	1,606,281 (1,619,989)	77,842 (166,634)	166,634 (354,118)
Furniture & Fixtures	1,407,813 (1,407,813)	-	94,500	1,313,313 (1,407,813)	769,115 (650,544)	115,428 (118,571)	89,768	-	794,775 (769,115)	518,538 (638,698)	638,698 (757,269)
Sub Total (A)	5,297,824 (5,297,824)	-	383,442	4,914,382 (5,297,824)	4,292,716 (3,849,668)	262,557 (443,048)	364,215	-	4,191,058 (4,292,716)	723,324 (1,005,108)	1,005,108 (1,448,156)
Intangible Assets:											
Software	598,419 (598,419)	-	-	598,419 (598,419)	543,609 (363,684)	24,916 (179,925)	-	-	568,525 (543,609)	29,894 (54,810)	54,810 (234,735)
Trademark	33,000 (33,000)	-	-	33,000 (33,000)	15,148 (4,698)	10,450 (10,450)	-	-	25,598 (15,148)	7,402 (17,852)	17,852 (28,302)
Sub Total (B)	631,419 (631,419)	-	-	631,419 (631,419)	558,757 (368,382)	35,366 (190,375)	-	-	594,123 (558,757)	37,296 (72,662)	72,662 (263,037)
Total (A + B)	5,929,243 (5,929,243)	-	383,442	5,545,801 (5,929,243)	4,851,473 (4,218,050)	297,923 (633,423)	364,215	-	4,785,181 (4,851,473)	760,620 (1,077,770)	1,077,770 (1,711,193)

**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

(Amount in ₹)

NOTE 11: NON CURRENT INVESTMENTS								
Particulars	No. of SRs as at March 31		Extent of Holding (%) as at March 31		SR Paid up Value as at March 31		Amount as at March 31	
	2021	2020	2021	2020	2021	2020	2021	2020
Trade Investments (A)	-	-	-	-	-	-	-	-
Other Investments								
Investments (Quoted)	-	-	-	-	-	-	-	-
Investments in SR of Trusts (Unquoted):								
ISARC 12/2010-11 Trust	69780	69780	100	100	100	100	6,978,000	6,978,000
ISARC 13/2010-11 Trust	11211	11211	100	100	1	1	11,211	11,211
ISARC 14/2010-11 Trust	53109	53109	100	100	1	1	53,109	53,109
ISARC ACBL I/2017-18 Trust	3450	3450	15	15	606	606	2,090,700	2,090,700
ISARC Allahabad Bank II/2012-13 Trust	10617	10617	20	20	338	680	3,588,546	4,544,076
ISARC Axis 1/2009-10 Trust	2500	2500	100	100	1,000	1,000	2,500,000	2,500,000
ISARC Axis 2/2010-11 Trust	28900	28900	100	100	572	969	16,530,800	16,675,300
ISARC Axis 3/2012-13 Trust							-	
Series II	25500	25500	100	100	150	150	3,825,000	3,825,000
Series III	59000	59000	100	100	527	589	31,093,000	31,093,000
							34,918,000	34,918,000
ISARC Axis 4/2015-16 Trust	164	164	100	100	1	1	164	164
ISARC Axis 5/2015-16 Trust	54973	54973	100	100	420	506	23,088,660	23,638,390
ISARC BOB 1/2009-10 Trust	54557	54557	100	100	1	1	54,557	54,557
ISARC BOI 1/2010-11 Trust	23038	23038	100	100	869	869	20,021,453	20,021,453
ISARC BOI 2/2015-16 Trust	40000	40000	100	100	0	0	1	1
ISARC Canara Bank-I/2013-14 Trust	104682	104682	5	5	1,000	1,000	104,682,000	104,682,000
ISARC CBI 1/2010-11 Trust	3102	3102	50	50	1,000	1,000	3,102,000	3,102,000
ISARC CBI II / 2012-13 Trust	10213	10213	100	100	537	717	5,484,381	5,484,381
ISARC Dena Bank II/2015-16 Trust	10215	10215	15	15	399	811	4,075,785	4,361,805
ISARC Dena Bank III/2017-18 Trust	12435	12435	15	15	1,000	1,000	12,435,000	12,435,000
ISARC FA 03 I/2011-12 Trust	7000	7000	100	100	957	957	6,699,000	6,699,000
ISARC FA 16 I/2011-12 Trust	25385	25385	100	100	1,000	1,000	25,385,000	25,385,000
ISARC FA 27 I/2012-13 Trust	18000	18000	50	50	1,000	1,000	18,000,000	18,000,000
ISARC FA 30 I/2012-13 Trust	18000	18000	100	100	-	-	-	-
ISARC FA 41 I/2011-12 Trust	27921	27921	10	10	373	373	10,414,533	10,414,533
ISARC FA 54/002/2011-12 Trust	44000	44000	100	100	932	932	41,008,000	41,008,000
ISARC FA 6 III/2011-12 Trust	14500	14500	100	100	0	0	1	1

**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

(Amount in ₹)

NOTE 11: NON CURRENT INVESTMENTS (CONTD...)

Particulars	No. of SRs as at March 31		Extent of Holding (%) as at March 31		SR Paid up Value as at March 31		Amount as at March 31	
	2021	2020	2021	2020	2021	2020	2021	2020
ISARC FA 63 I/2012-13 Trust	81	81	100	100	1	1	81	81
ISARC FA 8 II/2012-13 Trust	13100	13100	100	100	-	-	-	-
ISARC GPIL/2014-15 Trust	875	875	5	5	1,000	1,000	875,000	875,000
ISARC IDBI Bank II/2013-14 Trust	22379	22379	5	5	890	910	19,917,310	20,364,890
ISARC IU/2011-12 Trust	42100	42100	100	100	1,000	1,000	42,100,000	42,100,000
ISARC MFPMPL/2011-12 Trust	20200	20200	100	100	-	-	-	-
ISARC OBC I/2014-15 Trust	5001	5001	5	5	1,000	1,000	5,001,000	5,001,000
ISARC Print 7C/2010-11 Trust	11300	11300	100	100	2	2	18,743	18,743
ISARC RCPPL/2014-15 Trust	70732	70732	100	100	2	5	128,413	199,145
ISARC SBI 1/2015-16 Trust	107800	107800	100	100	0	0	1	1
ISARC SCB 1/2015-16 Trust	43108	43108	100	100	0	0	1	1
ISARC SIDBI 1/2009-10 Trust	357	357	5	5	395	395	141,015	141,015
ISARC SIDBI 2/2009-10 Trust								
Class B								
Scheme A	4183	4183	5	5	1	1	4,183	4,183
Scheme B	1055	1055	15	15	3,573	3,573	3,769,997	3,769,997
							3,774,180	3,774,180
ISARC SIDBI III/2017-18 Trust	96105	96105	15	15	907	987	87,167,235	87,167,235
ISARC Syndicate Bank III/2016-17 Trust	13725	13725	15	15	529	714	7,260,525	7,287,975
ISARC Transrail Structures & Towers/2012-13 Trust	1295	1295	5	5	0	0	1	1
ISARC UBI 1/2009-10 Trust								
Class B	4154	4154	5	5	1,000	1,000	4,154,000	4,154,000
ISARC UBI 2/2009-10 Trust	9192	9192	100	100	601	601	5,524,392	5,524,392
ISARC UBI 3/2009-10 Trust	4038	4038	5	5	943	943	3,807,834	3,807,834
ISARC UCO 1/2010-11 Trust	29275	29275	100	100	625	625	18,296,875	18,296,875
ISARC Yes Bank I-2012 13 Trust	28500	28500	100	100	695	701	19,807,500	19,978,500
							559,095,007	561,747,549
Provision for:								
Diminution in Value of Security Receipts							42,231,511	35,184,231
Security Receipts							285,225,023	235,213,830
Total Other Investments							231,638,473	291,349,488

Notes:

- a) 'SR' stands for Security Receipts.
b) SR are recorded net of redemption amount.

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in ₹)

	As at 31.03.2021	As at 31.03.2020
NOTE 12: DEFERRED TAX ASSETS (NET)		
Deferred Tax Assets:		
Provision for Employee Benefits	190,058	56,909
Depreciation	245,421	485,828
Provision for Write off of SR's	8,808,800	-
	9,244,279	542,737
NOTE 13: LONG TERM LOANS AND ADVANCES		
Security Deposits:		
Unsecured, considered good	48,000	64,000
Income Tax (Net of Provisions)		
Unsecured, considered good	10,681,464	21,401,963
Income Tax/TDS carried forward	6,063,864	8,000,689
Loans and advances to related parties:		
Advance to Trusts (Refer Note 25 (B)(II)(4))	47,955,882	41,796,030
Less: Provision for Advance to Trusts	11,081,261	9,106,415
	36,874,621	32,689,615
	53,667,949	62,156,267
NOTE 14: OTHER NON CURRENT ASSETS		
Other Bank Balances:		
Fixed Deposits with Banks having maturity of period more than 12 months	-	-
Unsecured, considered good, unless specified otherwise:		
Accrued Interest on Fixed Deposits	-	-
	-	-
NOTE 15: TRADE RECEIVABLES		
Unsecured, considered good, unless specified otherwise:		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Others	5,413,135	5,834,842
	5,413,135	5,834,842

**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

(Amount in ₹)

	As at 31.03.2021	As at 31.03.2020
NOTE 16: CASH AND BANK BALANCES		
Cash and Cash Equivalents*:		
Balances with banks in:		
Current Account	31,659	20,883
Fixed Deposits*	267,782,565	252,993,310
	267,814,224	253,014,192
Cheques, drafts on hand	-	-
Cash on hand	305	4,267
Other Bank Balances:		
Fixed Deposits with Banks having maturity of more than 3 months but less than 12 months	-	-
	528,101,425	464,500,468
	795,915,954	717,518,927
*Cash and Cash Equivalents includes Fixed Deposits with banks, which can be withdrawn by the Company at any point of time without prior notice or penalty on the principal.		
NOTE 17: SHORT TERM LOANS AND ADVANCES		
Unsecured, considered good, unless specified otherwise:		
Other Loans and Advances:		
Redemption Amount Receivable	614,242	6,242,036
Prepaid Expenses:		
Contribution to Gratuity Fund	99,647	120,958
Others	398,373	290,975
Taxes Receivable:		
GST Credit	783,837	916,634
Taxes on Reversed Management Fees	11,565,356	12,537,760
Advance to:		
Vendors	33,989	33,989
	13,495,444	20,142,352
NOTE 18: OTHER CURRENT ASSETS		
Unsecured, considered good, unless specified otherwise:		
Accrued Interest on Fixed Deposits	22,347,809	29,816,606
	22,347,809	29,816,606

**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

(Amount in ₹)

	Year Ended 31.03.2021	Year Ended 31.03.2020
NOTE 19: REVENUE FROM OPERATIONS		
Management Fees	59,446,460	39,359,391
Upside Income	638,790	-
Others:		
Incentives	688,869	5,443,067
Commission Income	440,559	1,142,830
Processing Fees	-	-
	61,214,678	45,945,288
NOTE 20: OTHER INCOME		
Interest on:		
Fixed Deposits	47,145,491	47,949,470
Advances to Trusts	1,167,385	943,857
Interest on Refund of Income Tax	1,321,716	1,145,400
Other Non-Operating Income:		
Sitting Fees *	-	15,000
	49,672,275	50,053,727
* Sitting Fees received by MD & CEO on behalf of the company		
NOTE 21: EMPLOYEE BENEFIT EXPENSES		
Salary & Stipend	8,804,948	14,796,645
Employer's Contribution to MLWF	144	144
Officer's Training Expenses	-	11,000
Deputation Charges - Current Year	8,563,806	6,892,232
Contractual Staff Expenses	3,572,750	3,445,222
Provision for Compensated Absences	1,267,739	234,147
Contribution to Gratuity Fund*	33,741	(84,699)
Contribution to National Pension Scheme	66,111	264,444
Staff Welfare Expenses	103,391	261,943
	22,412,630	25,821,078

*Contribution to Gratuity fund is negative for FY 19-20 on account of fair value of assets being more than present value of obligation as on the balance sheet date as per actuarial valuation report.

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in ₹)

	Year Ended 31.03.2021	Year Ended 31.03.2020
NOTE 22: OTHER EXPENSES		
Provision for:		
Security Receipts during the year	50,705,425	125,606,529
Less: reversal of provision made in earlier years which is no longer required	(694,232)	(15,506,746)
	50,011,193	110,099,783
Diminution In Value of Security Receipts	7,047,280	10,949,891
Advances to Trusts	1,974,846	2,112,366
Writeoff - Security Receipts	-	-
Advertisement Expenses	136,009	-
Bad Debts	21,201	-
Communication Expenses	51,982	213,260
Conveyance Expenses	21,783	89,963
CSR Expenditure	3,103,000	-
Directors' Sitting Fees	450,000	300,000
Electricity Charges	-	470,596
Goods and Service Tax Expenses (Reversal of ITC)	1,551,203	3,451,744
Housekeeping Expenses	-	267,489
Insurance	164,774	68,100
Loss on sale of Fixed Assets	707	-
Membership & Subscription	355,000	200,480
Postage & Courier	19,371	54,017
Printing & Stationery	141,812	265,861
Professional Fees	3,154,373	2,508,383
Professional Fees - Others	1,446,531	-
Rates and Taxes	5,000	263,555
Rent	3,367,144	6,806,158
Repairs & Maintenance:		
Premises	-	319,375
Others	138,776	77,650
Security Expenses	-	263,058
Software Expenses	522,209	189,568
Legal & Financial Due Diligence	1,300	-
Travelling Expenses	-	179,434
Vehicle Expenses	87,072	116,043
Miscellaneous Expenses	200,006	405,249
	73,972,572	139,672,023

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in ₹)

	Year Ended 31.03.2021	Year Ended 31.03.2020
NOTE 22.1: AUDITOR'S REMUNERATION		
Auditor's Remuneration excluding Goods and Service Tax (GST): (Included in Professional Fees in Note 22)		
Audit Fees	50,000	50,000
Tax Audit Fees	20,000	20,000
Others(Certification Fees/Review)	25,000	12,500
	95,000	82,500
NOTE 22.2: OPERATING LEASE EXPENSES		
The company has been allotted current office space from SIDBI at an agreed monthly rent with a clause of annual increment at agreed rate as per the letter given by SIDBI. In accordance with the same the Company has given the disclosure of lease rentals payable within next one year on the assumption that the company will continue to occupy the said premises for full financial year 2021-22. The minimum lease rental payments to be made in respect of these leases are as follows:		
Lease payments recognized in the Statement of Profit and Loss:	3,367,144	6,806,158
Within one year	2,746,800	2,735,900
	6,113,944	9,542,058
NOTE 23: EARNINGS PER EQUITY SHARE		
Numerator: Profit After Tax	3,561,062	(83,909,182)
Denominator: Weighted Average Number of Equity Shares	100,000,000	100,000,000
Basic and Diluted Earnings per Equity Share ₹	0.04	(0.84)
NOTE 24: EMPLOYEE BENEFITS		
(a) Defined Benefits Plans - Gratuity:		
Type of Benefit	Gratuity	Gratuity
Country	India	India
Reporting Currency	INR	INR
Reporting Standard	Accounting Standard 15 Revised (AS 15R)	Accounting Standard 15 Revised (AS 15R)
Funding Status	Funded	Funded
Starting Period	1-Apr-20	1-Apr-19
Date of Reporting	31-Mar-21	31-Mar-20
Period of Reporting	12 Months	12 Months
Valuation in respect of Gratuity has been carried out by an independent actuary, as at the Balance Sheet date, based on the following assumptions:		

**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

(Amount in ₹)

	Year Ended 31.03.2021	Year Ended 31.03.2020
NOTE 24: EMPLOYEE BENEFITS (CONTD...)		
Assumptions (Opening Period):		
Expected Return on Plan Assets	7.69%	7.69%
Rate of Discounting	7.69%	7.69%
Rate of Salary Increase	7.50%	7.50%
Rate of Employee Turnover for service of:		
- 4 years and below	26.00% p.a.	26.00% p.a.
- 5 years and above	2.00% p.a.	2.00% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.
Assumptions (Closing Period):		
Expected Return on Plan Assets	6.43%	6.43%
Rate of Discounting	6.43%	6.43%
Rate of Salary Increase	7.50%	7.50%
Rate of Employee Turnover for service of:		
- 4 years and below	26.00% p.a.	26.00% p.a.
- 5 years and above	2.00% p.a.	2.00% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.
Changes in Present Value of Projected Benefit Obligation:		
Present Value of Benefit Obligation at beginning of the year	20,724	326,295
Interest Cost	1,333	25,092
Current Service Cost	20,599	66,526
Benefit Paid	-	-231,058
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(1,378)	3,747
Actuarial (Gains)/Losses on Obligations - Due to Experience	18,921	(169,878)
Present Value of Benefit Obligation as at end of the year	60,199	20,724
Changes in Fair Value of Plan Assets:		
Fair Value of plan assets at the beginning of the year	141,682	355,484
Expected Return on Plan Assets	9,110	27,337
Contributions by the Employer	12,430	7,070
Benefit Paid	-	-231,058
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	(4,312)	(17,151)
Fair Value of plan assets as at end of the year	158,910	141,682

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in ₹)

	Year Ended 31.03.2021	Year Ended 31.03.2020
NOTE 24: EMPLOYEE BENEFITS (CONTD...)		
Acturial (Gains)/Losses recognised in the Statement of Profit or Loss Account		
Acturial (Gains)/Losses on Obligation for the year	17,543	(166,131)
Acturial (Gains)/Losses on Plan Asset for the year	4,312	17,151
Subtotal	21,855	(148,980)
Acturial (Gains)/Losses recognised in the Statement of Profit or Loss Account	21,855	(148,980)
Actual Return on Plan Assets:		
Expected Return on Plan Assets	9,110	27,337
Acturial (Gains)/Losses on Plan Asset - Due to Experience	(4,312)	(17,151)
Actual Return on Plan Assets	4,798	10,186
Amounts recognized in the Balance Sheet:		
Present value of Benefit Obligation as at end of the year	(60,199)	(20,724)
Fair Value of Plan Assets as at end of the year	158,910	141,682
Funded Status - Surplus/(Deficit)	98,711	120,958
Unrecognised Past Service Cost at the end of the year	-	-
Net Asset/(Liability) recognized in the Balance Sheet	98,711	120,958
Net Interest Cost:		
Present Value of Benefit Obligation at the beginning of the year	20724	326,295
Fair Value of Plan Assets at the beginning of the year	(141,682)	(355,484)
Net Liability/(Assets) at the beginning	(120,958)	(29,189)
Interest Cost	1333	25,092
Expected Return on Plan Assets	(9,110)	(27,337)
Net Interest Cost	(7,777)	(2,245)
Expenses/(Income) recognized in the Statement of Profit and Loss		
Current Service Cost	20,599	66,526
Net Interest Cost	(7,777)	(2,245)
Actuarial Losses/(Gains)	21,855	(148,980)
Total Expenses/(Income) recognized in the Statement of Profit and Loss	34,677	(84,699)
Balance Sheet Reconciliation		
Opening Net Liability	(120,958)	(29,189)
Expense recognised in Statement of Profit or Loss	34,677	(84,699)
Employer's Contribution	(12,430)	(7,070)
Net Liability/(Assets) recognised in the Balance Sheet	(98,711)	(120,958)

**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

(Amount in ₹)

	Year Ended 31.03.2021	Year Ended 31.03.2020
NOTE 24: EMPLOYEE BENEFITS (CONTD...)		
Category of Assets		
Insurance Fund	158,910	141,682
Total	158,910	141,682
Other Details		
No. of Active Members	5	4
Per Month Salary for Active Members	128,583	100,250
Projected Benefit Obligation (PBO)	60,199	20,724
Prescribed Contribution for Next Year (12 Months)	-	-
Experience Adjustment		
Acturial (Gains)/Losses on Obligations - Due to Experience	18,921	(169,878)
Acturial (Gains)/Losses on Plan Assets - Due to Experience	(4,312)	(17,151)
(b) Compensated Absences:		
Based on the valuation carried on by an independent valuer, the liability for leave encashment / compensated absences as at the year end is ₹4,27,724/- (previous year ₹2,26,115/-).		

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE 25: RELATED PARTY DISCLOSURE

A Name of Related Parties:

- I Key Management Personnel:** Mr. Rishi Dwivedi (CEO - wef July, 2020)
Mr. K. Prakash (Chief Financial Officer - wef July, 2020)
Ms. Prity Adwani (CS and Compliance Officer - wef July, 2020)
Mr. Subhendu Moitra (MD & CEO - wef July 25, 2018)
(till July, 2020)
Mr. Ravi Menon (Chief Operating Officer) (Deputed by SIDBI)
(till Feb 29, 2020)
Mr. Partha Sarathi Sen (Chief Financial Officer & Compliance Officer)
(till Sept 12, 2019)
Ms. Vandana Kacholia (Company Secretary)
(till August 30, 2019)

II Significant Influence:

Small Industries Development Bank of India (SIDBI)
SIDBI Venture Capital Limited
ISARC SIDBI III/2017-18 Trust
ISARC Dena Bank III/2017-18 Trust
ISARC ACBL I/2017-18 Trust
ISARC Syndicate Bank III/2016-17 Trust
ISARC Axis 5/2015-16 Trust
ISARC BOI 2/2015-16 Trust
ISARC SCB 1/2015-16 Trust
ISARC Dena Bank II/2015-16 Trust
ISARC SBI 1/2015-16 Trust
ISARC Axis 4/2015-16 Trust
ISARC RCPPL/2014-15 Trust
ISARC GPIL/2014-15 Trust
ISARC OBC I/2014-15 Trust
ISARC Canara Bank I/2013-14 Trust
ISARC IDBI Bank II/2013-14 Trust
ISARC Allahabad Bank II/2012-13 Trust
ISARC FA 8 II/2012-13 Trust
ISARC CBI II/2012-13 Trust
ISARC Axis 3/2012-13 Trust
ISARC Yes Bank I/2012-13 Trust
ISARC Transrail Structures & Towers/2012-13 Trust
ISARC FA 27 I/2012-13 Trust
ISARC FA 63 I/2012-13 Trust
ISARC FA 30 I/2012-13 Trust
ISARC FA 6 III/2011-12 Trust

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE 25: RELATED PARTY DISCLOSURE (CONTD...)

ISARC FA 03 I/2011-12 Trust
 ISARC FA 16 I/2011-12 Trust
 ISARC IU/2011-12 Trust
 ISARC MFPMPL/2011-12 Trust
 ISARC FA 54/002/2011-12 Trust
 ISARC FA 41 I/2011-12 Trust
 ISARC 12/2010-11 Trust
 ISARC 13/2010-11 Trust
 ISARC 14/2010-11 Trust
 ISARC Print 7C/2010-11 Trust
 ISARC CBI 1/2010-11 Trust
 ISARC Axis 2/2010-11 Trust
 ISARC BOI 1/2010-11 Trust
 ISARC UCO 1/2010-11 Trust
 ISARC SIDBI 2/2009-10 Trust
 ISARC BOB 1/2009-10 Trust
 ISARC Axis 1/2009-10 Trust
 ISARC UBI 2/2009-10 Trust
 ISARC UBI 3/2009-10 Trust
 ISARC UBI 1/2009-10 Trust
 ISARC SIDBI 1/2009-10 Trust

(Amount in ₹)

	Year Ended 31.03.2021	Year Ended 31.03.2020
B Related Party Transactions:		
I Payments to Key Managerial Personnel:		
1) Remuneration:		
a) Mr. Subhendu Moitra	29,65,363	66,06,302
b) Mr. Partha Sarathi Sen	-	9,71,254
c) Ms. Vandana Kacholia	-	3,65,939
d) Ms. Prity Adwani	6,22,651	-
	35,88,014	79,43,495
II Transactions with Parties under Significant Influence:		
1) Income:		
a) Management Fees (Gross) *		
ISARC 12/2010-11 Trust	-	-
ISARC 13/2010-11 Trust	-	-
ISARC 14/2010-11 Trust	-	-

**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

(Amount in ₹)

	Year Ended 31.03.2021	Year Ended 31.03.2020
NOTE 25: RELATED PARTY DISCLOSURE (CONTD....)		
a) Management Fees (Gross) * (CONTD....)		
ISARC ACBL I/2017-18 TRUST	2,09,072	2,09,070
ISARC Allahabad Bank II/2012-13 Trust	1,43,717	3,33,894
ISARC Axis 1/2009-10 Trust	-	-
ISARC Axis 2/2010-11 TRUST	-	-
ISARC Axis 3/2012-13 Trust	6,71,797	7,16,550
ISARC Axis 5/2015-16 Trust	-	-
ISARC BOB 1/2009-10 Trust	-	-
ISARC BOI 1/2010-11 Trust	-	-
ISARC BOI 2/2015-16 Trust	-	-
ISARC Canara Bank I/2013-14 Trust	3,14,04,407	3,14,04,404
ISARC CBI 1/2010-11 Trust	-	-
ISARC CBI II/2012-13 Trust	72,948	91,241
ISARC Dena Bank II/2015-16 Trust	4,34,656	6,98,031
ISARC Dena Bank III/2017-18 TRUST	16,58,002	16,57,998
ISARC FA 03 I/2011-12 Trust	-	91,609
ISARC FA 16 I/2011-12 Trust	-	4,57,764
ISARC FA 27 I/2012-13 Trust	1,55,589	4,27,377
ISARC FA 41 I/2011-12 Trust	-	3,58,524
ISARC FA 54/002/2011-12 Trust	-	6,50,975
ISARC FA 6 III/2011-12 Trust	-	-
ISARC FA 8 II/2012-13 Trust	-	-
ISARC GPIL/2014-15 Trust	-	-
ISARC IDBI Bank II/2013-14 Trust	80,72,624	81,46,108
ISARC IU/2011-12 Trust	-	3,92,242
ISARC MFPMPPL/2011-12 Trust	-	-
ISARC OBC I/2014-15 Trust	15,00,165	15,00,165
ISARC Print 7C/2010-11 Trust	-	-
ISARC RCPPL/2014-15 Trust	-	-
ISARC SBI 1/2015-16 Trust	-	-
ISARC SCB 1/2015-16 Trust	-	-
ISARC SIDBI 1/2009-10 Trust	-	-
ISARC SIDBI 2/2009-10 Trust	-	-
ISARC SIDBI III/2017-18 Trust	87,16,717	90,28,672
ISARC Syndicate Bank III/2016-17 Trust	9,11,828	12,48,175
ISARC Transrail Structures & Towers/2012-13 Trust	-	-
ISARC UBI 1/2009-10 Trust	-	-
ISARC UBI 2/2009-10 Trust	-	-
ISARC UBI 3/2009-10 Trust	-	-
ISARC UCO 1/2010-11 Trust	-	-
ISARC Yes Bank I/2012-13 Trust	92,682	99,893
	5,40,44,205	5,75,12,690
* excluding GST amount		

**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

		(Amount in ₹)	
		Year Ended 31.03.2021	Year Ended 31.03.2020
NOTE 25:	RELATED PARTY DISCLOSURE (CONTD....)		
	b) Management Fees reversed during the year		
	ISARC 12/2010-11 Trust	-	-
	ISARC ACBL I/2017-18 TRUST	1,95,784	1,43,776
	ISARC Axis 1/2009-10 Trust	-	-
	ISARC Allahabad Bank II/2012-13 Trust	74,908	-
	ISARC BOB 1/2009-10 Trust	-	-
	ISARC Axis 2/2010-11 TRUST	-	-
	ISARC Axis 3/2012-13 Trust	6,29,098	-
	ISARC BOI 1/2010-11 Trust	-	-
	ISARC BOI 2/2015-16 Trust	-	-
	ISARC Canara Bank I/2013-14 Trust	2,94,08,362	2,87,43,012
	ISARC CBI 1/2010-11 Trust	-	-
	ISARC CBI II/2012-13 Trust	10,271	-
	ISARC Dena Bank III/2017-18 TRUST	15,52,621	15,17,490
	ISARC FA 03 I/2011-12 Trust	-	37,860
	ISARC FA 16 I/2011-12 Trust	-	92,946
	ISARC FA 27 I/2012-13 Trust	1,45,700	3,91,158
	ISARC FA 54/002/2011-12 Trust	-	5,95,807
	ISARC GPIL/2014-15 Trust	-	-
	ISARC IDBI Bank II/2013-14 Trust	18,39,620	56,02,003
	ISARC IU/2011-12 Trust	-	3,59,001
	ISARC OBC I/2014-15 Trust	14,04,814	13,73,032
	ISARC Print 7C/2010-11 Trust	-	-
	ISARC SCB 1/2015-16 Trust	-	-
	ISARC SIDBI 1/2009-10 Trust	-	-
	ISARC SIDBI 2/2009-10 Trust	-	-
	ISARC UBI 1/2009-10 Trust	-	-
	ISARC UBI 2/2009-10 Trust	-	-
	ISARC UBI 3/2009-10 Trust	-	-
	ISARC UCO 1/2010-11 Trust	-	-
	ISARC Yes Bank I/2012-13 Trust	86,792	91,427
		3,53,47,970	3,89,47,513
	c) Management Fees (Reversals received)		
	ISARC ACBL I/2017-18 TRUST	-	-
	ISARC Allahabad Bank II/2012-13 Trust	58,875	-
	ISARC CBI II/2012-13 Trust	-	-
	ISARC Dena Bank III/2017-18 Trust	-	-
	ISARC Canara Bank I/2013-14 Trust	4,03,82,840	1,07,45,076
	ISARC Dena Bank III/2017-18 Trust	-	-
	ISARC UBI 3/2009-10 Trust	-	-
	ISARC UCO 1/2010-11 Trust	-	-

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in ₹)

	Year Ended 31.03.2021	Year Ended 31.03.2020
NOTE 25: RELATED PARTY DISCLOSURE (CONTD....)		
c) Management Fees (Reversals received) (CONTD....)		
ISARC BOB 1/2009-10 Trust	489	-
ISARC Transrail Structures & Towers/2012-13 Trust	-	-
ISARC CBI II/2012-13 Trust	-	-
ISARC BOI 2/2015-16 Trust	-	-
ISARC Axis 2/2010-11 Trust	-	35,814
ISARC Axis 3/2012-13 Trust	1,45,186	1,39,550
ISARC FA 03 I/2011-12 Trust	-	-
ISARC FA 16 I/2011-12 Trust	69,828	-
ISARC FA 27 I/2012-13 Trust	-	-
ISARC FA 54/002/2011-12 Trust	-	-
ISARC IDBI Bank II/2013-14 Trust	-	97,78,587
ISARC IU/2011-12 Trust	-	-
ISARC Yes Bank I/2012-13 Trust	93,008	91,240
ISARC OBC I/2014-15 Trust	-	-
ISARC Print 7C/2010-11 Trust	-	3,947
ISARC SCB 1/2015-16 Trust	-	-
	4,07,50,225	2,07,94,214
d) Bad Debts Recovered		
ISARC BOI 2/2015-16 Trust	-	-
ISARC Transrail Structures & Towers/2012-13 Trust	-	-
ISARC Axis 3/2012-13 Trust	-	9,705
ISARC IDBI Bank II/2013-14 Trust	-	91,397
ISARC FA 63 I/2012-13 Trust	-	4,27,932
ISARC UBI 3/2009-10 Trust	-	-
ISARC Axis 2/2010-11 Trust	-	-
ISARC FA 03 I/2011-12 Trust	-	-
ISARC FA 16 I/2011-12 Trust	-	-
ISARC Print 7C/2010-11 Trust	-	-
ISARC SCB 1/2015-16 Trust	-	-
	-	5,29,034
e) Yield on Security Receipts		
ISARC SIDBI 2/2009-10 Trust	-	-
ISARC 14/2010-11 Trust	-	-
	-	-
f) Upside Income		
ISARC Axis 4/2015-16 Trust	6,38,790	-
ISARC MFPMPL/2011-12 Trust	-	-
ISARC 13/2010-11 Trust	-	-
ISARC BOI 2/2015-16 Trust	-	-

**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

		(Amount in ₹)	
		Year Ended 31.03.2021	Year Ended 31.03.2020
NOTE 25:	RELATED PARTY DISCLOSURE (CONTD....)		
	f) Upside Income (CONTD....)		
	ISARC FA 6 III/2011-12 Trust	-	-
	ISARC 14/2010-11 Trust	-	-
	ISARC SBI 1/2015-16 Trust	-	-
	ISARC SCB 1/2015-16 Trust	-	-
		6,38,790	-
	g) Incentives		
	ISARC FA 63 I/2012-13 Trust	6,88,869	14,06,319
	ISARC Dena Bank II/2015-16 Trust	-	10,46,016
	ISARC ACBL I/2017-18 Trust	-	-
	ISARC SIDBI III/2017-18 Trust	-	25,62,800
		6,88,869	50,15,135
	h) Commission Income		
	ISARC FA 63 I/2012-13 Trust	4,40,559	11,42,831
		4,40,559	11,42,831
	i) Interest on Advances (Gross)		
	ISARC ACBL I/2017-18 TRUST	3,373	838
	ISARC Allahabad Bank II/2012-13 Trust	2,169	1,513
	ISARC Axis 3/2012-13 Trust	17,304	4,253
	ISARC Canara Bank I/2013-14 Trust	11,08,197	7,49,333
	ISARC CBI II/2012-13 Trust	528	440
	ISARC Dena Bank II/2015-16 Trust	1,467	12,959
	ISARC Dena Bank III/2017-18 TRUST	1,35,303	1,03,767
	ISARC FA 03 I/2011-12 Trust	3,908	497
	ISARC FA 16 I/2011-12 Trust	11,915	42,396
	ISARC FA 27 I/2012-13 Trust	2,70,890	2,34,413
	ISARC FA 54/002/2011-12 Trust	1,81,548	1,41,120
	ISARC FA 6 III/2011-12 Trust	390	26,478
	ISARC FA 63 I/2012-13 Trust	54,069	80,562
	ISARC FA 8 II/2012-13 Trust	-	-
	ISARC GPIL/2014-15 Trust	79,177	74,644
	ISARC IDBI Bank II/2013-14 Trust	22,752	2,88,149
	ISARC IU/2011-12 Trust	2,41,832	2,29,218
	ISARC MFPMPL/2011-12 Trust	-	-
	ISARC OBC I/2014-15 Trust	2,21,755	1,96,486
	ISARC RCPPL/2014-15 Trust	151	36
	ISARC SBI 1/2015-16 Trust	1,10,665	1,07,117
	ISARC SIDBI 1/2009-10 Trust	62,672	58,233

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in ₹)

		Year Ended 31.03.2021	Year Ended 31.03.2020
NOTE 25:	RELATED PARTY DISCLOSURE (CONTD....)		
	i) Interest on Advances (Gross) (CONTD....)		
	ISARC SIDBI 2/2009-10 Trust	15,40,790	14,94,433
	ISARC SIDBI III/2017-18 Trust	1,05,070	31,327
	ISARC Syndicate Bank III/2016-17 Trust	2,899	3,299
	ISARC Transrail Structures & Towers/2012-13 Trust	5,146	1,273
	ISARC Yes Bank I/2012-13 Trust	471	641
		41,84,442	38,83,424
	j) Interest on Advances reversed during the year		
	ISARC ACBL I/2017-18 TRUST	3,120	605
	ISARC Axis 3/2012-13 Trust	15,163	-
	ISARC Canara Bank I/2013-14 Trust	10,25,082	6,74,400
	ISARC Dena Bank III/2017-18 Trust	1,25,155	93,390
	ISARC FA 03 I/2011-12 Trust	3,615	-
	ISARC FA 16 I/2011-12 Trust	10,719	-
	ISARC FA 27 I/2012-13 Trust	2,50,573	2,10,972
	ISARC FA 54/002/2011-12 Trust	1,67,932	1,27,008
	ISARC FA 63 I/2012-13 Trust	24,206	43,407
	ISARC GPIL/2014-15 Trust	73,245	67,180
	ISARC FA 6 III/2011-12 Trust	-	-
	ISARC IDBI Bank II/2013-14 Trust	-	91,397
	ISARC IU/2011-12 Trust	2,23,695	2,06,296
	ISARC OBC I/2014-15 Trust	2,05,123	1,76,837
	ISARC SBI 1/2015-16 Trust	1,02,365	1,00,731
	ISARC SIDBI 1/2009-10 Trust	57,972	52,410
	ISARC SIDBI 2/2009-10 Trust	14,25,289	13,44,990
	ISARC SIDBI III/2017-18 Trust	97,191	-
	ISARC Transrail Structures & Towers/2012-13 Trust	4,760	1,146
		38,15,205	31,90,769
	2) Expenses:		
	a) Small Industries Development Bank of India (SIDBI):		
	Deputation Charges (including Arrears)	85,63,806	68,92,232
	Rent	33,67,144	13,59,890
		1,19,30,950	82,52,122
	b) SIDBI Venture Capital Limited:		
	Electricity Charges	-	4,70,596
		-	4,70,596

**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

		(Amount in ₹)	
		Year Ended 31.03.2021	Year Ended 31.03.2020
NOTE 25:	RELATED PARTY DISCLOSURE (CONTD....)		
	c) Bad Debts:		
	i) Incentives:		
	ii) Interest on Advances:		
	ISARC Axis 3/2012-13 Trust	436	-
	ISARC FA 03 I/2011-12 Trust	223	-
	iii) Management Fees:		
	ISARC Axis 3/2012-13 Trust	20,542	-
	iv) Advances to Trusts:		
		21,201	-
	3) Balances as at the year end		
	a) Outstanding Payables		
	Small Industries Development Bank of India (SIDBI)	24,57,306	7,94,818
	SIDBI Venture Capital Limited	-	-
		24,57,306	7,94,818
	b) Outstanding Receivables		
	i) Management Fees		
	ISARC 13/2010-11 Trust	-	-
	ISARC 14/2010-11 Trust	-	-
	ISARC ACBL I/2017-18 Trust	-	-
	ISARC Allahabad Bank II/2012-13 Trust	-	78,736
	ISARC Axis 2/2010-11 Trust	-	-
	ISARC Axis 3/2012-13 Trust	-	3,56,347
	ISARC Axis 5/2015-16 Trust	-	-
	ISARC BOB 1/2009-10 Trust	-	-
	ISARC Canara Bank I/2013-14 Trust	-	-
	ISARC Dena Bank II/2015-16 Trust	1,17,731	1,43,458
	ISARC FA 03 I/2011-12 Trust	-	-
	ISARC FA 16 I/2011-12 Trust	-	-
	ISARC FA 41 I/2011-12 Trust	-	-
	ISARC FA 54/002/2011-12 Trust	-	-
	ISARC FA 6 III/2011-12 Trust	-	-
	ISARC IDBI Bank II/2013-14 Trust	-	21,87,427
	ISARC RCPPL/2014-15 Trust	-	-
	ISARC Print 7C/2010-11 Trust	-	-

**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

(Amount in ₹)

		Year Ended 31.03.2021	Year Ended 31.03.2020
NOTE 25:	RELATED PARTY DISCLOSURE (CONTD....)		
	i) Management Fees (CONTD....)		
	ISARC SBI 1/2015-16 Trust	-	-
	ISARC SIDBI 2/2009-10 Trust	-	-
	ISARC Syndicate Bank III/2016-17 Trust	4,69,218	3,08,108
	ISARC Yes Bank I/2012-13 Trust	-	-
	ISARC IDBI Bank II/2013-14 Trust	-	-
	ISARC CBI II/2012-13 Trust	-	22,091
	ISARC Dena Bank III/2017-18 TRUST	-	-
	ISARC SIDBI III/2017-18 Trust	48,02,795	23,40,656
	ISARC UBI 3/2009-10 Trust	-	-
	ISARC UBI 1/2009-10 Trust	-	-
	ISARC SIDBI 1/2009-10 Trust	-	-
		53,89,744	54,36,823
	ii) Interest on Advances		
	ISARC FA 54/002/2011-12 Trust	-	-
	ISARC FA 16 I/2011-12 Trust	-	499
	ISARC IU/2011-12 Trust	-	-
	ISARC FA 27 I/2012-13 Trust	-	-
	ISARC Transrail Structures & Towers/2012-13 Trust	-	-
	ISARC OBC I/2014-15 Trust	-	-
	ISARC CBI II/2012-13 Trust	217	107
	ISARC FA 03 I/2011-12 Trust	-	223
	ISARC GPIL/2014-15 Trust	-	-
	ISARC SIDBI 2/2009-10 Trust	-	-
	ISARC Canara Bank I/2013-14 Trust	-	-
	ISARC FA 63 I/2012-13 Trust	12,619	29,099
	ISARC Axis 3/2012-13 Trust	843	825
	ISARC Syndicate Bank III/2016-17 Trust	1,026	634
	ISARC IDBI Bank II/2013-14 Trust	4,211	61,387
	ISARC Axis 3/2012-13 Trust	-	-
	ISARC RCPPL/2014-15 Trust	140	-
	ISARC Dena Bank II/2015-16 Trust	297	650
	ISARC Allahabad Bank II/2012-13 Trust	480	423
	ISARC MFPMPL/2011-12 Trust	-	-
	ISARC FA 6 III/2011-12 Trust	337	-
	ISARC Yes Bank I/2012-13 Trust	223	52
	ISARC SBI 1/2015-16 Trust	-	-
	ISARC SIDBI 1/2009-10 Trust	-	-
	ISARC ACBL I/2017-18 TRUST	-	-
	ISARC Dena Bank III/2017-18 TRUST	-	-
	ISARC SIDBI III/2017-18 Trust	-	8,622
		20,393	1,02,521

**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

		(Amount in ₹)	
		Year Ended 31.03.2021	Year Ended 31.03.2020
NOTE 25:	RELATED PARTY DISCLOSURE (CONTD....)		
	iii) Incentives/Commission		
	ISARC FA 63 I/2012-13 Trust	2,098	-
	ISARC Dena Bank II/2015-16 Trust	-	2,95,500
		2,098	2,95,500
	4) Advances to Trusts		
	ISARC 12/2010-11 Trust	7,73,524	7,21,614
	ISARC 13/2010-11 Trust	17,675	-
	ISARC 14/2010-11 Trust	63,273	4,68,334
	ISARC ACBL I/2017-18 TRUST	54,498	11,674
	ISARC Allahabad Bank II/2012-13 Trust	23,498	18,405
	ISARC Axis 1/2009-10 Trust	12,17,715	11,70,205
	ISARC Axis 2/2010-11 TRUST	12,075	11,403
	ISARC Axis 3/2012-13 Trust	4,18,498	4,750
	ISARC AXIS 4/2015-16 Trust	1,55,803	
	ISARC Axis 5/2015-16 Trust	23,609	7,780
	ISARC BOB 1/2009-10 Trust	19,72,552	18,96,678
	ISARC BOI 1/2010-11 Trust	10,58,170	10,18,335
	ISARC BOI 2/2015-16 Trust	44,830	26,597
	ISARC Canara Bank I/2013-14 Trust	1,06,25,727	97,66,621
	ISARC CBI 1/2010-11 Trust	8,87,270	8,48,620
	ISARC CBI II/2012-13 Trust	15,040	2,400
	ISARC Dena Bank II/2015-16 Trust	20,988	-
	ISARC Dena Bank III/2017-18 TRUST	12,22,684	10,21,029
	ISARC FA 03 I/2011-12 Trust	78,043	9,341
	ISARC FA 16 I/2011-12 Trust	3,13,759	-1
	ISARC FA 27 I/2012-13 Trust	23,24,695	21,79,415
	ISARC FA 30 I/2012-13 Trust	-	-
	ISARC FA 41 I/2011-12 Trust	12,168	3,439
	ISARC FA 54/002/2011-12 Trust	16,62,006	13,65,422
	ISARC FA 6 III/2011-12 Trust	25,331	-
	ISARC FA 63 I/2012-13 Trust	4,87,796	3,57,737
	ISARC FA 8 II/2012-13 Trust	-	-
	ISARC GPIL/2014-15 Trust	6,89,609	6,46,609
	ISARC IDBI Bank II/2013-14 Trust	1,74,770	5,977
	ISARC IU/2011-12 Trust	20,56,554	19,66,251
	ISARC OBC I/2014-15 Trust	19,46,689	17,39,864
	ISARC Print 7C/2010-11 Trust	27,150	5,209
	ISARC RCPPL/2014-15 Trust	12,075	-
	ISARC SBI 1/2015-16 Trust	9,53,585	9,06,531
	ISARC SCB 1/2015-16 Trust	24,150	-
	ISARC SIDBI 1/2009-10 Trust	5,51,280	5,10,121
	ISARC SIDBI 2/2009-10 Trust	1,33,47,908	1,27,10,257

**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

(Amount in ₹)

	Year Ended 31.03.2021	Year Ended 31.03.2020
NOTE 25: RELATED PARTY DISCLOSURE (CONTD....)		
4) Advances to Trusts (CONTD....)		
ISARC SIDBI III/2017-18 Trust	20,03,581	38,661
ISARC Syndicate Bank III/2016-17 Trust	31,171	-
ISARC Transrail Structures & Towers/2012-13 Trust	70,149	33,661
ISARC UBI 1/2009-10 Trust	14,28,730	13,85,080
ISARC UBI 2/2009-10 Trust	7,54,731	7,03,151
ISARC UBI 3/2009-10 Trust	76,400	8,407
ISARC UCO 1/2010-11 Trust	2,80,770	2,26,455
ISARC Yes Bank I/2012-13 Trust	15,356	-
	4,79,55,882	4,17,96,030
5) Provision for Advances to Trusts:		
ISARC 12/2010-11 Trust	5,26,918	4,32,845
ISARC Axis 1/2009-10 Trust	10,80,647	10,09,057
ISARC BOB 1/2009-10 Trust	4,31,340	3,98,088
ISARC BOI 1/2010-11 Trust	8,91,141	8,05,628
ISARC CBI 1/2010-11 Trust	6,60,217	6,12,305
ISARC Dena Bank III/2017-18 Trust	1,69,327	-
ISARC FA 54/002/2011-12 Trust	3,64,115	-
ISARC FA 27 I/2012-13 Trust	12,95,170	11,19,201
ISARC GPIL/2014-15 Trust	4,77,106	3,50,652
ISARC IU/2011-12 Trust	16,66,852	15,13,085
ISARC OBC I/2014-15 Trust	11,87,175	9,47,827
ISARC SIDBI 1/2009-10 Trust	4,39,929	3,50,814
ISARC UBI 1/2009-10 Trust	12,58,791	10,02,457
ISARC UBI 2/2009-10 Trust	6,32,535	5,64,458
	1,10,81,261	91,06,415
6) Advances from Trusts		
ISARC MFP MPL/2011-12 Trust	-	-
ISARC AXIS 4/2015-16 Trust	-	15,500
	-	15,500
NOTE 26: SEGMENT REPORTING		
Based on the guiding principles given in Accounting Standard on Segment Reporting (AS-17) issued by the Institute of Chartered Accountants of India the Company's primary business segment is rendering asset reconstruction and securitization services. As the Company's business activity falls within a single primary business segment the disclosures required of AS-17 in this regard are not applicable.		
NOTE 27: ASSET CLASSIFICATION		
The disclosures pursuant to the RBI Notification No. RBI/2015-16/94/DNBR (PD) CC. No. 03 / SCRC/ 26.03.001/2015-16 dtd. July 1, 2015 for Asset Classification is as under:		

**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

(Amount in ₹)

	Year Ended 31.03.2021	Year Ended 31.03.2020
NOTE 27: ASSET CLASSIFICATION (CONTD....)		
Loans for Reconstruction of Financial Assets:		
Loss Asset	-	-
Less: Financial Asset Written Off	-	-
	-	-

NOTE 28: In the opinion of the Board, current assets, loans & advances are stated approximately at value, which could be realized in the ordinary course of business. Provision for all known liabilities is adequate and it is neither in excess of nor short of amounts reasonably necessary.

NOTE 29: DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

Information in respect of micro enterprises and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

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

Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	*
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	*
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	*
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	*
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	*
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	*
Further interest remaining due and payable for earlier years	-	*
	-	-

* For FY 19-20 disclosures in the aforesaid table could not be furnished as the company was not able to obtain MSME confirmation from its vendor on account of COVID 19 lockdown.

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE 30: CORPORATE SOCIAL RESPONSIBILITY

Section 135 of the Companies Act, 2013 requires the Board of Directors to ensure that the Company spends in every financial year at least 2% of the average net profits of the Company made during the three immediately preceding financial years on Corporate Social Responsibility. Accordingly, the Company has disbursed ₹31,03,000/- (Previous Year ₹NIL/-) towards Corporate Social Responsibility Activities. In accordance with the 'FAQ on Provisions of Corporate Social Responsibility under Section 135 of the Companies Act, 2013 and Rules thereon', issued by the Institute of the Chartered Accountants of India, this amount has been recorded and disclosed as an appropriation of profit in the financial statements for the year ended 31st March, 2021.

(a) Gross amount required to be spent by the Company during the year ₹31,03,148/- (including Previous Years unspent amount ₹31,03,148/-) (Previous Year ₹31,03,148/-).

(b) Statement on CSR Activities:

Particulars	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Opening Balance	1,804,504	2,376,049	3,079,597	3,103,148
Eligible Amount	1,796,545	1,228,548	23,551	-
Amount disbursed	1,225,000	525,000	-	3,103,000
Shortfall carried forward	2,376,049	3,079,597	3,103,148	148
Sanctioned Amount		900,000		3,100,000

NOTE 31: CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

Appeal pending before Commissioner of Income Tax (Appeals)
for F.Y. 2011-12 (A.Y. 2012-13) (refer Note (i) below)

Appeal pending before Commissioner of Income Tax (Appeals)
for F.Y. 2014-15 (A.Y. 2015-16) (refer note (ii) below)

	(Amount in ₹)	
	Year Ended 31.03.2021	Year Ended 31.03.2020
	1,973,166	1,973,166
	4,040,300	4,040,300
	6,013,466	6,013,466

Note (i)

The Company has received an income tax demand of ₹19,73,166/- for FY 2011-12 (P.Y. 19,73,166) which is contested by the Company before the Commissioner of Income Tax (Appeals). Against the same the department has adjusted TDS amount of ₹19,67,266 (₹19,67,266) as per the Income Tax Return filed by the Company i.e net demand outstanding ₹5,900/-. No provision is considered necessary for this demand as in the Company's view, duly supported by the counsel's opinion and reasoning of the Learned ITAT Mumbai "C" Bench, in the case of Trust's wherein the company is a Trustee, the demand made is not sustainable.

In addition to the demand of ₹5900/-, the assessment order having DIN 20121177096 and dated 28th Dec 2019 also mentions that penalty proceedings u/s 271(1)(c) of the Income Tax Act, 1961 are initiated separately for furnishing inaccurate particulars of income.

**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

Note (ii)

The Company has received an Income Tax Refund of ₹99,43,121/- during current Financial Year for AY 2017-18 after adjusting Income Tax Demand for AY 2011-12 (₹10), AY 2014-15 (₹81,300), AY 15-16 (₹5,34,542), AY 16-17 (₹1,31,467). The company has received an Income Tax Refund of ₹12,88,580/- during previous Financial Year for AY 2010-11 after adjusting Income Tax Demand for AY 2015-16. No provision is considered necessary for this demand as in the Company's view, duly supported by the counsel's opinion and reasoning of the Learned ITAT Mumbai "C" Bench, in the case of Trust's wherein the company is a Trustee, the demand made is not sustainable.

NOTE 32: The SARS-CoV-2 virus, responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The management has taken into account the possible impacts of known events, upto the date of the approval of these financial results, arising from COVID-19 pandemic on the carrying value of the assets and liabilities as at 31 March 2021. However, there exists significant estimation uncertainty in relation to the future impact of COVID-19 pandemic on the Company's results, valuation of investments and receivables which will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company and accordingly, the actual impact in the future may be different from those presently estimated. The Company will continue to monitor any material change to the future economic conditions and consequential impact on the financial results.

NOTE 33: The figures of the previous year have been reclassified and regrouped wherever necessary.

The accompanying notes are integral part of the financial statements.

As per our report of even date
For **U.G Devi & Co.**
Chartered Accountants
Firm Reg. No.: 102427W

For and on behalf of Board of Directors
INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

Sd/-
Anup Sankar Bhattacharya
Director
DIN:02719232

Sd/-
Shyam Sundar Barik
Director
DIN:08184820

Sd/-
(Vinay Devi)
Partner
M. No.: 038973
UDIN:21038973AAAAJN8010
Mumbai, 2nd July, 2021

Sd/-
K. Prakash
CFO

Sd/-
Sunil S. Mirashi
COO

Sd/-
Prity Adwani
Company Secretary
M.No.: A42690

Mumbai, 2nd July, 2021

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

ADDITIONAL DISCLOSURE

The following additional disclosures have been made taking into account RBI Guidelines in this regard:

a) **Name and addresses of the banks from whom Financial Assets were acquired and the value at which such assets was acquired from each bank**

Sr. No.	Name of the Bank	Address	Acquisition Value (Amount in ₹)		
			As at 31.03.2020	During the year	As at 31.03.2021
Sponsors					
1	Bank of Baroda	Plot – C-26, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	56,557,000	-	56,557,000
2	Bank of Baroda (Erstwhile “Dena Bank” before Merger)	Plot – C-26, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	168,500,000	-	168,500,000
3	Punjab National Bank (Erstwhile “United Bank of India” before Merger)	Bhikhaji Cama Place, New Delhi	200,770,000	-	200,770,000
4	Punjab National Bank	Bhikhaji Cama Place, New Delhi	279,204,000	-	279,204,000
5	Punjab National Bank (Erstwhile “Oriental Bank of Commerce” before Merger)	Bhikhaji Cama Place, New Delhi	100,011,000	-	100,011,000
6	SIDBI	MSME Development Centre, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	929,735,000	-	929,735,000
Total (A)			1,734,777,000	-	1,734,777,000
Non-Sponsors					
7	UCO Bank	10, B T M Sarani, Kolkata - 700 001	163,375,000	-	163,375,000
8	Axis Bank	Maker Tower–F, 13 th Cuffe Parade, Mumbai - 400 005	267,495,000	-	267,495,000
9	Bank of India	Star house, BKC, Plot no. C-5, G - Block, Mumbai - 400 051	76,138,000	-	76,138,000
10	Central Bank of India	Chander Mukhi, Nariman Point, Mumbai - 400 021	16,417,000	-	16,417,000
11	Standard Chartered Bank	23-25, Mahatma Gandhi Road, Fort, Mumbai - 400 001	56,000,000	-	56,000,000
12	HDFC Bank	HDFC Bank House, Lower Parel, Mumbai - 400 013	57,500,000	-	57,500,000
13	Canara Bank (Erstwhile “Syndicate Bank” Before Merger)	Recovery Wing, Head Office, 112 J C Road, Bangalore - 560 002	146,800,000	-	146,800,000
14	Canara Bank	Recovery Wing, Head Office, 112 J C Road, Bangalore - 560 002	2,093,627,000	-	2,093,627,000
15	Indian Bank (Erstwhile “Allahabad Bank” Before Merger)	254-260, Avvai Shanmugam Salai, Royapettah, Chennai 600014, Tamil-Nadu, India	102,184,000	-	102,184,000
16	City Union Bank	149, TSR Big Street, Kumbakonam - 612 001	25,385,000	-	25,385,000
17	ICICI Bank	ICICI Bank Towers, Bandra Kurla Complex, Bandra East, Mumbai - 400 054	20,200,000	-	20,200,000
18	Indian Overseas Bank	Central Office, 763, Anna Salai, Chennai - 600 002	67,000,000	-	67,000,000
19	IDBI Bank Ltd.	IDBI Tower, World Trade Center Complex, Cuffe Parade, Colaba, Mumbai - 400 005.	483,588,000	-	483,588,000
20	Yes Bank Ltd.	Discovery of India, Nehru Center, 9 th floor, Dr. Annie Besant Road, Worli, Mumbai - 400 018	28,500,000	-	28,500,000
21	Karnataka Bank Ltd	Corporate Office, Mahaveera Circle, Kankandy, Mangalore - 575 002	19,425,000	-	19,425,000
22	State Bank of India	The Arcade, World Trade Centre Complex, Cuffe Parade, Mumbai – 400 005	107,800,000	-	107,800,000
23	Abhyudaya Co-operative Bank Limited	K K Tower, Abhyudaya Bank Lane, Off. G D Ambekar Marg, Parel Village, Mumbai - 400 012	23,000,000	-	23,000,000
Total (B)			3,754,434,000	-	3,754,434,000
Grand Total (A + B)			5,489,211,000	-	5,489,211,000

Note: 81 accounts with an aggregate loan outstanding of ₹198 crores (approx.) acquired from Industrial Investment Bank of India (‘IIBI’) for ₹81/- have not been included, as the same have been assigned to ISARC on a nominal value, on the direction of Ministry of Finance, Government of India for recovery on commission basis.

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

b) Dispersion of various Financial Assets Industry-wise and Sponsor-wise as on 31.03.2021

Sr. No	Sector	Sponsor / Non - Sponsor	No. of Cases		Acquisition Value (Amount in ₹)		% of Total Acquisition Value	
			CY	PY	CY	PY	CY	PY
1	Chemical & Chemical Products	Sponsor	-	18	-	24,889,000	-	4.55
2	Electrical/ Electronic Equipment	Sponsor	-	10	-	12,993,000	-	2.38
3	Food & Food Products	Sponsor	-	22	-	41,887,000	-	7.67
4	Hotels	Sponsor	-	1	-	11,550,000	-	2.11
5	Hospital	Sponsor	-	2	-	3,223,000	-	0.59
6	Textiles/Leather/footwear	Sponsor	-	27	-	65,084,000	-	11.91
7	Wood & Wood Products	Sponsor	-	1	-	-	-	-
8	Other Services	Sponsor	-	20	-	15,177,000	-	2.78
9	Pharmaceutical products	Sponsor	-	16	-	22,383,000	-	4.10
10	Industrial products	Sponsor	-	44	-	146,568,000	-	26.83
11	Machinery	Sponsor	-	1	-	-	-	-
12	Agro based products	Sponsor	-	3	-	52,197,000	-	9.55
13	Entertainment	Sponsor	-	7	-	78,724,000	-	14.41
14	Trading	Sponsor	-	7	-	24,672,000	-	4.52
15	Construction/Real estate	Sponsor	-	4	-	23,541,000	-	4.31
16	Consumer Products	Sponsor	-	7	-	10,981,000	-	2.01
17	Others	Sponsor	-	12	-	12,493,000	-	2.29
	Sub Total (A)		-	202	-	546,362,000	-	100.00
1	Chemical & Chemical Products	Non-Sponsor	-	10	-	171,307,000	-	3.47
2	Electrical/ Electronic Equipment	Non-Sponsor	-	6	-	1,981,000	-	0.04
3	Food & Food Products	Non-Sponsor	-	22	-	799,488,000	-	16.17
4	Hotels	Non-Sponsor	-	3	-	277,941,000	-	5.62
5	Hospital	Non-Sponsor	-	4	-	78,400,000	-	1.59
6	Textiles/Leather/Footwear	Non-Sponsor	-	45	-	862,867,000	-	17.46
7	Wood & Wood Products	Non-Sponsor	-	4	-	14,462,000	-	0.29
8	Other Services	Non-Sponsor	-	22	-	377,146,000	-	7.63
9	Pharmaceutical products	Non-Sponsor	-	9	-	752,941,000	-	15.23
10	Industrial products	Non-Sponsor	-	46	-	255,536,000	-	5.17
11	Machinery	Non-Sponsor	-	2	-	3,759,000	-	0.08
12	Agro based products	Non-Sponsor	-	15	-	91,502,000	-	1.85
13	Entertainment	Non-Sponsor	-	2	-	16,710,000	-	0.34
14	Trading	Non-Sponsor	-	39	-	123,538,000	-	2.50
15	Construction/Real estate	Non-Sponsor	-	16	-	416,888,000	-	8.43
16	Consumer Products	Non-Sponsor	-	11	-	38,249,000	-	0.77
17	Others	Non-Sponsor	-	54	-	660,134,000	-	13.36
	Sub Total (B)		-	310	-	4,942,849,000	-	100.00
	Grand Total (A+B)		-	512	-	5,489,211,000	-	

Note: 81 accounts with an aggregate loan outstanding of ₹ 198 crores (approx.) acquired from Industrial Investment Bank of India ('IIBI') for ₹ 81/- have not been included, as the same have been assigned to ISARC on a nominal value, on the direction of Ministry of Finance, Government of India for recovery on commission basis.

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

- c) Details of the related parties as per Accounting Standard and Guidance Note issued by The Institute of Chartered Accountants of India (ICAI) and the amounts due to and from them are same as Note 25.
- d) Migration of Financial Assets from Standard to Non Performing: Nil
- e) **Value of Financial Assets acquired during the financial year 2020-21 either on its own or in the books of the Trusts:**

(Amount in ₹)			
Sr. No.	Acquisition in the books of	F.Y. 2020-21	F.Y. 2019-20
1	ISARC	-	-
2	Trusts	-	-
	Total	-	-

- f) **Value of Financial Assets realized during the financial year 2020-21**

(Amount in ₹)			
Sr. No.	Acquisition in the books of	F.Y. 2020-21	F.Y. 2019-20
1	ISARC	-	-
2	Trusts*	82,275,337	201,420,564
	Total	82,275,337	201,420,564

* Amount aggregating to ₹9,184,900/- (previous year ₹22,856,593 /-) realized from Financial Assets acquired from Industrial Investment Bank of India ('IIBI') is not considered above as the same has been assigned to ISARC on the direction of Ministry of Finance, Government of India for recovery on commission basis.

- g) **Value of Financial Assets outstanding for realization as at the end of financial year 2020-21**

(Amount in ₹)		
Particulars	F.Y. 2020-21	F.Y. 2019-20
Total value of Financial Assets acquired **	5,489,211,000	5,489,211,000
Less: Value of Financial Assets realised ***	2,471,159,231	2,388,883,894
Total value of Financial Assets outstanding for realisation	3,018,051,769	3,100,327,106

** 81 accounts with an aggregate loan outstanding of ₹198 crores (approx.) acquired from Industrial Investment Bank of India ('IIBI') for ₹81/- have not been included, as the same have been assigned to ISARC on a nominal value, on the direction of Ministry of Finance, Government of India for recovery on commission basis.

*** Total amount aggregating to ₹226,785,873/- (previous year ₹217,600,973/-) realized from Financial Assets acquired from Industrial Investment Bank of India ('IIBI') is not considered above as the same have been assigned to ISARC on the direction of Ministry of Finance, Government of India for recovery on commission basis.

- h) **Value of Security Receipts redeemed partially and fully during the financial year 2020-21**

(Amount in ₹)			
Sr. No.	Particulars	F.Y. 2020-21	F.Y. 2019-20
1	Value of Security Receipts redeemed partially	16,755,082	128,672,620
2	Value of Security Receipts redeemed fully	-	-
	Total	16,755,082	128,672,620

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

- i) Value of Security Receipts pending for redemption as at the end of financial year 2020-21: ₹3,983,165,225/- (previous year: ₹3,999,920,307/-)
- j) Value of Security Receipts which could not be redeemed as a result of non-realization of the financial assets as per the policy formulated by the securitization company or reconstruction company under paragraph 7(6)(ii) or 7(6)(iii) of Notification No. DNBS.2/CGM(CSM) – 2003 dtd. April 23, 2003 issued by Reserve Bank of India. : ₹606,552,438/-
- k) Value of land and /or building acquired on ordinary course of business of reconstruction of assets: **NIL**
- l) Basis of valuation of assets if the acquisition value of the assets is more than the Book Value (the value of the assets as declared by the seller bank in the auction): **NIL**
- m) The details of the assets disposed off (either by write off or by realisation) during the year at discount of more than 20% of valuation as on the previous year end and the reasons thereof: **NIL**
- n) The details of the assets where the value of the SRs has declined more than 20% below the acquisition value.: **Refer Annexure 'A'**
- o) As per Reserve Bank of India Guidelines, the Capital Adequacy Ratio of the Company as at March 31, 2021 works out of 366%. (Previous Year: 295%)

For and on behalf of Board of Directors

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

sd/-

Shyam Sundar Barik

Director

DIN:08184820

sd/-

Anup Sankar Bhattacharya

Director

DIN:02719232

sd/-

K. Prakash

CFO

sd/-

Sunil S. Mirashi

COO

sd/-

Prity Adwani

Company Secretary

M.No.: A42690

Mumbai, 2nd July, 2021

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**Annexure A: Details of the assets where the value of the SRs has declined substantially (i.e. more than 20%) below the acquisition value.**

				Amount in ₹
Sr. No.	Name of the Trust	Acquisition Value	Outstanding Value	Current Value
1	ISARC Canara Bank I/2013-14 Trust	2,093,627,000	2,093,627,000	785,110,125
2	ISARC IDBI Bank II/2013-14 Trust	447,588,000	398,353,320	149,382,495
3	ISARC OBC I/2014-15 Trust	100,011,000	100,011,000	37,504,125
4	ISARC Syndicate Bank III/2016-17 Trust	91,500,000	48,403,500	42,353,063
	Total	2,732,726,000	2,640,394,820	1,014,349,808

Our esteemed shareholders:

