



UV ASSET RECONSTRUCTION
COMPANY LIMITED

"Restoring NPAs back to health"

2021-22
**ANNUAL
REPORT**

OUR VALUES



Our **Vision**

To be the most trusted and leading ARC in the country with one-stop solution for all needs of distressed assets.



Our **Mission**

Help distressed assets with best fit solutions under given circumstances leading to value maximization for all stakeholders.

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About UVARCL

UV Asset
Reconstruction
Company Limited
is a Securitisation
Company/
Reconstruction
Company registered
with the Reserve
Bank of India.

UVARCL is promoted amongst others, by professionals with equity participation of 6 public sector banks and 2 insurance companies. Central Bank of India, Bank of Maharashtra, Union Bank of India, Bank of India, Punjab National Bank, Indian Bank, United India Insurance Company Limited and National Insurance Company Limited.

UVARCL acquires **Non-Performing Assets (NPAs)** from various banks and financial institutions. The company believes in empathetic approach to resolving distress assets by meaningful analysis of the cause of NPA, evaluate possible turnaround options and formulate the best fit strategy under the given circumstances. The company adopts best practices that foster an environment of honesty, transparency and consistency. The company aims to create win-win situation for all its stakeholders.

“ MESSAGE FROM **CHAIRMAN**

Dear Shareholders,

The performance of your company during the last financial year recorded substantial improvement vis-à-vis the preceding financial year. The Company's revenue from operations crossed ₹50 crore for the first time. Key ratios like Current Ratio, Debt Equity Ratio, Return on Capital Employed etc showed marked improvement during last financial year. The detailed financials are given in this Annual Report. In addition to business performance, your Company is always committed to highest standards of corporate governance.

Future Outlook

The Report of the Committee to review the working of Asset Reconstruction Companies (ARC) was submitted to the Reserve Bank of India (RBI) last year.



The recommendations are being examined by RBI for issuance of necessary guidelines/directions. It is expected to be released shortly, which will provide better opportunities and facilitate wider role play for ARCs. During the year, your Company is drawing up business strategy to scale up new heights of operational and financial efficiency. Your Company strives to be one of the leading players in the industry, focussed on revival and reconstruction and to add value for all stakeholders, and the broader economy at large.

I thank you for the trust reposed, which inspires us to move ahead with confidence.

Best Wishes
Justice (Retd.)
Prakash Prabhakar Naolekar
Chairman
& Independent Director

OUR BOARD MEMBERS



**JUSTICE (RETD.)
PRAKASH
PRABHAKAR
NAOLEKAR**

CHAIRMAN &
INDEPENDENT DIRECTOR



**MR. RITESH
AGGARWAL**

EXECUTIVE CUM
WHOLE TIME DIRECTOR



**MS. GURPREET
KAUR**

EXECUTIVE CUM
WHOLE TIME DIRECTOR



**MR. UMA SHANKAR
PALIWAL**

INDEPENDENT DIRECTOR



**MR. KISHORE
KUMAR SANSE**

INDEPENDENT DIRECTOR



MR. DHAN RAJ

INDEPENDENT DIRECTOR



**MR. HARI HARA
MISHRA**

PROFESSIONAL
(NON-EXECUTIVE DIRECTOR)



CORPORATE INFORMATION

BOARD OF DIRECTORS

**JUSTICE (RETD.)
PRAKASH PRABHAKAR NAOLEKAR**
CHAIRMAN & INDEPENDENT DIRECTOR

MR. RITESH AGGARWAL
EXECUTIVE CUM WHOLE TIME DIRECTOR

MS. GURPREET KAUR
EXECUTIVE CUM WHOLE TIME DIRECTOR

MR. UMA SHANKAR PALIWAL
INDEPENDENT DIRECTOR

MR. KISHORE KUMAR SANSE
INDEPENDENT DIRECTOR

MR. DHAN RAJ
INDEPENDENT DIRECTOR

MR. HARI HARA MISHRA
PROFESSIONAL
(NON-EXECUTIVE DIRECTOR)

SENIOR EXECUTIVES

Mr. Ritesh Aggarwal
Chief Financial Officer

Mr. Nirmal Kumar Mittal
Chief Operating Officer

Mr. Tushar Chaudhary
Chief Investment & Strategy Officer

COMPANY SECRETARY

Mr. Shubham Bansal

OTHER INFORMATION

Registrar & Share Transfer Agent
MCS Share Transfer Agent Ltd.

Statutory Auditors
M/s R.K. Mahaseth & Co.
Chartered Accountant

Internal Auditors
M/S Dinesh K. Sharma & Associates
Chartered Accountant

Secretarial Auditor
M/S Iqneet Kaur & Co.
Secretary

COMMITTEES OF BOARD

Audit Committee

**Nomination & Remuneration
Committee**

**Corporate Social Responsibility
Committee**

Credit Committee

BANKERS

Punjab National Bank

Central Bank of India

NOTICE

Notice is hereby given that the 15th Annual General Meeting ("AGM") of the Members of the Company will be held on **Friday, the 30th day of September, 2022 at 11:30 AM at Corporate Office: 1304/1304A Chiranjeev Tower, 43, Nehru Place, New Delhi-110019** to transact the following business:

Ordinary Business:

1. **To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2022 together with the Reports of the Board of Directors and the Auditors thereon.**

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

"RESOLVED THAT the Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2022 together with the Directors' Report and the Auditor's Report thereon as presented to the meeting be and are hereby approved and adopted."

2. **To declare dividend on 0.01% Compulsorily Convertible Preference shares (CCPS) of the Company for the financial year ended March 31, 2022.**

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

"RESOLVED THAT in terms of the recommendation of the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded for payment of dividend @ 0.01% per annum on 1,96,450 (One Lakh Ninety Six Thousand Four Hundred and Fifty) Compulsorily Convertible Preference shares of Rs. 1,000/- (Rupees One Thousand Only) each fully paid up for the year ended March 31, 2022."

3. **To appoint a Director in place of Mr. Hari Hara Mishra (DIN: 07310056) who retires by rotation and being eligible offers himself for re-appointment.**

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

"RESOLVED THAT Mr. Hari Hara Mishra (DIN: 07310056) who retires by rotation and being eligible offers himself for re-appointment be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

4. **To appoint M/s J. P. Kapur & Uberai, Chartered Accountants as Statutory Auditors of the Company.**

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

"RESOLVED THAT pursuant to the provisions of Section 139, 141 and 142 of the Companies

Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to recommendations of Audit Committee and the Board of Directors of the Company, the consent of members be and is hereby accorded to appoint **M/s J.P. Kapur & Uberai, Chartered Accountants (Firm Registration No. 000593N)** as Statutory Auditors of the Company for the 5 (Five) consecutive Financial Years to hold office from the conclusion of 15th Annual General Meeting till the 20th Annual General Meeting of the Company to be held in the year 2027 at such remuneration as may be determined by the Board of Directors of the Company (including its Committees thereof).

RESOLVED FURTHER THAT Mr. Ritesh Aggarwal, Executive cum Whole Time Director and CFO and Ms. Gurpreet Kaur, Executive cum Whole Time Director of the Company be and is hereby authorized severally to sign and execute all deeds, documents, papers, agreements and take all necessary steps to give effect to the foregoing resolution"

Special Business:

5. **To re-appoint Mr. Uma Shankar Paliwal (DIN: 06907963) as an Independent Director of the Company for the second consecutive term.**

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 Section 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors), Rules 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, Mr. Uma Shankar Paliwal (DIN: 06907963) as an Independent Director of the Company, whose period of office is liable to expire till the conclusion of this 15th Annual General Meeting and who has submitted a declaration that he meets the criteria of Independence under section 149(6) of the Companies Act 2013 and being eligible for re-appointment for a second consecutive term under the provisions of the Companies Act 2013 and rules made thereunder, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 4 (Four) consecutive years on the Board of the Company to hold office till the 19th Annual General Meeting of the Company to be held in the year 2026."

RESOLVED FURTHER THAT Mr. Ritesh Aggarwal, Executive cum Whole Time Director or Ms. Gurpreet Kaur, Executive cum Whole Time Director of the Company be and are hereby severally authorized to sign and execute all deeds, documents, papers, agreements and take all necessary steps to give effect to the foregoing resolution"

**By the order of the Board of Directors
For UV Asset Reconstruction Company Limited**

Sd/-

(Shubham Bansal)

Company Secretary

Membership No: A-49036

Address: 704, 7th Floor, Deepali Building,
92, Nehru Place, New Delhi-110019

Date: September 06, 2022

Place: New Delhi

Notes:

- .
- A. The Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed thereto.
- B. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxy form in order to be effective must be deposited with the Company not less than 48 hours before the time fixed for commencement of the meeting.**
- C. A person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10 (Ten) percent of the total share capital of the company carrying voting rights. A Member holding more than 10 (Ten) percent of total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- D. Members/Proxies/Authorised Representatives are requested to bring the attendance slips duly filled in for attending the Meeting. Members who hold shares in dematerialised form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
- E. Queries proposed to be raised at Annual General Meeting may be sent to the Company at its registered office to Mr. Shubham Bansal, Company Secretary or by email at shubhambansal@uvarcl.com at least 7 (seven) days prior to the date of AGM to enable the management to compile the relevant information to reply the query in the meeting.
- F. A Corporate Member intending to send its authorised representatives to attend the Meeting in terms of Section 113 of the Companies Act, 2013 is requested to send to the Company a certified copy of the Board Resolution/Authority letter authorizing such representative to attend and vote on its behalf at the Meeting.
- G. Members are requested to notify any change in their address/ mandate/ bank details quoting their Registered Folio immediately to the Company at its Registered Office, to enable the company to address future communication.
- H. Members who still hold share certificates in physical form are advised to dematerialise their shareholding to avail the benefits of dematerialization.
- I. **Unclaimed / Unpaid Dividend:**
- Pursuant to Section 124 of the Companies Act, 2013, dividend for the financial year ended March 31, 2019 which remains unpaid or unclaimed for a period of 7 (seven) years, become due for transfer on November 03, 2027 to the Investor Education and Protection Fund of the Central Government. Members who have not claimed their dividend for the above mentioned year are requested to make their claim to the Company at the Corporate office of the Company situated at **1304/ 1304A, Chiranjeev Tower, 43, Nehru Place, New Delhi-110019** as early as possible but not later than November 02, 2027.
- J. During the period beginning 24 hours before the time fixed for the commencement of Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the company. All documents referred to in the Notice and accompanying explanatory statement are open for inspection at the Registered Office of the company on all working days of the company between 11:00 a.m. and 1:00 p.m. upto the date of the Annual General Meeting and at the venue of the Meeting for the duration of the Meeting.

- K. Members may also note that the Notice of the 15th Annual General Meeting along with the Route Map, Attendance Slip and Proxy Form (in Form MGT-11) for the financial period ended on March 31, 2022 will also be available on the Company's website www.uvarcl.com for their download. The physical copies of the aforesaid documents will also be available at the Company's registered office.

The details of the Company Secretary are as under:

Mr. Shubham Bansal
Company Secretary
Email id: shubhambansal@uvarcl.com
Phone No: 011-41038918, 011-41055576

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013 ("THE ACT")**Item No. 5**

Mr. Uma Shankar Paliwal was appointed as an Independent Directors of the Company under the provisions of the Companies Act, 2013, vide resolution passed by the members of the Company at the 11th Annual General Meeting held on September 28, 2018. As per the said resolution, the term of appointment of Mr. Uma Shankar Paliwal expires on conclusion of 15th Annual General Meeting of the Company.

In terms of the Corporate Governance Guidelines of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee of Board of Directors of the Company, , the Board of Directors of the Company passed a resolution in their meeting held on July 25, 2022 recommending to members regarding re-appointment of Mr. Uma Shankar Paliwal as an Independent Director for a second term from conclusion of 15th Annual General Meeting till conclusion of 19th Annual General Meeting to be held in year 2026, based on skills, experience, knowledge and outcome of performance evaluation.

In terms of provisions of Section 149 and other applicable provisions of the Companies Act, 2013, an Independent Director shall hold office for a term up to 4 (Four) consecutive years on the Board of a Company, and shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in Board's report.

The Company has received a declaration from Mr. Uma Shankar Paliwal confirming that they meet the criteria of independence under Section 149(6) Companies Act, 2013. The Company has also received a declaration that he's not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board of Directors, Mr. Uma Shankar Paliwal fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder, for there reappointment as an Independent Director of the Company and are independent of the Management.

It is proposed to re-appoint Mr. Uma Shankar Paliwal as an Independent Director of the Company who shall hold office for 4 (Four) consecutive years for a term up to conclusion of 19th Annual General Meeting of the Company to be held in the year 2026.

Copy of draft letters of appointment of Mr. Uma Shankar Paliwal setting out the terms and conditions of appointment shall be available for inspection by the Members at the registered office of the Company.

The Board of Directors recommends the resolution at Item No. 5 for approval of the members by way of a ***Special Resolution***.

The re-appointment of Mr. Uma Shankar Paliwal being recommended by the Nomination & Remuneration Committee of Board of Directors of the Company, hence the candidature from any member and deposit of any amount under Section 160 of Companies Act, 2013 is not required.

Brief Profile of Mr. Uma Shankar Paliwal as per Secretarial Standard 2 issued by the Institute of Company Secretaries of India is given below:

Name of the Director: Mr. Uma Shankar Paliwal

DIN: 06907963

Designation: Independent Director

Age (years): 66 years

Nationality: Indian

Qualifications: Post graduate in Economics and History and an M. Phil

Experience/Profile: Mr. Uma Shankar Paliwal is a post graduate in Economics and History and an M. Phil with more than 34 years of experience in Central Banking. With scholarship under the Golden Jubilee Scheme of RBI, he completed his MBA in Financial Management from the University of Exeter, UK and is also an Alumnus of the London Business School.

During his term with RBI, he has extensively worked in the areas of Regulation and Supervision, Risk Management, Consumer Education and Protection, Payment and Settlement Systems, Operations, Strategy, Human Resources, Inspection, Foreign Exchange, Currency Management, etc.

Mr. Paliwal has also worked as a Director-Supervision at Bank of Mauritius. He was also appointed as RBI's Nominee Director on the Board of three Public Sector banks in India viz., State Bank of Mysore, Dena Bank and Corporation Bank.

As an Executive Director at RBI, he has handled portfolios pertaining to Financial Inclusion and Development, Consumer Education and Protection, Human Resource Management, Currency Management and the Board of RBI.

Terms and Conditions of re-appointment along with: Refer above

Details of remuneration sought to be paid and the remuneration last drawn by such person: Only sitting fee is being paid under the provisions of Companies Act, 2013.

Date of first appointment on the Board: 15.12.2017

Shareholding in the Company: Nil

Relationship with other Directors, Manager and other Key Managerial Personnel of the Company: None

The number of Meetings of the Board attended during the year: Please refer Corporate Governance Report.

Directorship held in other Companies in India:

- a) Evyavan Assets Management Limited
- b) Moneyboxx Finance Limited
- c) SREI Equipment Finance Limited (Board superseded on 04.10.2021)
- d) Samavesh Finance India Private Limited

Membership / Chairmanship of Committees in other Companies in India: Nil

Except Mr. Uma Shankar Paliwal being the appointee, or their relatives, none of the other Directors and any Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolutions set out at Item No. 5.

**By the order of the Board of Directors
For UV Asset Reconstruction Company Limited**

Sd/-

(Shubham Bansal)

Company Secretary

Membership No: A-49036

**Address: 704, 7th Floor, Deepali Building,
92, Nehru Place, New Delhi-110019**

Date: September 06, 2022

Place: New Delhi

DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting their 15th (Fifteenth) Annual Report together with the audited financial statements of the Company for the year ended on March 31, 2022.

(A) Highlights / Performance of the Company

The Company's Financial Performance (standalone basis) is summarized below:

(Amount Rs. in Lakhs)

| Particulars | Financial Year Ended On | |
|---|-------------------------|-------------------|
| | March 31, 2022 | March 31, 2021 |
| Revenue from Operations | 5,226.91 | 985.37 |
| Other Income | 35.31 | 19.70 |
| Total Income | 5,262.23 | 1,005.07 |
| Total Expenditure | 4,752.34 | 3,484.51 |
| Profit before Tax | 509.88 | (2,479.44) |
| Provision for Tax | 153.69 | 630.67 |
| Profit after Tax | 356.19 | (1,848.77) |
| Transfer to General Reserve | 53.43 | - |
| Paid-up Share Capital | 6,167.00 | 4,202.50 |
| Reserves and Surplus (excluding Revaluation Reserve) | 8,122.53 | 7,766.34 |
| Net Worth | 14,289.53 | 11,968.84 |

Information on the state of affairs of the Company:

The Company's Net worth as on March 31, 2022 stood at Rs.14,289.53 Lakhs (comprising Rs.6,167 Lakhs of Paid up Capital and Rs.8,122.53 Lakhs of Reserves and Surplus) as against Rs.11,968.84 Lakhs in the previous year.

During the year under review, the Company acquired financial assets worth Rs.6,280 Lakhs and resolved financial assets amounting Rs.6,602.71 Lakhs. The outstanding Financial Assets as on March 2022, was Rs.1,00,787.32 Lakhs.

We are pleased to share that revenue of the Company has crossed Rs.5,000 Lakhs for the first time.

Global Health pandemic COVID-19

Financial year 2021-22 started with the second Covid wave, which had severe impact in terms of higher mortality. We at UVARCL had the shock of losing our founder promoter Ms. Shilpi Sharma, who succumbed to **COVID-19** during the year. The Covid led to economic disruptions impacting our business. Against all odds, UVARCL made all out efforts to ensure the safety and well-being of our employees and stepping up of business and financial performance.

(B) Material changes subsequent to the Balance Sheet

There were no material changes and commitments from the close of the financial year till the signing of the Board's report affecting the financial position of the company..

(C) Industry Scenario

The Report of the Committee to review the working of Asset Reconstruction Companies (ARC) was submitted to the Reserve Bank of India (RBI) last year. The recommendations are being examined by RBI for issuance of necessary guidelines/directions. It is expected to be released shortly, which will provide better opportunities and facilitate wider role play for ARCs.

As per latest Financial Stability Report June 2022, NPAs of Scheduled Commercial Banks have reduced to a six year low of 5.9% of total advances as of March 2022. The Provisioning Coverage Ratio (PCR) has increased to 70.9%. This increased provisioning cover will enable banks to absorb loss on sale of NPAs, and sales to ARCs are likely to increase this year. With commencement of operations of the Government initiative led National Asset Reconstruction Company Ltd (NARCL) this year, asset acquisition by ARC Sector will touch new highs. In addition, Foreign Investors have shown their appetite for distressed debt investment in India by putting bid in a recent largest ever NPA sales of entire bad debt portfolio of a Private Sector Bank.

India is likely to grow at 7.4% as per estimates of International Monetary Fund (IMF), fastest among large economies. It is likely to attract foreign investors to India Growth Story. Their active participation in secondary market will infuse much needed liquidity and depth in Security Receipts issued by ARCs. A vibrant marketplace will be the bedrock for positive momentum in functioning of the ARC Sector.

(D) Dividend

During the year under review, your Directors does not recommend any dividend to the equity shareholders.

Further, as per terms of issue of Compulsorily Convertible Preference Shares (CCPS), Company declare dividend of 0.01% on 1,96,450 (One Lakhs Ninety Six Thousand Four Hundred and Fifty) CCPS of Rs. 1,000 per share.

(E) Reserves

During the year under review, the Company proposes to transfer 15% of Profit after Tax (PAT) i.e. Rs. 53,43,086 (Rupees Fifty Three Lakhs Forty Three Thousand and Eighty Six Only) to the

General Reserve at a level of Rs. 4,41,39,560 (Rupees Four Crore Forty One Lakhs Thirty Nine Thousand Five Hundred and Sixty Only).

(F) Corporate Governance

Corporate Governance is about maximizing stakeholders' value legally, ethically and sustainably. Your Directors are enforcing high standards of Corporate Governance in the overall functioning of the Company which, in turn, helps to enhance the overall efficiency of its operations for the benefit of the stakeholders and society as a whole. Director's Report on Corporate Governance is at Annexure-A.

(G) Share Capital

(i) Equity shares

The Company has only one kind of Equity Shares i.e., Equity shares with same voting rights. As on March 31 2022, Company's Paid-up Equity Capital is Rs. 42,02,50,000 (Rupees Forty-Two Crores Two Lakhs and Fifty Thousand Only) divided into 4,20,25,000 (Four Crores Twenty Lakhs and Twenty-Five Thousand) equity shares of Rs. 10/- (Rupees Ten Only) each.

(ii) Preference Shares

The Company has only one kind of Preference Shares i.e., Cumulative Compulsorily Convertible Preference Shares. As on March 31 2022, Company's Paid-up Preference Capital is Rs. 19,64,50,000 (Rupees Nineteen Crores Sixty-Four Lakhs and Fifty Thousand Only) divided into 1,96,450 (Four One Lakhs Ninety-Six Thousand Four Hundred and Fifty) shares of Rs. 1,000/- (Rupees One Thousand) each.

(iii) Sweat Equity shares

The Company has not issued any Sweat Equity Shares till date.

(iv) Issue of further Share Capital - (Preferential Allotment)

During the year under review, the Company has converted the Intercompany Deposit of Rs. 19,64,50,000/- (Rupees Nineteen Crores Sixty-Four Lakhs Fifty Thousand Only) into 1,96,450 (Four One Lakhs Ninety-Six Thousand Four Hundred and Fifty) Compulsorily Convertible Preference shares (CCPS) of Rs. 1,000/- (Rupees One Thousand) each.

The aforesaid CCPS have been allotted on preferential basis to the Intercompany Deposit holder.

(v) Buy back of Shares

During the year under review, the Company has not made any offer to buy back its shares.

(H) Directors and Key Managerial Personnel

(i) Directors

Change in Directors

In terms of the provisions of Section 152 of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any

statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, Mr. Hari Hara Mishra, Professional (Non-Executive) Director of the Company is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment.

The Independent Directors of the Company are not liable to retire by rotation.

Re-appointment and continuation of Mr. Uma Shankar Paliwal (DIN: 06907963), Independent Director of the Company, not liable to retire by rotation.

At the 11th Annual General Meeting of the Company held on September 28, 2018, the shareholders had approved the appointment of Mr. Uma Shankar Paliwal (DIN: 06907963) as an Independent Director to hold office for a period of 4 (four) consecutive years upto the conclusion of 15th Annual General Meeting of the Company to be held in year 2022 (not liable to retire by rotation).

Based on the outcome of performance, evaluation and recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company, at their meeting held on July 25, 2022, have recommended the re-appointment of Mr. Uma Shankar Paliwal as an Independent Director for a second consecutive term subject to the approval of Reserve Bank of India (RBI).

In the opinion of the Nomination and Remuneration Committee and Board of Directors of the Company, considering the wealth of experience and expertise of Mr. Uma Shankar Paliwal and the immense value he brings to the Board and the Company, the re-appointment of Mr. Uma Shankar Paliwal, subject to the approval of RBI, for a second consecutive term of 4 (four) consecutive years from the conclusion of 15th Annual General Meeting upto the conclusion of 19th Annual General Meeting of the Company to be held year 2026, is hereby recommended to the shareholders of the Company

The appointments/ resignations from the Board of Directors during the year are as follows:

Appointments

- Re-appointment of Justice (Retd.) Prakash Prabhakar Naolekar (DIN: 02654305) as an Independent Director for the second consecutive term on the Board of Directors of the Company for a period of 4 (Four) consecutive years w.e.f. conclusion of 14th Annual General Meeting till the conclusion of the 18th Annual General Meeting of the Company to be held in the year 2025.
- Appointment of Ms. Gurpreet Kaur (DIN: 08821946) as an Executive cum Whole Time Director on the Board of Directors of the Company for a period of 5 (Five) consecutive years w.e.f. January 12, 2022.
- Appointment of Mr. Ritesh Aggarwal (DIN: 07671600) as an Executive cum Whole Time Director on the Board of Directors of the Company for a period of 5 (Five) consecutive years w.e.f. January 12, 2022.

Cessation

- During the year under review Ms. Shilpi Sharma, Whole Time Director and Executive Vice Chairperson of the Company has left for her heavenly abode on July 17, 2021, due to COVID-19.

There has been no change in the circumstances which may affect the status as Independent Director of other Directors during the year under review.

None of the Directors of the company are disqualified from being appointed as Director as specified under the provisions of Section 164 of the Companies Act, 2013.

(ii) Independent Directors

The Company has on its Board, eminent Independent Directors who have brought in independent judgments to Board's deliberations. They have played a pivotal role in protecting interest of all stakeholders.

Declaration of independence of Independent Directors, their meeting and performance evaluation.

The Company has received the following declarations from all the Independent Directors confirming that:

- They meet the criteria of independence as prescribed under the provisions of Section 149(7) of the Act, read with the schedule and rules issued thereunder. There has been no change in the circumstances affecting their status as Independent Director of the Company; and
- They have registered themselves with the data bank of Independent Directors created and maintained by the Indian Institute of Corporate Affairs, Manesar.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and that they hold highest standards of integrity. None of the directors of the Company are disqualified for being appointed as Directors as specified in Section 164(2) of the Act and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The Company has also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act read with rules issued thereunder. The information pertaining to appointment of Directors is posted on the website of the company i.e. www.uvarcl.com.

Meeting of Independent Directors

Schedule IV of the Act and Secreterial Standards-1 on Meeting of the Board of Directors, mandates that the Independent Directors of the Company hold atleast one meeting in a year, without the attendance of Non-Independent Directors.

During the Financial year 2021-22, a separate meeting of Independent Directors was held

on March 28, 2022. The Independent Directors, inter alia, discussed and reviewed performance of Non-Independent Directors, the Board as a whole and assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

(iii) Performance Evaluation of Directors

The Nomination and Remuneration Policy of the Company empowers the Nomination and Remuneration Committee to formulate a process for effective evaluation of the performance of Individual Directors, Committees of the Board and the Board as a whole.

The evaluation of Board of Directors of the Company has been carried out as per the criterion laid down in the Nomination and Remuneration Policy of the Company.

The Performance of the Board was evaluated by the Nomination and Remuneration Committee of the Board of Directors in terms of the provisions of Section 178 of the Companies Act, 2013. The performance of every Director was also evaluated by scoring the evaluation sheets for every Director.

Evaluation of Independent Directors of the Company has also been carried out by Board of Directors of the Company as per the criterion laid down in the Nomination and Remuneration Policy of the Company and their contribution was appreciated.

The Performance of the Independent Directors of the Company was also evaluated in terms of Schedule IV of the Companies Act, 2013 by the Board of Directors. The performance of every Independent Director was also evaluated by scoring the evaluation sheets for every Director.

The evaluation sheets for every Director are in the custody of Company Secretary of the Company.

(iv) Policy on Directors' Appointment & Remuneration

The salient features of the Nomination and Remuneration Policy of the Company are set out in the Corporate Governance Report which forms part of this Annual Report.

The said policy of the Company, inter-alia, provides that the Nomination and Remuneration Committee shall formulate the criteria for appointment and re-appointment of Directors on the Board of the Company and persons holding Senior Management positions in the Company, including their remuneration and other matters as provided under the provisions of Section 178 of the Companies Act, 2013.

The remuneration paid to the Directors, Key Managerial Personnel (KMP) and Senior Management is in accordance with the Nomination and Remuneration Policy formulated in accordance with the provisions of Section 178 of the Companies Act, 2013.

The Company's policy on Directors' Appointment and Remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms part of the Directors' Report.

(v) Key- Managerial Personnel

During the year under review, appointments and redesignation of Key Managerial Personnel (KMP) are mentioned below:

| Name of the KMP | Date of Appointment/Redesignation | Designation |
|------------------------|--|---|
| Mr. Ritesh Aggarwal | January 12, 2022 (Redesignated) | Executive Cum Whole Time Director and Chief Financial Officer |
| Ms. Gurpreet Kaur | January 12, 2022 (Redesignated) | Executive Cum Whole Time Director |
| Mr. Shubham Bansal | January 12, 2022 (Appointment) | Company Secretary |

(I) Meetings

In all, 13 (Thirteen) meetings of Directors and its Committees were held during the Financial Year 2021-22 i.e. 4 (Four) Board meetings, 3 (Three) Audit Committee meetings, 4 (Four) Credit Committee meetings and 2 (Two) Nomination and Remuneration Committee meetings.

The details are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and rules made thereunder including any statutory modification(s) or re-enactment(s) thereof.

(J) Auditors**Statutory Auditors**

M/s R.K. Mahaseth & Co. Chartered Accountants, (Firm Registration No. 022140N), were appointed as Statutory Auditors of the Company at the 10th Annual General Meeting till the conclusion of the 15th Annual General Meeting. They have audited the financial statements of the Company for the year under review. The tenure of the Statutory Auditors will end at the ensuing annual general meeting of the Company.

The Auditor's Report for the Financial Year ended on March 31, 2022 on the financial statements of the Company is a part of this Annual Report.

Appointment of Statutory Auditor

Board of Directors upon recommendation of Audit Committee recommends to appoint M/s J.P. Kapur & Uberai, Chartered Accountants (Firm Registration No. 000593N) as Statutory Auditors of the Company for 5 (Five) consecutive Financial Years to hold the office from the conclusion of 15th Annual General Meeting till the 20th Annual General Meeting of the Company to be held in the year 2027 subject to the approval of members at the ensuing annual general meeting of the Company.

Board's Explanation and Comments on Auditor's Report

There are no explanations and comments given by the Board as the Auditor's Report given by Auditors of the Company is self-explanatory and doesn't contain any qualification, reservation or adverse remarks.

Secretarial Auditor

The Board of Directors of the Company have appointed M/s Iqneet Kaur and Company Secretaries, as Secretarial Auditors of the Company to conduct an audit of Secretarial records for the F.Y. 2021-22.

The Secretarial Audit Report for the financial year ended March 31, 2022 under the Act, read with Rules made thereunder is set out as **Annexure-C** of this report. The Secretarial Audit Report and/or Secretarial Compliance Report does not contain any qualification, reservation or adverse remark.

(K) Internal Audit & Controls

The Company is following proper Internal Audit and Control System and has also appointed M/s Dinesh K. Sharma & Chartered Accountants as the Internal Auditors. During the year, the Company continued to implement their suggestions and recommendations to improve the control and compliances. Their scope of work includes review of processes for safeguarding the financial assets of the Company, all cases of asset acquisition and resolution, compliance culture on regulatory guidelines and on Board-approved business policies, MIS framework etc. Internal Auditors' findings are discussed at the highest level i.e. by Executive cum Whole Time Director of the Company and then Audit Committee of Board of Directors.

(L) Risk Management

The company has a well- defined process in place to ensure appropriate identification and mitigation of risk. The distressed asset business entails taking risks at every stage from pre-acquisition to post acquisition and finally to resolution /recovery from the acquired assets. In order to properly measuring, monitoring and mitigating such risk in business, the Company has formulated its Risk Management Policy and also formed Risk Management Committee to ensure sustainable business growth with stability and monitoring and mitigating the risk. The Company recognizes that risk is inherent in every business activity. Effectively managing these risks is key to achieving strategic objectives and long-term sustainable growth of business. The key risk areas related to the business of the company are periodically and systematically reviewed by the Risk Management Committee (comprises of all senior management) of the company.

(M) Vigil Mechanism

The Company has established the vigil mechanism under sub-section (9) of Section 177 of the Companies Act, 2013 for providing adequate safeguards against victimization of whistle blowers. The company has adopted a Vigil Mechanism Policy to provide a formal mechanism to its Directors, Employees and Business Associates to voice concerns in a responsible and effective manner regarding susceptible unethical matters involving serious malpractices, abuse or wrongdoing within the organization. Any person can use such mechanism and may even have access to the chairperson of the Audit Committee in appropriate exceptional cases. .

(N) Annual Return

Pursuant to provisions of Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules 2014, the copy of annual return has been placed on the website of the Company i.e., www.uvarcl.com.

(O) Details of Committee of Directors

The Company has duly constituted the Audit Committee, Nomination and Remuneration Committee, Credit Committee and Corporate Social Responsibility Committee of Directors in terms of the provisions of Companies Act, 2013. During the financial year 2021-22, the desired number of meeting of the Committee(s) were held and attended by each member of the Committee as required under the Companies Act, 2013 and rules made thereunder.

The Composition of all the Committees is set out in the Corporate Governance Report (Annexure A) appended to this report.

(P) Policy on Prevention of Sexual Harassment at Work Place

The Company's Policy on Prevention of Sexual Harassment at Workplace is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention of Sexual Harassment of Women at Workplace Act) and rules framed thereunder. Internal Complaints Committees have also been set up to redress complaints received regarding Sexual Harassment.

The Company is committed to providing a safe and conducive work environment to all of its employees and associates.

During the year under review, no complaint of Sexual Harassment was received by the Company.

(Q) Particulars of Contracts or Arrangements with Related Parties

The particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 has been disclosed in Form No. AOC-2 as (**Annexure B**) appended to this report.

(R) Loans, Guarantees or Investments

During the year under review, the Company has not granted any loan or extended any guarantee and has not made any investments, to any individual or Corporate under the provisions of Section 186 of the Companies Act, 2013.

(S) Particulars of Employees

During the year under review, none of the Company's employees was in receipt of remuneration as prescribed under the provisions of Section 197(14) of the Companies Act, 2013 read with the Rule 5(2) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended and hence no particulars are required to be disclosed in this report.

Receipt of any Commission by Whole Time Director from the Company and also from its Subsidiary as per Section 197(14) of Companies Act, 2013 is not applicable.

(T) Internal Financial Control

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

(U) Corporate Social Responsibility

As part of Company's commitment towards economic, environmental and social well-being of communities, Corporate Social Responsibility (CSR) Committee has been constituted at the Board Level.

During the financial year ended on March 31, 2022, the Company does not fall under the ambit of the provisions of the Section 135 of the Companies Act, 2013 relating to applicability of Corporate Social Responsibility. The CSR policy of the Company is available on the website of the Company at http://www.uvarcl.com/CORPORATE_SOCIAL_RESPONISIBILITY_POLICY.pdf

(V) Transfer of Funds to Investor Education and Protection Fund

Pursuant to applicable provisions of the Companies Act, 2013 ("the Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("The Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of seven years.

Further, according to the rules, the shares in respect of which dividend has not been paid or claimed by the Members for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority.

Members are requested to ensure that they claim the dividends and shares referred above, before they are transferred to the said Fund.

Details of shares/shareholders in respect of which dividend has not been claimed, are provided on our website. The shareholders are therefore, requested to verify their records and claim their dividends, if not claimed.

During the year under review, the Company has not transferred any amount to the IEPF as no amounts were due to be transferred.

(W) Key changes during the Year

(i) Changes in Nature of Business: Nil

(ii) Details of Order Passed by the Regulators: Nil

(X) **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

- (i) **Conservation of Energy & Technology Absorption**: Since the Company is not engaged in any manufacturing activity, issues relating to conservation of energy and technology absorption are not relevant to its functioning.
- (ii) **Export Activities**: There was no export activity in the Company during the year under review. The Company is not in the line of exports and therefore not contemplating any export.
- (iii) **Foreign Exchange Earnings and Outgo**: DDuring the year under review, there has been no earnings in foreign exchange. There is an outgo of UAE 10,000 Dirhams.

(V) **Directors' Responsibility Statement**

In terms of the provisions of Section 134 (5) of the Companies Act, 2013 and same as mentioned elsewhere in this Report, the attached Annual Accounts and the Auditors' Report thereon and to the best of their knowledge and belief, the Directors confirm that:

- in preparation of the Annual Accounts, the applicable accounting standards had been followed;
- the Directors had adopted such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2022 and of the profit or loss of the Company for the year ended on that date;
- the Directors had taken proper and sufficient care for the 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 fraud and other irregularities;
- the Directors had prepared the Annual Accounts on a going concern basis.
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws/ regulatory guidelines and that such systems were adequate and operating effectively.

Other Disclosures

- During the year under review, the Company has not accepted any deposit within the meaning of Section 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

- During the year under review, the Company has complied with the provisions of the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India. The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and such systems are adequate and operating effectively.
- During the year under review, no application was made nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).
- The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof: Not Applicable
- None of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).
- The Company has not issued Equity Shares with differential rights as to dividend, voting or otherwise.
- As per Companies Act, 2013, your Company does not have any Subsidiary or Associate Company, nor has it entered into any Joint Venture Agreement.

Acknowledgement

Your Directors take this opportunity to place on record their sincere appreciation for the co-operation and assistance the Company has received from the Reserve Bank of India, Government of India and the banks / FIs. The Board also places on record its appreciation for the services of the employees of the Company and also sincerely thanks the Shareholders for their continuous support towards the Company.

**For and behalf of Board of Directors of
UV Asset Reconstruction Company Limited**

Sd/-
(P. P. Naolekar)
Chairman
DIN: 02654305

Sd/-
(Ritesh Aggarwal)
Executive cum WTD & CFO
DIN: 07671600

Sd/-
(Gurpreet Kaur)
Executive cum WTD
DIN: 08821946

Date: September 06, 2022
Place: New Delhi

Annexure-A to the Board Report

REPORT ON CORPORATE GOVERNANCE

Our Corporate Governance practices are a reflection of our value system encompassing our culture, policies and relationship with our stakeholders. UV Asset Reconstruction Company Limited (UVARCL) aspires to reach the highest standards of Corporate Governance, while emphasizing on transparency, creating a sustainable culture and setting industry leading benchmarks. At UVARCL, our Board exercises its fiduciary responsibilities in the best possible way.

UVARCL has always adopted a robust governance framework which played a critical role in ensuring that we remain true to our culture and values. The goal of the Company is to promote and protect the long-term interest of all stakeholders and to demonstrate that the shareholders are the ultimate beneficiaries of our economic activity, besides meeting compliance standards of the Regulatory Authorities.

The Company has adopted the values of good governance, sustainability and teamwork to create long-term value for its stakeholders. Our Corporate Governance philosophy encompasses several voluntary practices aimed at high standards of business ethics, enhancement in shareholders' value and fulfilling social responsibility.

The year under review saw challenging times for the Company as well as for the world at large due to COVID-19 pandemic. The Regulators including Ministry of Corporate Affairs (MCA) promptly announced many relaxations with respect to the compliance requirements to facilitate companies to conduct smooth operations and cope with the challenging times. The Company appreciates and acknowledges the relaxations and dispensations granted by the MCA. These relaxations are noteworthy and were needed.

GOVERNANCE STRUCTURE

Board and its Composition

As on March 31, 2022, the Board comprised of 7 (Seven) members, 4 (Four) of which are Independent Directors constituting 57.14% of the Board strength, 1 (One) is Professional (Non- Executive) Director, 2 (Two) Executive cum Whole Time Director.

The Board of Directors has the ultimate responsibility of ensuring effective management, long term business strategy, general affairs, performance and monitoring the effectiveness of the Company's Corporate Governance practices. The Executive cum Whole Time Director(s) report to the Board and is in charge of the management of the affairs of the Company and also acts as link between the Board and the Management.

Committee of Directors

The Board has constituted various Committees of Directors of the Company in line with the best practices in Corporate Governance with an optimum representation of its members and with specific terms of reference in accordance with the Companies Act, 2013. The Company currently has 4 (Four) Committees of the Board, namely, Audit Committee, Nomination and Remuneration Committee, Credit Committee and Corporate Social Responsibility Committee under the chairmanship of the Independent Directors.

Management

The management structure of the Company consists of the Executive cum Whole Time Director, Chief Financial Officer, Chief Investment and Strategy Officer, Chief Operating Officer, Company Secretary.

Company also has 3 (Three) Committees at the Executive Level of the Company. All these Committees are headed by Executive cum Whole Time Director of the Company namely, Executive Committee- Acquisition, Executive Committee- Resolution and Executive Committee. These Committees have been entrusted with requisite powers duly delegated by Board of Directors to carry the operations of the Company.

BOARD OF DIRECTORS

Board Procedures and Flow of Information

In every financial year, Company holds at least 4 (Four) meetings of Board of Directors i.e. one meeting every quarter. Additional meetings are convened whenever necessary. In case of any exigency (ies), resolutions are passed by circulation. The Company also provides video conferencing facility to its directors to enable their participation so that they can contribute in the decisions at the meetings.

The Board has complete access to all the company-related information. The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for the consideration. The agenda for the meetings of the Board and its Committees are circulated in advance so as to ensure that sufficient time is provided to the Directors to prepare for the meetings. The Company also conducts the meeting of the Board/its committees on shorter notice to the Directors. Such meetings are conducted in emergent circumstances only.

In the era of digitization, with a view to ensure its commitment, the Company also circulates to its directors, notes for Board/ Committee meetings through electronic platform thereby ensuring high standards of security and confidentiality of Board papers.

The Company adheres to the provisions of the Companies Act, 2013 read with the rules issued thereunder and Secretarial Standards with respect to convening and holding the meetings of the Board of Directors and its Committees.

The meetings of the Board of Directors are generally held in Delhi and if necessary, such other place where the Company operates and also through the video conferencing mode. The Company Secretary attends all the meetings of the Board and its Committees and is, inter alia, responsible for recording the minutes of such meetings. The draft minutes of the Board and its Committees are sent to the members for their comments in accordance with the Secretarial Standards. Thereafter, the minutes are entered in the Minutes Book within 30 (Thirty) days of conclusion of the meetings, subsequent to incorporation of the comments, if any, received from Directors.

During the financial year 2021-22, the Board of Directors met four times on 17.08.2021, 13.12.2021, 24.02.2022 and 28.03.2022. The maximum gap between any two consecutive meetings was within the maximum allowed gap, as stipulated under the Companies Act, 2013. The necessary quorum was

present in all the meetings.

MCA vide General Circular No. 08/2021 dated 03.05.2021 clarified that the gap between two consecutive meetings of Board may extend to 180 days during the Quarter- (April to June)' 2021 and Quarter- (July to September)' 2021, instead of 120 days as required in the Companies Act, 2013.

The overall attendance of Directors for the financial year 2021-22 is shown hereunder:

| Name | Designation | Numbers of meetings during Financial Year 2021-22 | | Attendance at the last Annual General Meeting held on September 27, 2021 |
|--|---|---|----------|--|
| | | Held | Attended | |
| Justice (Retd.) Prakash Prabhakar Naolekar | Chairman and Non-Executive Director | 4 | 4 | No |
| Mr. Uma Shankar Paliwal | Independent Director | 4 | 4 | No |
| Mr. Hari Hara Mishra | Professional Director | 4 | 4 | Yes |
| Mr. Dhan Raj | Independent Director | 4 | 4 | Yes |
| Mr. Kishore Kumar Sansi | Independent Director | 4 | 4 | No |
| Mr. Ritesh Aggarwal | Executive cum Whole Time Director & CFO | 2 | 2 | Yes |
| Ms. Gurpreet Kaur | Executive cum Whole Time Director | 2 | 2 | Yes |

Audit Committee

The Board has constituted a Committee of Board of Directors named as Audit Committee on December 18, 2010. As on March 31, 2022, the Audit Committee comprises of 4 (Four) Directors out of which 3 (Three) Directors namely Mr. Dhan Raj, Mr. Hari Hara Mishra and Mr. Kishore Kumar Sansi are Non-Executive and Independent Directors and Mr. Ritesh Aggarwal is an Executive cum Whole Time Director and CFO. The Composition of the Audit Committee meets the requirement of Section

177 of the Companies Act, 2013.

During the year, Ms. Shilpi Sharma left for her heavenly abode on July 17, 2021; hence, Board of Directors has appointed Mr. Hari Hara Mishra and Mr. Ritesh Aggarwal as the member of the Committee.

During the financial year 2021-22, 3 (Three) meetings were held, on 17.08.2021, 13.12.2021 and 28.03.2022.

Details of meeting attended by the members are given below:

| S. No. | Committee Members | Category | Numbers of meetings during the Financial Year 2021-22 | |
|--------|-------------------------|----------|---|----------|
| | | | Held | Attended |
| 1. | Mr. Dhan Raj | Chairman | 3 | 3 |
| 2. | Mr. Hari Hara Mishra | Member | 3 | 3 |
| 3. | Mr. Kishore Kumar Sansi | Member | 3 | 3 |
| 4. | Mr. Ritesh Aggarwal | Member | 1 | 1 |

Nomination and Remuneration Committee

Pursuant to section 178 of the Companies Act, 2013, the Company has reconstituted its Remuneration Committee as the Nomination and Remuneration Committee. The Committee formulates the criteria for determining qualifications, positive attributes and independence of a Director from time to time. The Committee also carries out evaluation of Directors' performance.

The Nomination and Remuneration Committee is advisory to the Board of Directors regarding remuneration payable to the members of the Board and terms of employment of the senior Executives of the Company.

As on March 31, 2022, the Nomination and Remuneration Committee comprises of 3 (Three) Non-Executive Directors namely Mr. Uma Shankar Paliwal, Mr. Dhan Raj and Mr. Hari Hara Mishra. The Composition of the Nomination & Remuneration Committee meets the requirement of Section 178 of the Companies Act, 2013.

During the financial year 2021-22, 2 (Two) meetings were held on 17.08.2021 and 13.12.2021.

Details of meeting attended by the members are given below:

| S. No. | Committee Members | Category | Numbers of meetings during the Financial Year 2021-22 | |
|--------|-------------------------|----------|---|----------|
| | | | Held | Attended |
| 1. | Mr. Uma Shankar Paliwal | Chairman | 2 | 2 |
| 2. | Mr. Dhan Raj | Member | 2 | 2 |
| 3. | Mr. Hari Hara Mishra | Member | 2 | 2 |

Nomination and Remuneration Policy

Nomination and Remuneration Policy was approved at the Meeting of Board of Directors held on August 26, 2015. The major terms of the Nomination and Remuneration Policy are:

1. Role and Powers of the Nomination and Remuneration Committee

- (i) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- (ii) To identify persons who qualify to become Directors, and who may be appointed in Senior Management in accordance with the criteria laid down in this Policy.
- (iii) To recommend to the Board, the appointment and removal of Directors and Key Managerial Personnel.
- (iv) To recommend to the Board, policy relating to the remuneration of Directors, Key Managerial Personnel and Senior Management.
- (v) To ensure that the level and composition of the remuneration is reasonable and sufficient and the relationship of remuneration to the performance is clear and meets the appropriate performance benchmarks.
- (vi) To formulate criteria for evaluation of Independent Directors and the Board.
- (vii) To carry out evaluation of every Director's performance.
- (viii) To carry out any other function as is mandated by the Board from time to time and /or enforced by the regulatory and statutory notification, as may be applicable.

2. Appointment of Managerial Personnel, Director, Key Managerial Personnel and Senior Management

- (i) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Personnel, Director, Key Managerial Personnel or Senior Management and recommend to the Board, his /her appointment. A person should possess adequate qualification, expertise and experience for the position, he /she is considered for. The Committee has discretion to decide whether the qualification, expertise and experience possessed by a person are sufficient /satisfactory for the concerned position.
- (ii) Appointment of Independent Directors is also subject to compliance of provisions of section 149 of the Companies Act, 2013, read with Schedule IV and rules thereunder.

3. Remuneration

I. Remuneration Policy for Directors and Key Managerial Personnel

- i. The remuneration / compensation / commission etc. to the Whole-time Directors and Key Managerial Personnel will be determined by the Committee and recommended to the

Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the Shareholders of the Company and/ or Central Government, wherever required.

- ii. In the case of Whole-time Director, increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders.
- iii. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employee for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such person, provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

II. Remuneration to Whole-time / Executive / Managing Director and Key Managerial Personnel

(i) Fixed pay

The Whole-time Director and Key Managerial Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and the quantum of perquisites shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the Shareholders and/ or Central Government, wherever required.

(ii) Minimum Remuneration

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act 2013 and if it is not able to comply with such provisions, then with the previous approval of the Central Government.

III. Remuneration to Executive/ Non-Executive Directors/ Independent Directors

- (i) Executive/ Non-Executive Directors/Independent Directors shall be paid a sitting fee which presently is Rs.50,000/- for every meeting of the Board and Rs.10,000/- for every committee thereof attended by them as member.
- (ii) The company has no stock options plan and no payment by way of commission, bonus, pension, incentives etc. shall be made.

Credit Committee

For considering the Asset Acquisition and Resolution cases, Credit Committee was constituted on 29 June, 2011 as required under RBI Guidelines. As on March 31, 2022, Credit Committee comprises of 5 (Five) directors out of which i.e., Mr. Uma Shankar Paliwal and Mr. Dhan Raj are Non-Executive and

Independent Directors, Mr. Hari Hara Mishra is a Non-Executive (Professional) Director, Mr. Ritesh Aggarwal and Ms. Gurpreet Kaur are Executive cum Whole Time Director. During the financial year 2021-22, 4 (Four) meetings were held, on 17.08.2021, 18.10.2021, 11.01.2022 and on 24.02.2022.

During the year, Ms. Shilpi Sharma left for her heavenly abode on July 17, 2021; hence, Board of Directors has appointed Mr. Ritesh Aggarwal and Ms. Gurpreet Kaur as the Members of the Committee.

Details of meetings attended by the members are given below:

| S. No. | Committee Members | Category | Number of Meetings during the Financial Year 2021-22 | |
|--------|-------------------------|----------|--|----------|
| | | | Held | Attended |
| 1. | Mr. Uma Shankar Paliwal | Chairman | 4 | 4 |
| 2. | Mr. Hari Hara Mishra | Member | 4 | 4 |
| 3. | Mr. Dhan Raj | Member | 4 | 4 |
| 4. | Mr. Ritesh Aggarwal | Member | - | - |
| 5. | Ms. Gurpreet Kaur | Member | - | - |

Corporate Social Responsibility (CSR) Committee

Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, every Company having net worth of Rupees Five Hundred Crore or more, or turnover of Rupees One Thousand Crore or more or a net profit of Rupees Five Crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more Directors, out of which at least one Director shall be an Independent Director.

As on March 31, 2022, Corporate Social Responsibility Committee comprises of 5 (Five) Directors out of which two Directors namely Mr. Uma Shankar Paliwal and Mr. Dhan Raj are Non-Executive and Independent Directors, Mr. Hari Hara Mishra is a Non-Executive (Professional) Director, Mr. Ritesh Aggarwal and Ms. Gurpreet Kaur are Executive cum Whole Time Director.

During the financial year 2021-22, no meeting of Corporate Social Responsibility Committee (CSR) was held. During the financial year ended on March 31, 2022, the Company does not fall under the ambit of the provisions of the Section 135 of the Companies Act, 2013 relating to applicability of Corporate Social Responsibility.

ANNUAL GENERAL MEETING (AGM)

The 14th Annual General Meeting of the Company was held at Corporate Office: 1304/1304A, Chiranjeev Tower, 43, Nehru Place, New Delhi-110019 on the following date, time and place:

| Annual General Meeting | Year | Venue | Day and Date | Time |
|------------------------|---------|--|----------------------------------|------------|
| 14 th | 2021-22 | Corporate Office: 1304/1304A, Chiranjeev Tower, 43, Nehru Place, New Delhi-110019 | Monday, September 27, 2021 | 11:30 A.M. |

EXTRAORDINARY GENERAL MEETING (EGM)

The Company held its 16th Extraordinary General Meeting (EGM) on the following date, time and place:

| EGM | Year | Venue | Day and Date | Time |
|------------------|---------|--|-----------------------------------|------------|
| 16 th | 2021-22 | Corporate Office: 1304/1304A, Chiranjeev Tower, 43, Nehru Place, New Delhi- 110019 | Wednesday, January 12, 2022 | 11:30 A.M. |

For and behalf of Board of Directors of
UV Asset Reconstruction Company Limited

Sd/-
(P. P. Naolekar)
Chairman
DIN: 02654305

Sd/-
(Ritesh Aggarwal)
Executive cum WTD & CFO
DIN: 07671600

Sd/-
(Gurpreet Kaur)
Executive cum WTD
DIN: 08821946

Date: September 06, 2022
Place: New Delhi

Investor Correspondence

Company Secretary
UV Asset Reconstruction Company Limited
Corporate Office: 1304/1304A, Chiranjeev Tower,
43, Nehru Place, New Delhi-110019

Registered Office: 704, 7th Floor, Deepali Building,
92, Nehru Place, New Delhi-110019

Phone: 011-41038918, Fax: 011-40501824

Email: uvarcl@gmail.com

Annexure-B to the Board Report**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 arms length transactions under third proviso thereto.

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

| SL. No. | Particulars | Details |
|----------------|--|---|
| a) | Name (s) of the related party & nature of relationship | Mr. Pramod Sharma (Spouse of Ms. Shilpi Sharma, Promoter Director) |
| b) | Nature of contracts/arrangements/transaction | Appointment of Mr. Pramod Sharma (Spouse of Ms. Shilpi Sharma, Promoter Director) as Corporate Advisor. |
| c) | Duration of the contracts/arrangements/transaction | NA |
| d) | Salient terms of the contracts or arrangements or transaction including the value, if any | Re-appointment of Mr. Pramod Sharma as a Corporate Advisor of the Company w.e.f September 26, 2016 on a fee of Rs. 3,00,000/- per month with such enhancement / incentives from time to time as may be desirable and justified keeping in view his overall contribution, subject to maximum of Rs. 72,00,000 per annum (including monthly fees) |
| e) | Justification for entering into such contracts or arrangements or transactions | Mr. Pramod Sharma is an expert in the field of Finance, Marketing and Public Relations (PR). On account of his strong forte in Public Relations and marketing, he is instrumental in garnering good business opportunities thereby contributing in Company's growth. |
| f) | Date of approval by the Board | August 22, 2016 |
| g) | Amount paid as advances, if any | --- |
| h) | Date on which the special resolution was passed in General Meeting as required under first proviso to section 188 | September 26, 2016 |

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

| SL. No. | Particulars | Details |
|---------|---|---|
| | | Transaction 1 |
| a) | Name (s) of the related party & nature of relationship | Ms. Shilpi Sharma (Promoter Director) |
| b) | Nature of contracts/arrangements/transaction | Lease Agreement |
| c) | Duration of the contracts/arrangements/transaction | 3 years |
| d) | Salient terms of the contracts or arrangements or transaction including the value, if any | <p>Lease agreement with Ms. Shilpi Sharma for the registered office of the Company at 704, 7th Floor, 92 Deepali Building, Nehru Place, New Delhi, for 3 years i.e. 1st April, 2021 to 31st March, 2024 @ Rs. 75/- per sq.ft. along with the security deposit of Rs. 4,80,000/-.</p> <p>The transaction is at the prevailing market price and is also on Arm's Length basis, thereby complying with provisions of Section 188 of the Companies Act, 2013.</p> |
| e) | Date of approval by the Board | February 20, 2021 |
| f) | Amount paid as advances, if any | Security deposit of Rs. 4,80,000/- |

**Due to untimely demise of Late. Ms. Shilpi Sharma, Whole Time Director and Executive Vice Chairperson on July 17, 2021, the above said transactions were ceased to be Related Party Transaction w.e.f July 17, 2021 as per Companies Act, 2013.*

For and behalf of Board of Directors of
UV Asset Reconstruction Company Limited

Sd/-
(P. P. Naolekar)
Chairman
DIN: 02654305

Sd/-
(Ritesh Aggarwal)
Executive cum WTD & CFO
DIN: 07671600

Sd/-
(Gurpreet Kaur)
Executive cum WTD
DIN: 08821946

Date: September 06, 2022
Place: New Delhi

Annexure-C to Boards Report

SECRETARIAL AUDIT REPORT

For the Financial Year ended on March 31, 2022

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

To,
The Members,
UV Asset Reconstruction Company Limited
704, 7th Floor, Deepali Building,
92 Nehru Place, New Delhi – 110019

We have conducted the Secretarial Audit of the compliance of applicable Statutory provisions and the adherence to good corporate practices by **UV ASSET RECONSTRUCTION COMPANY LIMITED (CIN No. U74900DL2007PLC167329)** (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 the Financial Year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and compliance mechanism in place to 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 **UV ASSET RECONSTRUCTION COMPANY LIMITED (CIN No. U74900DL2007PLC167329)** for the Financial Year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;-
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;-
- (iv) 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;
- (v) Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and the Regulations and Bye-laws framed thereunder;
- (vi) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) 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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

(vii) OTHER APPLICABLE ACTS,

- (a) Payment Of Wages Act, 1936, and rules made thereunder,
- (b) The Minimum Wages Act, 1948, and rules made thereunder,
- (c) Employees' State Insurance Act, 1948, and rules made thereunder,
- (d) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
- (e) Maternity Benefit Act, 1961
- (f) The State Shops & Establishment Act
- (g) The payment of Bonus Act, 1965

(viii) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, guidelines, Standards, etc.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.

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.

For Iqneet Kaur & Co.

Sd/-

Place: Delhi
Date: 12th July, 2022

Iqneet Kaur
FCS No.7669
COP No : 7085

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

"ANNEXURE A"

To,

**The Members,
UV ASSET RECONSTRUCTION COMPANY LIMITED
704, 7th FLOOR, DEEPALI BUILDING,
92 NEHRU PLACE, NEW DELHI – 110019**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of Financial records and Books of Accounts of the Company.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Certification of Forms by us is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Iqneet Kaur & Co.

Sd/-

**Iqneet Kaur
FCS No.7669
COP No.: 7085**

**Place: Delhi
Date: 12th July 2022**

**R K MAHASETH & CO.**

Chartered Accountants

AG-175, Ground Floor,

Shalimar Bagh, Delhi-110088

Ph. : +91-9990896948/903084060

Email Id: ca.ramkumar08@gmail.com

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
UV ASSET RECONSTRUCTION COMPANY LIMITED,
NEW DELHI

Report on the Audit of Standalone Financial Statements**Opinion**

We have audited the accompanying standalone financial statements of **UV ASSET RECONSTRUCTION COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022 and the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended and notes to the financial statements, including summary of the 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 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the

context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, change in equity and cash flows of the Company in accordance with the principles generally accepted in India including the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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.

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

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

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

- (ii) 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.
 - (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - (iv) 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.
 - (v) 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.
- c) Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.
- (d) 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.
- (e) We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow 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 principles generally accepted in India including the accounting standards specified under section 133 of the Act. Read with rule 7 of the Companies (Accounts) Rules, 2014:
- e) On the basis of the written representations received from the directors of the Company as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The Company is not required to transfer any amount to the Investor Education and Protection Fund by the Company.
 - iv.
- (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on

behalf of the Ultimate Beneficiaries.

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

(d) The company has not declared or paid any dividend during the year.

For R K Mahaseth & Co.
Chartered Accountants
FRN: 022140N

Sd/-

(Ram Kumar Mahaseth)
Proprietor

Date: September 06, 2022
Place: New Delhi

M.No.: 511641
UDIN: 22511641ARCCLH5205

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

i. In respect of the Company's fixed assets:

- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment ("PPE").
- (B) The Company has maintained proper records of Intangible Assets.
- (b) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the verification of Property, Plant and Equipment has been conducted by the management during the year. All the Property, Plant and Equipment have not been physically verified by the management during the year, however, there is a regular phased programme of physical verification which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) Since the company is not in the possession of any immovable property hence this clause is not applicable.
- (d) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the Company has not revalued its property, plant, and equipment (including Right-of-use assets) or intangible assets during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Register Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right Of Use Assets) or intangible Assets does not arise.
- (e) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, no proceedings have been initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii.

- (a) The Company is in the financial business and does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.
- (b) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the Company has been sanctioned working capital limit in excess of Rs. 5 Crores, in aggregate, during the year, from banks on the basis of security of current assets, however as represented by the management quarterly returns or statements filed by the company with bank are in agreement with the books of accounts of the company.

iii. To the best of our information and according to the explanations provided to us by the

Company and the books of account and records examined by us in the normal course of audit, we state that the Company, during the year under audit, has not made investments, provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties.

- (a) The Company has not granted any loans or 'advances in the nature of loans', secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, and/or provided any guarantee or security to any other entity. Accordingly, the requirements to report under paragraph 3(iii)(a) (A) & (B) of the Order are not applicable to the Company.
- (b) There are no investments made, no guarantees provided or security given by the Company.
- (c) The Company has not granted any loans or 'advances in the nature of loans'. Accordingly, the requirements to report under Paragraph 3(iii)(c), (d), (e) & (f) of the Order are not applicable to the Company.
- iv. To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the Company has not given any loans, made any investment or provided any guarantee or security as specified under Section 185 & 186 of the Companies Act, 2013 and hence the provisions of paragraph (iv) are not applicable to the company.
- v. To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the Rules framed thereunder to the extent applicable. Accordingly, the requirements to report under Paragraph 3(v) of the Order are not applicable to the Company.
- vi. To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the maintenance of cost records has not been specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Accordingly, the requirements to report under Paragraph 3(vi) of the Order are not applicable to the Company.
- vii. (a) According to the information and explanations given to us, in respect of statutory dues: The Company is regular in depositing undisputed statutory dues, including Provident Fund if any, Employees' State Insurance, Income Tax, Goods and Service Tax, and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
- (b) To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, there are no dues of service tax, income tax, goods & services tax, cess and other statutory dues as applicable which have not been deposited on account of any dispute.

- viii. To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, there were no transactions in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the requirements to report under paragraph 3(viii) of the Order are not applicable to the Company.
- ix. To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that,
- (a) The Company has not defaulted in repayment of loan or borrowings taken from financial institution or bank.
 - (b) The Company has not been declared willful defaulter by any bank or financial institution or other lender.
 - (c) The Company has not availed any term loan during the year under audit.
 - (d) There were no funds raised on short term basis during the year, which have, prima facie, been used for long-term purposes by the Company.
 - (e) The Company does not have any subsidiary, associate, or Joint Venture as defined under the Companies Act, 2013 and therefore, the requirements to report under Paragraph 3(ix)(e) of the Order are not applicable to the Company.
 - (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013 and accordingly, the requirements to report under Paragraph 3(ix)(f) of the Order are not applicable to the Company.
- x. To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that,
- (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and accordingly, the requirements to report under Paragraph 3(x)(a) of the Order are not applicable to the Company.
 - (b) The Company has made private placement of compulsory convertible preference shares during the year. Accordingly, the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds have been used for the purposes for which the funds were raised by the company.
- xi. To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:
- (a) Neither any fraud by the Company, nor any fraud on the Company has been noticed or reported during the course of the audit; nor we have been informed of any such case by the Company.

- (b) No report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - (c) No whistle blower complaints received by the Company during the year (and up to the date of this report).
- xii. To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the Company is not a Nidhi Company. Accordingly, requirements to report under Paragraph 3(xii) of the Order are not applicable to the Company.
- xiii. To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv.
- (a) To the best of our information and according to the explanations provided to us by the Company and the books of accounts and records examined by us in the normal course of audit, we state that, the Company has an internal audit system commensurate with the size and nature of its business.
 - (b) We have considered the internal audit reports of the Company issued for the period under audit.
- xv. To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, reporting on the compliance of the provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that,
- (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, requirements to report under Paragraph 3(xvi) (a) of the Order are not applicable to the Company.
 - (b) The Company has not conducted non-banking financial / housing finance-activities during the year accordingly, requirements to report under Paragraph 3(xvi) (b) of the Order are not applicable to the Company.
 - (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, requirements to report under Paragraph 3(xvi) (c) of the Order are not applicable to the Company.

- (d) The Group does not have any CICs, which are a part of the Group. We have not, however, separately evaluated whether the information provided by the Management is accurate and complete. Accordingly, requirements to report under Paragraph 3(xvi) (d) of the Order are not applicable to the Company.
- xvii. The Company has incurred cash losses of Rs.2,08,623.14 only during the immediately preceding financial year but has not incurred any cash losses during the current financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the requirements to report under Paragraph 3(xviii) of the Order are not applicable to the Company.
- xix. To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that, the provisions of section 135 (5) of the Companies Act is not applicable to the company. Accordingly, the requirements to report under Paragraph 3(xx) of the Order are not applicable to the Company.

For R K Mahaseth & Co.
Chartered Accountants
FRN: 022140N

Sd/-

(Ram Kumar Mahaseth)
Proprietor

Date: September 06, 2022
Place: New Delhi

M.No.: 511641
UDIN: 22511641ARCCLH5205

ANNEXURE “B” TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **UV Asset Reconstruction Company Limited** of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **UV ASSET RECONSTRUCTION COMPANY LIMITED** (“the Company”) as of March 31, 2022 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 Board of Directors of the Company 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, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

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, to the best of our information and according to the explanations given to us, 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, 2022, 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 R K Mahaseth & Co.
Chartered Accountants
FRN: 022140N

Sd/-

(Ram Kumar Mahaseth)

Proprietor

M.No.: 511641

UDIN: 22511641ARCCLH5205

Date: September 06, 2022

Place: New Delhi

UV ASSET RECONSTRUCTION COMPANY LIMITED
BALANCE SHEET AS AT 31st MARCH, 2022

(All Amounts are in '000 (₹), unless otherwise specified)

| | Note No. | As at 31 st March, 2022 | As at 31 st March, 2021 |
|-----------------------------------|----------|------------------------------------|------------------------------------|
| I. EQUITY AND LIABILITIES | | | |
| 1) Shareholder's Funds | | | |
| a) Share capital | 1 | 616,700.00 | 420,250.00 |
| b) Reserves and surplus | 2 | 812,253.10 | 776,633.96 |
| | | 1,428,953.10 | 1,196,883.96 |
| 2) Non Current Liabilities | | | |
| a) Long Term Borrowings | 3 | 1,271,636.56 | 1,441,454.80 |
| | | 1,271,636.56 | 1,441,454.80 |
| 3) Current Liabilities | | | |
| a) Short Term Borrowings | 3 | 366,946.01 | 577,527.48 |
| b) Other Current Liabilities | 4A | 214,718.82 | 56,409.96 |
| c) Other Financial Liabilities | 4B | 3,075.00 | 3,075.00 |
| d) Short-term Provisions | 5 | 6,196.47 | - |
| | | 590,936.30 | 637,012.44 |
| TOTAL | | 3,291,525.96 | 3,275,351.20 |
| II. ASSETS | | | |
| 1) Non-current assets | | | |
| a) Property, Plant and Equipment | | | |
| (i) Tangible Assets | 6 | 6,124.86 | 6,847.60 |
| (ii) Intangible Assets | 6 | 1,212.08 | 1,189.03 |
| | | 7,336.94 | 8,036.63 |
| b) Non-Current Investment | 7 | 1,963,514.77 | 1,395,538.40 |
| c) Deferred Tax Assets (Net) | 8 | 59,071.82 | 68,244.43 |
| d) Long-term loans and advances | 9 | 190,915.12 | 771,620.42 |
| e) Other non-current assets | 10 | 102,114.78 | 102,344.78 |
| | | 2,322,953.43 | 2,345,784.66 |
| 2) Current assets | | | |
| a) Current Investments | 7 | 26,904.82 | 835,630.00 |
| b) Cash and cash equivalents | 11A | 180,008.81 | 35,992.44 |
| c) Bank balances other than above | 11B | 3,075.00 | 3,075.00 |
| d) Short-term loans and advances | 9 | 65,991.66 | 4,939.95 |
| e) Other current assets | 12 | 692,592.24 | 49,929.15 |
| | | 968,572.53 | 929,566.54 |
| TOTAL | | 3,291,525.96 | 3,275,351.20 |

Significant accounting policies

22

Notes to accounts

23

For RK Mahaseth & Co.
Chartered Accountants
FRN: 022140N

Sd/-
Ram Kumar Mahaseth
Proprietor
M.N. 511641

For UV Asset Reconstruction Company Limited

Sd/-
(P. P. Naolekar)
Chairman
DIN: 02654305

Sd/-
(Dhan Raj)
Director
DIN: 08262126

Sd/-
(Ritesh Aggarwal)
Executive Director & CFO
DIN: 07671600

Sd/-
(Gurpreet Kaur)
Executive Director
DIN: 08821946

Sd/-
(Shubham Bansal)
Company Secretary
M.No.: A49036

Date: September 06, 2022
Place: New Delhi

UV ASSET RECONSTRUCTION COMPANY LIMITED
Statement of Profit & Loss
for the period ended 31st March, 2022

(All Amounts are in '000 (₹), unless otherwise specified)

| | Note No. | For the year ended | |
|---|----------|------------------------------|------------------------------|
| | | 31 st March, 2022 | 31 st March, 2021 |
| I INCOME | | | |
| Revenue from Operations | 13 | 522,691.38 | 98,537.13 |
| Other Income | 14 | 3,531.71 | 1,970.05 |
| Total Income | | 526,223.09 | 100,507.18 |
| II EXPENSES | | | |
| Employee benefits expenses | 15 | 33,184.61 | 36,988.83 |
| Finance Cost | 16 | 207,525.92 | 220,209.17 |
| Operative expenses | 17 | 22,168.34 | 18,439.46 |
| Administrative and other expenses | 18 & 19 | 210,714.41 | 71,161.22 |
| Depreciation /amortisation | 6 | 1,641.59 | 1,652.17 |
| Total Expenses | | 475,234.87 | 348,450.85 |
| III PROFIT/(LOSS) BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX | | 50,988.22 | (247,943.67) |
| IV PRIOR PERIOD ADJUSTMENTS (NET) | | - | - |
| V PROFIT/(LOSS) BEFORE TAX | | 50,988.22 | (247,943.67) |
| VI TAX EXPENSE | | | |
| a) Current taxes | | 6,196.47 | - |
| b) Previous year tax adjustment | | - | 1,470.03 |
| c) Deferred taxes | | 9,172.61 | (64,537.09) |
| VII PROFIT/(LOSS) AFTER TAX/PROFIT FOR THE YEAR | | 35,619.14 | (184,876.61) |
| VIII EARNINGS PER SHARE - BASIC & DILUTED | | 0.85 | (4.40) |
| Significant accounting policies | 22 | | |
| Notes to the accounts | 23 | | |

For RK Mahaseth & Co.
Chartered Accountants
FRN: 022140N

Sd/-
Ram Kumar Mahaseth
Proprietor
M.N. 511641

For UV Asset Reconstruction Company Limited

Sd/-
(P. P. Naolekar)
Chairman
DIN: 02654305

Sd/-
(Dhan Raj)
Director
DIN: 08262126

Sd/-
(Ritesh Aggarwal)
Executive Director & CFO
DIN: 07671600

Sd/-
(Gurpreet Kaur)
Executive Director
DIN: 08821946

Sd/-
(Shubham Bansal)
Company Secretary
M.No.: A49036

Date: September 06, 2022
Place: New Delhi

UV ASSET RECONSTRUCTION COMPANY LIMITED
Cash Flow Statement for the period ended 31st March, 2022

(All Amounts are in '000 (₹), unless otherwise specified)

| | For the year period | |
|---|------------------------------|------------------------------|
| | 31 st March, 2022 | 31 st March, 2021 |
| Cash Flow From Operating Activities | | |
| Net Profit/(loss) before tax | 50,988.22 | (247,943.67) |
| Adjustment for :- | | |
| Depreciation and Amortization | 1,641.59 | 1,652.17 |
| Provision for Diminishing in Value of Investment / NPAs | 182,770.36 | 37,668.36 |
| Operating profit/(loss) before working capital changes | 235,400.17 | (208623.14) |
| Adjustment for changes in working capital: | | |
| Increase/(Decrease) in Short-term Provisions | 6,196.47 | (9,994.61) |
| Increase/(Decrease) in other Current Liabilities | 158,308.87 | 8,961.90 |
| Increase/(Decrease) in other non - current Liabilities | - | - |
| (Increase)/Decrease in Short-term Loans & Advances (Financial Assets) | (61,051.70) | 559,782.45 |
| (Increase)/Decrease in other Current Assets | (642,663.09) | 9,046.35 |
| | (303,809.28) | 359,172.95 |
| (Increase)/Decrease in long term Loans & Advances (Financial Assets) | 499,509.94 | (576,526.28) |
| Net cash flow from/(Used in) Operating Activities | 195,700.66 | (217,353.33) |
| Income tax paid | (6,196.47) | - |
| Provision for Dividend & Dividend Tax | - | - |
| Adjustment on account of P. Y. Income tax | - | (1,470.03) |
| Net cash flow from/(Used in) operating activities (A) | 189,504.18 | (218,823.36) |
| Cash Flow from Investing Activities | | |
| Purchase of Fixed Assets | (1,001.36) | (642.32) |
| Sale of Fixed Assets | 59.46 | - |
| Investment in UVARCL Trusts | (19,950.00) | (123,550.00) |
| Redemption of Security Receipts of UVARCL Trusts | 159,123.81 | 39,685.00 |
| Other non-current Assets | 230.00 | - |
| Net cash flow from/(Used in) Investing activities (B) | 138,461.91 | (84,507.32) |
| Cash Flow from Financing activities | | |
| Proceeds from issue of Equity Share Capital | - | - |
| Proceeds from Security Premium on Equity Share Capital | - | - |
| Proceeds from issue of Preference Share Capital | 196,450.00 | - |
| Issue of Non Convertible Debentures | - | - |
| Repayment of Borrowings | (380,399.71) | - |
| Proceeds from Borrowings | - | 278,749.59 |
| Net cash flow from/(Used in) Financing activities (C) | (183,949.71) | 278,749.59 |
| Net Increase/(Decrease) in Cash & Cash Equivalents during the year (A+B+C) | 144,016.37 | (24,581.09) |
| Cash & Cash Equivalent at the beginning of the period | 35,992.44 | 60,573.53 |
| Cash & Cash Equivalent at the end of the period | 180,008.81 | 35,992.44 |
| Earmarked Balance | | |
| In unclaimed Dividend Accounts | 3,075.00 | 3,075.00 |
| | 147,091.37 | (21,506.09) |
| Less:- Unclaimed Dividend Lying with Bank | 3,075.00 | 3,075.00 |
| Net Increase/(Decrease) in Cash & Cash Equivalents | 144,016.37 | (24,581.09) |

For RK Mahaseth & Co.
Chartered Accountants
FRN: 022140N

Sd/-
Ram Kumar Mahaseth
Proprietor
M.N. 511641

Date: September 06, 2022
Place: New Delhi

For UV Asset Reconstruction Company Limited

Sd/-
(P. P. Naolekar)
Chairman
DIN: 02654305

Sd/-
(Dhan Raj)
Director
DIN: 08262126

Sd/-
(Ritesh Aggarwal)
Executive Director & CFO
DIN: 07671600

Sd/-
(Gurpreet Kaur)
Executive Director
DIN: 08821946

Sd/-
(Shubham Bansal)
Company Secretary
M.No.: A49036

UV Asset Reconstruction Company Limited
Notes Forming part of the Financial Statements
(All Amounts are in '000 (₹), unless otherwise specified)

Note No. '1'

SHARE CAPITAL

| | As at 31 st March, 2022 | | As at 31 st March, 2021 | |
|--|------------------------------------|----------------|------------------------------------|----------------|
| | Number | Rupees | Number | Rupees |
| (a) Authorised | | | | |
| Equity shares of Rs. 10 each | 50,000,000 | 500,000 | 50,000,000 | 500,000 |
| Compulsory Convertible Preference Shares of Rs. 1000 each | 200,000 | 200,000 | - | - |
| (b) Issued, Subscribed and Fully Paid up Equity Shares | 42,025,000 | 420,250 | 42,025,000 | 420,250 |
| (c) Issued, Subscribed and Fully Paid up Compulsory Convertible preference shares | 196,450 | 196,450 | - | - |
| TOTAL | 42,221,450 | 616,700 | 42,025,000 | 420,250 |

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

| Particulars | As at 31 st March, 2022 | | As at 31 st March, 2021 | |
|---|------------------------------------|----------------|------------------------------------|----------------|
| | Number | Rupees | Number | Rupees |
| Equity Shares with voting rights | | | | |
| Shares outstanding at the beginning of the year | 42,025,000 | 420,250 | 42,025,000 | 420,250 |
| Shares issued during the year | - | - | - | - |
| Shares outstanding at the end of the year | 42,025,000 | 420,250 | 42,025,000 | 420,250 |

(ii) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10/-, each holder of equity shares is entitled to one vote per share.

During the year ended 31st March 2022, the amount of dividend to equity share holders is NIL (31st March 2021 - NIL).

(iii) Details of shares held by each shareholder holding more than 5% shares:

| Particulars | As at 31 st March, 2022 | | As at 31 st March, 2021 | |
|-------------------------------------|------------------------------------|--------------|------------------------------------|--------------|
| | No. of Shares held | % holding | No. of Shares held | % holding |
| Mr. Pramod Sharma | 13,799,750 | 32.84 | 254,000 | 0.60 |
| Ms. Shilpi Sharma | - | - | 13,545,750 | 32.23 |
| White Lotus Investments Pvt. Ltd. | 4,175,000 | 9.93 | 4,175,000 | 9.93 |
| Sanmati Trading and Investment Ltd. | 3,500,000 | 8.33 | 3,500,000 | 8.33 |
| Anubhav Buildtech Ltd. | 3,500,000 | 8.33 | 3,500,000 | 8.33 |
| Anubhav Securities Pvt. Ltd. | 3,500,000 | 8.33 | 3,500,000 | 8.33 |
| Kurral Infrastructure Pvt. Ltd. | 4,175,000 | 9.93 | 4,175,000 | 9.93 |
| | 32,649,750 | 77.69 | 32,649,750 | 77.68 |

Shareholding of (1,35,45,750 equity shares) Late Ms. Shilpi Sharma has been transmitted to Mr. Pramod Sharma (spouse of Late Ms. Shilpi Sharma) vide RBI approval dated 23.11.2021

(All Amounts are in '000 (₹), unless otherwise specified)

(iv) Disclosure pursuant to above shares held by promoters:

| Particulars | As at 31 st March, 2022 | | As at 31 st March, 2021 | | % change during the year |
|-------------------|------------------------------------|--------------|------------------------------------|--------------|--------------------------|
| | No. of Shares held | % holding | No. of Shares held | % holding | |
| Mr. Pramod Sharma | 13,799,750 | 32.84 | 254,000 | 0.60 | 32.23 |
| Ms. Shilpi Sharma | - | - | 13,545,750 | 32.23 | (32.23) |
| | 13,799,750 | 32.84 | 13,799,750 | 32.83 | - |

| PREFERENCE SHARE CAPITAL | As at 31 st March, 2022 | | As at 31 st March, 2021 | |
|---|------------------------------------|----------------|------------------------------------|----------|
| | Number | Rupees | Number | Rupees |
| (a) Authorised | | | | |
| Compulsory Convertible Preference Shares of Rs. 1000 each | 200,000 | 200,000 | - | - |
| (b) Issued, Subscribed and Fully Paid up Equity Shares | 196,450 | 196,450 | - | - |
| TOTAL | 196,450 | 196,450 | - | - |

(i) Reconciliation of the number of Compulsory Convertible Preference shares and amount outstanding at the beginning and at the end of the year.

| Particulars | As at 31 st March, 2022 | | As at 31 st March, 2021 | |
|---|------------------------------------|----------------|------------------------------------|----------|
| | Number | Rupees | Number | Rupees |
| Compulsory Convertible Preference shares | | | | |
| Shares Outstanding at the beginning of the year | - | - | - | - |
| Shares issued during the year | 196,450 | 196,450 | - | - |
| Shares outstanding at the end of the year | 196,450 | 196,450 | - | - |

(ii) Terms/rights attached to Compulsory Convertible preference shares

The Company has only one class of preference shares i.e Compulsory Convertible Preference Share (CCPS) having a face value of Rs. 1000/- per share.

The CCPS shall convert into equity shares of the company at the end of 119 months from the date of issuance, or upon compulsory pre-conversion whichever is earlier, the CCPS shall be liable to be compulsory converted into equity shares upon failure of the company to pay dividend for a period of any 2(two) consecutive years. CCPS holders will have the right to receive 7(seven) equity shares against 1(one) CCPS.

The CCPS shall be converted at such a price such that post conversion, the CCPS holders shall together hold 3% (three percent) in the post-conversion paid up equity capital of the Company, or such other percentage as may be mutually decided between the parties, not exceeding 3% in the post conversion paid up equity capital of the company, in the same proportion as their CCPS Holdings.

The CCPS shall be eligible to dividend at 0.01% per annum. The CCPS shall not carry any voting rights.

(iii) details of shares held by each shareholder holding more than 5% shares

| Particulars | As at 31 st March, 2022 | | As at 31 st March, 2021 | |
|---------------------------------|------------------------------------|---------------|------------------------------------|-----------|
| | No. of Shares held | % holding | No. of Shares held | % holding |
| Abhi Paisa Investment Pvt. Ltd. | 196,450 | 100.00 | - | - |
| | 196,450 | 100.00 | - | - |

Note No.'2'

RESERVES AND SURPLUS

(All Amounts are in '000 (₹), unless otherwise specified)

| | As at 31 st March, 2022 | As at 31 st March, 2021 |
|-----------------------------------|---------------------------------------|---------------------------------------|
| General Reserve Account | | |
| Opening Balance | 38,796.69 | 38,796.69 |
| Addition during the period | 5,342.87 | - |
| | 44,139.56 | 38,796.69 |
| Share Premium Account | | |
| Opening Balance | 795,750.00 | 795,750.00 |
| Addition during the period | - | - |
| | 795,750.00 | 795,750.00 |
| Profit and Loss Account | | |
| Opening Balance | (57912.73) | 126,963.88 |
| Add: Profit/(loss) for the period | 35,619.14 | (184,876.61) |
| Less : Appropriations | | |
| Transfer to General reserve | 5,342.87 | - |
| Total Appropriations | 5,342.87 | - |
| | (27,636.46) | (57,912.73) |
| TOTAL | 812,253.10 | 776,633.96 |

Note No. '3'

LONG TERM & SHORT TERM LIABILITIES

| | Non Current Liabilities | | Current Liabilities | |
|-------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2022 | As at 31 st March, 2021 | As at 31 st March, 2022 | As at 31 st March, 2021 |
| Secured Loans: | | | | |
| - Overdraft facility | | | | |
| :- from Punjab National Bank | 704,465.00 | 335,113.55 | 35,899.52 | 163,344.88 |
| :- from Central Bank of India | 235,671.55 | 166,718.37 | 12,009.82 | 81,263.78 |
| :- from United Bank of India | - | 167,702.82 | - | 81,743.63 |
| - Term Loan | | | | |
| :- from Punjab National Bank | - | 12,330.94 | 12,853.31 | 50,000.00 |
| :- from Central Bank of India | - | 3,339.12 | 3,243.06 | 16,666.67 |
| - Non Convertible Debentures | - | 281,250.00 | 302,940.30 | 168,750.00 |
| Unsecured Loans: | | | | |
| - Inter Corporate Deposit | 331,500.00 | 475,000.00 | - | 15,758.52 |
| TOTAL | 1,271,636.56 | 1,441,454.80 | 366,946.01 | 577,527.48 |

Notes:-

- Total Overdraft facility of Rs. 100 Crores has been sanctioned i.e. Rs. 50 Crores from Punjab National Bank, Rs. 25 Crores from Central Bank of India and Rs. 25 Crores from United Bank of India (now Punjab National Bank).
- Rate of Interest of PNB, CBI and UBI is MCLR plus 3.55% i.e. 10.85% p.a. , MCLR plus 3.55% i.e. 10.85% p.a. and MCLR plus 3.55% i.e. 10.85% respectively
- Overdraft facility from Banks is against 1st parri passu charge by way of hypothecation of entire receivables/claims (NPA's), Investments in Security Receipts are secured against personal Guarantee of Mr. Pramod Sharma.
- Bifurcation of Secured Loans as Non- current Liabilities and Current Liabilities is as per the nature of Non- current Assets and Current Assets for which the loan is utilized.
- Balance Non Convertible Debentures will be repaid in 4(Four) equal quarterly instalments.
- Emergency COVID term loan from PNB and CBI is repayable in equated monthly instalments.

(All Amounts are in '000 (₹), unless otherwise specified)

Note No.'4A'
OTHER LIABILITIES

| | Non Current Liabilities | | Current Liabilities | |
|------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2022 | As at 31 st March, 2021 | As at 31 st March, 2022 | As at 31 st March, 2021 |
| Statutory dues payables | - | - | 9,734.28 | 5,022.53 |
| Expenses Payable | - | - | 6,371.41 | 1,240.51 |
| Amount Received for expenses | - | - | 405.32 | 8,011.67 |
| Amount Received in advance | - | - | 150,000.00 | - |
| Other Payables | - | - | 48,207.81 | 42,135.25 |
| TOTAL | - | - | 214,718.82 | 56,409.96 |

Note No.'4B'
OTHER CURRENT FINANCIAL LIABILITIES

| | As at 31 st March, 2022 | As at 31 st March, 2021 |
|---------------------|---------------------------------------|---------------------------------------|
| Unclaimed Dividend* | 3,075.00 | 3,075.00 |
| TOTAL | 3,075.00 | 3,075.00 |

* Unclaimed Dividend is pertaining to F.Y. 2018-19

Note No.'5'
SHORT TERM PROVISIONS

| | As at 31 st March, 2022 | As at 31 st March, 2021 |
|----------------------------|---------------------------------------|---------------------------------------|
| (a) Others | | |
| - Provision for Income Tax | 6196.47 | - |
| TOTAL | 6196.47 | - |

Note No. '7'
CURRENT & NON-CURRENT INVESTMENTS

| | Non Current Investment | | Current Investment | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2022 | As at 31 st March, 2021 | As at 31 st March, 2022 | As at 31 st March, 2021 |
| Investment in special purpose vehicles (Valued at cost unless stated otherwise) | | | | |
| Unquoted security receipts | | | | |
| (a) Investment in UVARCL-I TRUST- 37,500 (31 st March, 2021-37,500) SRs of Rs. 485.2058/- each | 18,195.22 | 18,195.22 | - | - |
| (b) Investment in UVARCL-III TRUST- 6,75,000 (31 st March, 2021- 6,75,000) SRs of Rs. 1000/- each | 675,000.00 | - | - | 675,000.00 |
| (c) Investment in UVARCL- II TRUST- 31,250 (31 st March, 2021- 31,250) SRs of Rs. 1000/- each | 31,250.00 | - | - | 31,250.00 |
| (d) Investment in UVARCL-IV TRUST- 12,600 (31 st March, 2021- 12,600) SRs of Rs. 1000/- each | 12,600.00 | - | - | 12,600.00 |

| | | | | |
|--|---------------------|---------------------|------------------|-------------------|
| (e) Investment in UVARCL-VI TRUST- 52,590 (31 st March, 2021- 52,590) SRs of Rs. 1000/- each | 52,590.00 | - | - | 52,590.00 |
| (f) Investment in UVARCL-VII TRUST- 54,999.291 (31 st March, 2021- 55,440) SRs of Rs. 1000/- each | 54,999.29 | - | - | 55,440.00 |
| (g) Investment in UVARCL-VIII TRUST- 20,250 (31 st March, 2021- 20,250) SRs of Rs. 1000/- each | 20,250.00 | - | - | 20,250.00 |
| (h) Investment in UVARCL-IX TRUST- 29,925 (31 st March, 2021- 29,925) SRs of Rs. 1000/- each | 29,925.00 | 29,925.00 | - | - |
| (i) Investment in UVARCL-X TRUST- 5,112.819 (31 st March, 2021- 12,285) SRs of Rs. 1000/- each | - | 12,285.00 | 5,112.82 | - |
| (j) Investment in UVARCL-XII TRUST- 21,792 (31 st March, 2021- 33,826) SRs of Rs. 1000/- each | - | 33,826.00 | 21,792.00 | - |
| (k) Investment in UVARCL-XIII TRUST- 3,60,000 (31 st March, 2021- 3,60,000) SRs of Rs. 1000/- each | 360,000.00 | 360,000.00 | - | - |
| (l) Investment in UVARCL-XIV TRUST- 1,16,178 (31 st March, 2021- 1,16,178) SRs of Rs. 1000/- each | 116,178.00 | 116,178.00 | - | - |
| (m) Investment in UVARCL- XV TRUST- 7,17,500 (31 st March, 2021- 7,17,500) SRs of Rs. 810.4154/- each | 581,473.08 | 717,500.00 | - | - |
| (n) Investment in UVARCL- XVI TRUST- 4,500 (31 st March, 2021- 4,500) SRs of Rs. 1000/- each | 4,500.00 | 4,500.00 | - | - |
| (o) Investment in UVARCL- XVII TRUST- 74,250 (31 st March, 2021- 74,250) SRs of Rs. 1000/- each | 74,250.00 | 74,250.00 | - | - |
| (p) Investment in UVARCL- XIX TRUST- 44,800 (31 st March, 2021- 44,800) SRs of Rs. 1000/- each | 44,800.00 | 44,800.00 | - | - |
| (q) Investment in UVARCL- XXI TRUST- 16,500 (31 st March, 2021- Nil) SRs of Rs. 1000/- each | 16,500.00 | - | - | - |
| | 2,092,510.59 | 1,411,459.22 | 26,904.82 | 847,130.00 |
| Less: Provision for Diminishing in Value of Investment | 128,995.82 | 15,920.82 | - | 11,500.00 |
| TOTAL | 1,963,514.77 | 1,395,538.40 | 26,904.82 | 835,630.00 |

(All Amounts are in '000 (₹), unless otherwise specified)

Note No. '8'

DEFERRED TAX BALANCES

In compliance with the Accounting Standard relating to "Accounting for Taxes on Income" (AS-22), the Company has recognised deferred tax Asset (Net) arising on account of timing differences. Major components of deferred tax assets arising on account of timing differences are:

| | As at 31 st March, 2022 | As at 31 st March, 2021 |
|---|---------------------------------------|---------------------------------------|
| (a) Deferred Tax Assets | | |
| (i) Provisions for NPAs | 26,789.47 | 6,562.09 |
| (ii) Provisions for Diminishing in Value of Investments | 32,468.25 | 7,129.41 |
| (iii) Carry forward of losses | - | 54,621.28 |
| (b) Deferred Tax Liabilities | | |
| (i) Depreciation | (185.90) | (68.35) |
| Deferred Tax Assets (net) | 59,071.82 | 68,244.43 |

Note No.'9'

Loans & Advances

| | Non Current Assets | | Current Assets | |
|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2022 | As at 31 st March, 2021 | As at 31 st March, 2022 | As at 31 st March, 2021 |
| Secured, Considered good Financial Asset | 89,420.92 | 588,930.86 | 61,051.70 | - |
| TOTAL | 89,420.92 | 588,930.86 | 61,051.70 | - |
| Secured, Considered NPA | 202,988.40 | 202,988.40 | 9,879.90 | 9,879.90 |
| | 292,409.32 | 791,919.26 | 70,931.61 | 9,879.90 |
| Less: Provision for NPAs | 101,494.20 | 20,298.84 | 4,939.95 | 4,939.95 |
| TOTAL | 190,915.12 | 771,620.42 | 65,991.66 | 4,939.95 |

Note No.'10'

Other Non Current Assets

| | As at 31 st March, 2022 | As at 31 st March, 2021 |
|---|---------------------------------------|---------------------------------------|
| (a) Unsecured, considered good | | |
| Security Deposits | 2,114.78 | 2,344.78 |
| Advance given for Performance Guarantee | 100,000.00 | 100,000.00 |
| TOTAL | 102,144.78 | 102,344.78 |

(All Amounts are in '000 (₹), unless otherwise specified)

Note No.'11A'

| | As at 31 st March, 2022 | As at 31 st March, 2021 |
|-------------------------------|---------------------------------------|---------------------------------------|
| (a) Cash and cash equivalents | | |
| (i) Balances with banks | | |
| In current accounts | 768.01 | 3,843.33 |
| In Fixed deposit accounts | 178,792.08 | 31,495.44 |
| | 179,560.09 | 35,343.77 |
| (ii) Cash in hand | 448.72 | 648.67 |
| TOTAL | 180,008.81 | 35,992.44 |

Fixed deposit of Rs. 125.00 Lacs is under lien of Central Bank of India, Parliament Street, New Delhi against OD facility availed from them.

Note No.'11B'**BANK BALANCE OTHER THAN ABOVE**

| | As at 31 st March, 2022 | As at 31 st March, 2021 |
|--------------------------------|---------------------------------------|---------------------------------------|
| Earmarked balance with Bank | | |
| In unclaimed Dividend Account* | 3,075.00 | 3,075.00 |
| TOTAL | 3,075.00 | 3,075.00 |

* Amount in Unclaimed Dividend Account pertaining to F.Y. 2018-19

Note No. '12'**OTHER CURRENT ASSETS**

| | As at 31 st March, 2022 | As at 31 st March, 2021 |
|-------------------------------|---------------------------------------|---------------------------------------|
| Tax deducted at sources | 49,588.78 | 15,432.83 |
| Income tax refund recoverable | 23,717.14 | 23,716.99 |
| Input Tax Credit | 1.35 | 1,583.29 |
| Amount receivable from Trust | 2,005.00 | 1,584.48 |
| Prepaid Expenses | 2,203.17 | 1,277.98 |
| Advance to Employees | 136 | 89.00 |
| Earnest Money Deposit | 10,000.00 | - |
| Other Recoverable | 604,940.80 | 6,244.58 |
| TOTAL | 692,592.24 | 49,929.15 |

Note No. '13'**REVENUE FROM OPERATIONS**

| | For the Period ended on 31 st March, 2022 | For the Period ended on 31 st March, 2021 |
|--|---|---|
| (a) Interest income on restructuring | 67,999.95 | 71,828.51 |
| (b) Non- interest income | 61,086.02 | 20,280.09 |
| (c) Profit on Resolution of Financial Assets | 393,605.41 | 6,428.53 |
| TOTAL | 522,691.38 | 98,537.13 |

(All Amounts are in '000 (₹), unless otherwise specified)

Note No. '14'**OTHER INCOME**

| | For the Period ended on 31 st March, 2022 | For the Period ended on 31 st March, 2021 |
|--------------------------|---|---|
| (a) Interest on : | | |
| - Deposits with Banks | 3,451.02 | 1,970.05 |
| (b) Miscellaneous Income | 80.69 | - |
| TOTAL | 3,531.17 | 1,970.05 |

Note No.'15'**EMPLOYEE BENEFIT EXPENSES**

| | For the Period ended on 31 st March, 2022 | For the Period ended on 31 st March, 2021 |
|--|---|---|
| (a) Salaries, Wages and Allowances | 31,259.82 | 35,383.42 |
| (b) Contribution to Provident and other fund | 1,162.10 | 906.39 |
| (c) Staff Welfare expenses | 762.69 | 699.02 |
| TOTAL | 33,184.61 | 36,988.83 |

Note No.'16'**FINANCE COSTS**

| | For the Period ended on 31 st March, 2022 | For the Period ended on 31 st March, 2021 |
|---|---|---|
| (a) Interest expenses on bank borrowings | 78,448.14 | 125,424.75 |
| (b) Interest expenses on ICDs | 41,458.87 | 25,663.21 |
| (c) Interest expenses on NCDs | 80,561.76 | 60,904.64 |
| (d) Processing fee and Other charges on OD facility | 7,057.15 | 8,216.57 |
| TOTAL | 207,525.92 | 220,209.17 |

Note No.'17'**OPERATIVE EXPENSES**

| | For the Period ended on 31 st March, 2022 | For the Period ended on 31 st March, 2021 |
|---|---|---|
| Valuation, Due Diligence & Legal Expenses | 543.50 | 304.81 |
| Travelling Expenses | 134.07 | 318.17 |
| Legal & Professional Expenses-Direct | 13,992.75 | 11,807.78 |
| Insurance Expenses - Direct | 737.42 | 746.00 |
| Security Guard Expenses | 279.11 | 1,878.57 |
| Publication Charges | 97.60 | 345.85 |
| Assignment Deed Registration charges | 693.46 | - |
| Other Direct Expense | 5,690.43 | 3,038.28 |
| TOTAL | 22,168.34 | 18,439.46 |

(All Amounts are in '000 (₹), unless otherwise specified)

Note No.'18'**ADMINISTRATIVE AND OTHER EXPENSES**

| | For the Period ended on 31 st March, 2022 | For the Period ended on 31 st March, 2021 |
|---|---|---|
| Auditor's fees | | |
| - Statutory Audit | 150.00 | 196.31 |
| - Internal Audit | 193.43 | 198.63 |
| - Secretarial Audit | 75.00 | 75.00 |
| Bank Charges | 8.60 | 6.83 |
| Books & periodicals | 23.92 | 44.38 |
| Business Promotion Expenses | 1,447.02 | 496.19 |
| Commission & Brokerage | 50.00 | - |
| Consultancy Expenses | 4,105.44 | 4018.03 |
| CSR Expenditure | - | 1,508.36 |
| Directors sitting Fees | 948.68 | 840.69 |
| Electricity Expenses | 619.18 | 494.69 |
| Insurance expenses | 91.30 | 104.11 |
| Legal & Professional Expenses | 4,957.19 | 11,197.87 |
| Meeting Expenses | 31.86 | - |
| Membership & Subscription | 381.83 | 339.13 |
| Repair & Maintenance | 662.12 | 689.04 |
| Postages, Courier & Stamps | 77.77 | 49.27 |
| Printing & Stationery | 379.41 | 251.11 |
| Rates & Taxes | 2,420.76 | 3,412.62 |
| Rent | 6,988.99 | 4,814.70 |
| Software and Website Maintenance Expenses | 737.35 | 491.56 |
| Telephone & Communication Expenses | 397.11 | 449.16 |
| Travelling And Conveyance Expenses | 2,035.66 | 2,489.47 |
| Vehicle Running And Maintenance Expenses | 714.52 | 934.79 |
| Miscellaneous expenses | 446.91 | 390.92 |
| TOTAL | 27,944.05 | 33,492.86 |

Note No. '19'**Provision for NPA and Diminishing in Value of Investment**

| | For the Period ended on 31 st March, 2022 | | For the Period ended on 31 st March, 2021 | |
|--|---|-----------|---|-----------|
| Secured, Considered NPA | | | | |
| M/s Lilliput Kidswear Ltd. | 18,195.22 | - | 18,195.22 | 4,548.81 |
| M/s Chandra Proteco Ltd. | 20,250.00 | - | 20,250.00 | 5,062.50 |
| M/s Maa Durga Thermal Power Company Ltd. | 31,250.00 | 15,625.00 | 31,250.00 | 3,906.25 |
| M/s Majestic Hotels Ltd. | 202,988.40 | 81,195.36 | 202,988.40 | 20,298.84 |
| M/s DSC | 675,000.00 | 84,375.00 | - | - |
| M/s MSM Energy Ltd. | 12,600.00 | 1,575.00 | - | - |
| M/s. Shri Mitra Gyan Siksha Samiti | 9,879.90 | - | 9,879.90 | 3,851.96 |
| TOTAL | 182,770.36 | | 37,668.36 | |

The Provision for NPA is as per RBI Circular No. RBI/2022-23/03 DOR.SIG.FIN.REC 1/26.03.001/2022-23 dated April 01, 2022

UV Asset Reconstruction Company Limited
Notes Forming part of the Financial Statements
(All amounts are in '000 (₹) , unless otherwise specified)

Note No. '6'

PROPERTY, PLANT & EQUIPMENT

Movable Assets

| DESCRIPTION | GROSS BLOCK | | | (AT COST) | DEPRECIATION | | NET BLOCK | | |
|------------------------------|---------------------|--|---|---------------------|--------------------|--------------------------------|-------------------------------------|---------------------|---------------------|
| | As at 01.04.2021 | Additions/ Adjustments during the period | Sales/ Adjustments during the period | As at 31.03.2022 | Upto 01.04.2021 | Additions during the period | Adjustments during the period | As at 31.03.2022 | As at 31.03.2021 |
| <u>Tangible Assets (A)</u> | | | | | | | | | |
| Office Equipment | 2,259.75 | 13.00 | - | 2,272.75 | 1,337.18 | 324.01 | - | 611.56 | 922.57 |
| Data Processing Equipment | 1,492.01 | 647.29 | 59.46 | 2,079.84 | 1,136.12 | 201.03 | - | 742.69 | 355.89 |
| Vehicles | 4,374.60 | - | - | 4,374.60 | 1,692.78 | 519.49 | - | 2,162.32 | 2,681.81 |
| Furniture & Fixture | 4,421.21 | 141.50 | - | 4,562.71 | 1,533.88 | 420.54 | - | 2,608.29 | 2,887.33 |
| TOTAL (A) | 12,547.56 | 801.79 | 59.46 | 13,289.90 | 5,699.96 | 1,465.07 | - | 6,124.86 | 6,847.60 |
| <u>Intangible Assets (B)</u> | | | | | | | | | |
| Software | 1,813.26 | 199.57 | - | 2,012.83 | 624.23 | 176.52 | - | 1,212.08 | 1,189.03 |
| TOTAL (B) | 1,813.26 | 199.57 | - | 2,012.83 | 624.23 | 176.52 | - | 1,212.08 | 1,189.03 |
| TOTAL (A+B) | 14,360.82 | 1,001.36 | 59.46 | 15,302.72 | 6,324.19 | 1,641.59 | - | 7,336.94 | 8,036.63 |
| Previous Period | 13,718.50 | 642.32 | - | 14,360.82 | 4,672.02 | 1,652.17 | - | 8,036.63 | 9,046.48 |

UV Asset Reconstruction Company Limited
Notes Forming part of the Financial Statements
(All amounts are in '000 (₹), unless otherwise specified)

Note 20 : The accounting ratios required under Schedule III of the Companies Act, 2013 given as follows:

| S. No | Ratio | Numerator/ Denominator | For the year ended 31 st March 2022 | For the year ended 31 st March 2021 | Variance (in %) |
|-------|-------------------------------|--|--|--|-----------------|
| 1 | Current ratio | Total current assets/ Total current liabilities | 1.64 | 1.46 | 12.32% |
| 2 | Debt-equity ratio | Total Debt/ Shareholder's equity | 1.30 | 1.73 | -24.83% |
| 3 | Debt service coverage ratio | Net profit after tax (excluding Other Comprehensive Income)+ Depreciation & amortizations +Interest on loans+Loss on sale of PPE/Total amount of interest & principle repayments of loan payable or paid during the period | 1.18 | 0.12 | 858.30% ** |
| 4 | Return on equity ratio | Net profit after tax*100/ Shareholder's equity | 2.49 | (15.45) | -116.14% * |
| 5 | Inventory turnover ratio | Cost of goods sold/ (Opening inventory+closing inventory)/2 | - | - | - |
| 6 | Trade payables turnover ratio | Total Purchases/ Average Account Payables (Opening+Closing)/2 | - | - | - |
| 7 | Net Capital turnover ratio | Total Net Revenue from operations/ Working capital (Current Assets-Current liabilities) | 1.38 | 0.34 | 310.94% * |
| 8 | Net Profit ratio | Net Profit after tax*100/ Net Revenue from operations | 6.81 | (187.62) | -103.63% * |
| 9 | Return on capital employed | Earning Before interest and Tax/ Capital Employed (Tangible Net worth+ Total Debt+ Deferred tax liability) | 0.22 | 0.18 | 25.87% ** |
| 10 | Return on Investment | Net Operating Income(EBIT)/ Average Operating Assets (Current Assets) | 0.70 | 0.61 | 15.23% |

*1 Increase in Revenue

**2 Increase in Revenue and Repayment of Borrowings

Note 21 Other information

- (i) The Company does not have any immovable property in its own name.
- (ii) The Company has not granted any Loans or Advances to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person
- (iii) The Company does not have any Intangible assets under development.
- (iv) The Company has absolutely used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.
- (v) During the year Company is not covered under Section 135 of the Companies Act, 2013.
- (vi) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (vii) The Company did not have any transactions with Companies struck off.
- (viii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

- (ix) The Company has not traded or invested in Crypto currency or Virtual Currency during the respective financial years / period.
- (x) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (xi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (xii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (xiii) The Company has not been declared willful defaulter by any bank or financial Institution or other lender.
- (xiv) The Company does not have any Scheme of Arrangements which have been approved by the Competent Authority in terms of sections 230 to 237 of the Act.
- (xv) The Company has complied with the the number of layers prescribed under of Section 2(87) of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (xvi) The Company has complied with filling of statement of inventories and trade receivables as per covenants stated in sanction letter to the banks for working capital loan.
- (xvii) Previous Year figures have been rearranged/regrouped wherever considered necessary .

UV Asset Reconstruction Company Limited

Note No. -'22'. SIGNIFICANT ACCOUNTING POLICIES

(I) Background:

The Company was incorporated under the Companies Act, 1956 on August 23, 2007, as a public limited company in India and the Registrar of Companies, New Delhi has issued a "Certificate of Commencement of Business" dated September 17, 2007.

UV Asset Reconstruction Company Limited is registered with Reserve Bank of India as an Asset Reconstruction Company (ARC) to carry on the business of Securitisation and Reconstruction under the provisions of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) from June 17, 2011. The Company commenced its Business as an Asset Reconstruction Company w.e.f. July 15, 2011.

(II) SIGNIFICANT ACCOUNTING POLICIES:

(i) Basis for preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP) in India, the provisions of the Companies Act, 2013 and applicable accounting standards specified under section 133 of the Companies Act, 2013 ('the 2013 Act'), as applicable and the guidelines/directions issued by the Reserve Bank of India (RBI) from time to time. The financial statements are presented in Indian Rupees rounded off to the nearest rupee. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year, unless disclosed in the Notes to Accounts.

In case of any inconsistency with the AS guidelines and directions given by RBI, the RBI instructions will be followed.

(ii) Property, Plant and Equipment, Intangible Assets and Depreciation/Amortization:

Tangible fixed assets and depreciation

Tangible fixed assets acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition cost of Fixed Assets includes the purchase price and expenses, such as delivery and handling costs, installation, directly attributable to bringing the asset in working condition for its intended use.

Depreciation on fixed assets is provided for on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The residual value of all the assets is retained at 5% of Purchase Price.

Intangible assets and Amortization

Intangible assets comprise mostly computer softwares.

Intangible assets are reported at acquisition cost with deductions for accumulated amortization and impairment losses, if any.

Intangible assets are amortised on "Straight Line Method" over their estimated useful lives.

All categories of assets costing up to Rs. 5,000 each are expensed off in the year of purchase.

(iii) Revenue recognition

Revenue of the Company is derived by way of interest charged to the borrowers, consultancy fee, processing fees, Management Fees, Recovery Incentive, Profit on sale of Assets and interest income on Bank deposits etc. As a prudent measure and considering the inbuilt uncertainty in company's line of business, the income (other than interest on Bank deposits and Dividend income) is recognized earned and realized on actual realization basis.

Interest Income on Bank deposits is recognized on accrual basis. All other income is recognized on actual realization.

Dividend income is recognized when the right to receive dividend is established.

In case of any inconsistency with the AS guidelines and directions given by RBI, the RBI instructions will be followed.

In Case of Financial Assets acquired in Trust on 100% SR Basis, Income attributable to trust will be transferred to Company (SR Holder).

(iv) Taxation

Income tax expenses comprise current tax (i.e. the amount of tax for the period determined in accordance with the income tax laws) and deferred tax charge or credit (reflecting the tax effects of timing differences between the accounting income and the taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using tax rates that have been enacted, or substantively enacted, at the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is a virtual certainty that the assets can be realised in the future.

(v) Earning Per Share

EPS is calculated by dividing net profit or loss for the period attributable to equity shareholders by weighted average of equity shares outstanding during the period.

(vi) Leases**Operating Lease**

Lease payments shall be recognized as an expense on straight line basis or other systematic basis.

(vii) Employee Benefits

Company's contribution to P.F/Pension Plan etc. and ESI are as per prevailing law in this regard.

Gratuity – Contribution is deposited with Life Insurance Corporation of India as per actuarial valuation on the Projected Unit Credit method and on intimation being received from them.

(viii) Cash Flow Statements

Cash flow statement is prepared in accordance with "indirect method" for operating activities and "direct method" for investing and financing activities.

(ix) Operating Cycle

All the liabilities due within one year are "current liabilities" and assets maturing within one year are "current assets".

Note No. – '23'. NOTES TO ACCOUNTS:
(All amounts are in '000 (₹), unless otherwise specified)

(I) Earnings per share :

| Particulars | For the year ended 31 st March 2022 | For the year ended 31 st March 2021 |
|--|---|---|
| Net Profit after Tax (Rs.) | 35,619.14 | (1,84,876.61) |
| Weighted average number of equity shares outstanding during the year | 4,20,25,000 | 4,20,25,000 |
| Nominal value of the share (Rs) | 10 | 10 |
| Basic earnings per share (Rs.) | 0.85 | (4.40) |

(II) Leasing Arrangements:

The Company has entered into operating lease arrangement of office space for registered office at 704, Deepali Building 92, Nehru Place New Delhi-110019 for 3 years w.e.f. April 2021 to March 2024; Corporate Office-I (1304, 13th Floor Chiranjiv Tower, Building No.. 43, Nehru Place, New Delhi-110019) for 3 years w.e.f. September, 2020 to August, 2023 Corporate office-II (1303, 13th Floor Chiranjiv Tower, Building No.. 43, Nehru Place, New Delhi-110019) for 3 years w.e.f. June, 2018 to May, 2021 and further renewed for 3 years w.e.f. 1 June, 2021 to 31st May, 2024 Corporate office-III (1305, 13th Floor Chiranjiv Tower, Building No.. 43, Nehru Place, New Delhi-110019) for 2 years w.e.f. October, 2021 to September, 2023 Mumbai Office of the Company for 5 years w.e.f. August, 2019 to July, 2024.

Lease payments charged during the year to the Profit and Loss Account amounting to Rs.6,988.99 /- (Previous year Rs. 4,814.70/-).

(III) Related party disclosures

| (i) Related parties and nature of related party relationship with whom transactions have taken place during the current and previous period: | |
|--|---|
| Key Managerial personnel | Ms. Shilpi Sharma, Whole Time Director & Executive Vice Chairperson (till July 17, 2021) Mr. Ritesh Aggarwal, Executive Cum Whole Time Director & CFO (designated as Executive Cum Whole Time Director & CFO w.e.f. 12.01.2022) Ms. Gurpreet Kaur, Executive Cum Whole Time Director (designated as Executive Cum Whole Time Director w.e.f. 12.01.2022) Mr. Shubham Bansal, Company Secretary (designated as Company Secretary w.e.f. 12.01.2022) |
| Related Parties | Ms. Shilpi Sharma (till July 17, 2021) Whole Time Director & Executive Vice Chairperson Mr. Pramod Sharma, Corporate Advisor Hawk Capital Private Limited |

Transactions with Key Managerial Personnel:

| Type of Transaction | 2021-22 | | | | | | 2020-21 | | | |
|--------------------------------|--------------------------|---------------------|-----------|-------------------|--------|-------------------------|--------------------------|---------------------|-------------------|-------------------------|
| | Key Managerial personnel | | | | | | Key Managerial personnel | | | |
| | Ms. Shilpi Sharma | Mr. Ritesh Aggarwal | | Ms. Gurpreet Kaur | | Mr. Shubham Bansal (CS) | Ms. Shilpi Sharma | Mr. Ritesh Aggarwal | Ms. Gurpreet Kaur | Mr. Shubham Bansal (CS) |
| | | CFO | WTD & CFO | CS | WTD | | | | | |
| Managerial Remuneration | 3,726.97 | 4,513.32 | 1,246.69 | 1,692.49 | 467.51 | 177.19 | 8,500.00 | 5,480.00 | 2,024.40 | - |

Transactions with Related Parties:

| Type of Transaction | 2021-22 | | | 2020-21 | | |
|--|-------------------|-------------------|------------------------|-------------------|-------------------|------------------------|
| | Related Parties | | | Related Parties | | |
| | Ms. Shilpi Sharma | Mr. Pramod Sharma | Hawk Capital Pvt. Ltd. | Ms. Shilpi Sharma | Mr. Pramod Sharma | Hawk Capital Pvt. Ltd. |
| Consultancy Fees /Professional Retainership Charges | - | 3,600.00 | - | - | 3,600.00 | - |
| Rent Paid | - | 744.00 | - | 558.00 | - | - |
| Interest paid on loan | - | - | 7,085.74 | - | - | 105.55 |
| Loan Repaid | - | - | 2,43,800.00 | - | - | 49,000.00 |

- (IV) There is no disclosure as required by sub-section 4 of section 186 of the Companies Act, 2013 during Financial Year 2021-22.
- (V) These financial statements have been prepared in the format prescribed by the Schedule III to the Companies Act, 2013. Previous period figures have been restated to confirm the classification of the current period.
- (VI) The Security Receipts issued by the Trusts which are managed by the Company as managing trustee are being rated by Credit Rating Agencies in accordance with the guidelines issued by Reserve bank of India for credit rating of SRs' of Trusts.
- (VII) (a) Expenditure in Foreign Currency - UAE Dirhams 10000
(b) Earning in Foreign Currency - NIL
- (VIII) Contingent Liability as on March 31, 2022.
- (a) Claims against the company not acknowledged as debt - Rs. 32,378.40/-
(Stamp duty demand cases pending with Hon'ble High Court, Allahabad for getting this liability quashed)
- (b) Bank Guarantee / Performance Guarantee - Rs. 3,62,000.00/-
- (IX) Expenditure towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 (read with schedule VII thereof)
- (a) Gross Amount required to be spent by the Company during the year- Rs. Nil
(Previous Year – Rs.1,508.36/-)
- (b) Amount spent and paid during the year by way of donations to charitable trusts- Rs. Nil (Previous Year – Rs.1,508.36/-)
- (X) **Additional disclosure**

In compliance of RBI guidelines following additional disclosures are made:

- (i) Names and address of the banks / financial institutions from whom financial assets were acquired and the value at which such assets was acquired from each such banks / financial institutions:

| Name of the selling bank/ financial institutions | Address of Banks/ FIs Head Offices | Acquisition Price as on 31 st March, 2021 | Acquisition during the year | Acquisition Price as on 31 st March, 2022 |
|--|--|--|-----------------------------|--|
| <u>Sponsors</u> | | | | |
| Central Bank of India * | Chandermukhi, Nariman Point, Mumbai – 400021 | 57,000.00 | Nil | 57,000.00 |
| Sponsors Total | | 57,000.00 | Nil | 57,000.00 |
| <u>Non-Sponsors</u> | | | | |
| Punjab National Bank | 7, Bhikaji Cama Place, New Delhi | 64,229.00 | Nil | 64,229.00 |

| | | | | |
|---|---|-------------|-------------|--------------|
| IDBI Bank | IDBI Tower, WTC Complex, Cuffe Parade, Mumbai- 400005 | 3,08,964.00 | Nil | 3,08,964.00 |
| The administrator of the Specified Undertaking of the Unit Trust of India | UTI Tower, GN Block, Bandra, Kurla Complex, Bandra (East), Mumbai- 400051 | 6,170.77 | Nil | 6,170.77 |
| Vijaya Bank | Vijaya Bank, 41/2, Trinity Circle, M. G. Road, Bangalore -560001 | 42,392.14 | Nil | 42,392.14 |
| Indian Overseas Bank | 763, Anna Salai, Chennai- 600002 | 11,180.00 | Nil | 11,180.00 |
| IFCI Ltd. | 61, IFCI Tower, Nehru Place, New Delhi-110019 | 6,02,630.75 | Nil | 6,02,630.75 |
| Karnataka Bank | Karnataka Bank Limited, Mahaveera Circle, Kankanady, Mangaluru, Karnataka - 575 002. | 9,500.00 | Nil | 9,500.00 |
| State Bank of India | Corporate Centre, Madam Cama Road, Nariman Point, Mumbai-400021 | 8,18,913.02 | 4,95,000.00 | 1,313,913.02 |
| Bank Of Baroda | Baroda Corporate Centre, Plot No. C -26, G -Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400051 | 1,29,500.00 | Nil | 1,29,500.00 |
| Union Bank of India | 239, Union Bank Bhavan,, Vidhan Bhavan Marg, Nariman Point Mumbai- 400 021 | 38,900.00 | Nil | 38,900.00 |
| Axis Bank | Axis Bank Limited, 'TRISHUL' 3 rd floor, Opp. Samartheshwar Temple, Nr. Law Garden, Ellisbridge, Ahmadabad- 380006 | 2,05,000.00 | Nil | 2,05,000.00 |
| Allahabad Bank | N.S. Road, Kolkata- 700001 | 3,11,400.00 | Nil | 3,11,400.00 |
| State Bank of Patiala | Commercial Branch, Atlanta, Ist Floor, Jamnalal Bajaj Marg, Nariman Point, Mumbai- v 400021 | 43,550.00 | Nil | 43,550.00 |
| Standard Chartered Bank | Mezzanine & Alternative Solutions Crescenzo, 7 th Floor, C-38/39, G-Block, Behind MCA Club, Bandra Kurla Complex, Bandra (East), Mumbai-400051 | 1,95,000.00 | Nil | 1,95,000.00 |
| SIDBI | Ground Floor, Videocon Tower, E-1 Rani Jhansi Road, Jhandewalan Extension, New Delhi- 110055. | 52,500.00 | Nil | 52,500.00 |

| | | | | |
|--------------------------------|---|-----------------------|--------------------|-----------------------|
| SREI | SREI Infrastructure Finance Limited 'Vishwakarma' 86C, Topsia Road (South) Kolkata-700046 | 83,10,000.00 | 23,000.00 | 83,33,000.00 |
| Andhra Bank | Head office, Dr. Pattabhi Bhawan, S-9-11, Saifabad, Hyderabad-500004. | 2,60,000.00 | Nil | 2,60,000.00 |
| United Bank of India | Head office, 11 Hemanta Basu Salani, Kolkata-700001. | 12,36,800.00 | Nil | 12,36,800.00 |
| TFCI | Tower I, 4 th Floor, NBCC Plaza, Pushp Vihar, Sector-5, Saket, New Delhi-110017. | 1,02,314.48 | Nil | 1,02,314.48 |
| RBL | 1st Lane, Shahpuri, Kohlapur-416001, Maharashtra. | 4,08,640.00 | Nil | 4,08,640.00 |
| Central Bank of India * | Chandermukhi, Nariman Point, Mumbai – 400021 | 2,22,500.00 | Nil | 2,22,500.00 |
| Centrum Financial services Ltd | Centrum House, CST Road, Vidyanagri Marg, Kalina, Santacruz(E), Mumbai-400098 | 1,04,200.00 | Nil | 1,04,200.00 |
| Indiabulls Housing Finance Ltd | M-62, 63 First Floor, Connaught New Delhi-110001 | Nil | 1,10,000.00 | 1,10,000.00 |
| Non Sponsors Total | | 1,34,84,284.16 | 6,28,000.00 | 1,41,12,284.16 |
| Grand Total | | 1,35,41,284.16 | 6,28,000.00 | 1,41,69,284.16 |

Note: - * Central Bank of India was sponsor at the time of acquisition but now not a sponsor.

Note: Company additionally lent Rs. 1,27,703.61/- to borrowers as reconstruction loan up to 31st March, 2022. Thus, the amount of asset acquired and additional exposure till 31st March, 2022 is Rs. 1,42,96,987.78/-.

(ii) Dispersion of various financial assets industry-wise:

| Industry | Acquisition Price as on 31 st March, 2021 | | Acquisition during the year | | Acquisition Price as on 31 st March, 2022 | |
|-------------------|--|------------|-----------------------------|------------|--|------------|
| | Amount | % to total | Amount | % to total | Amount | % to total |
| Textile | 4,24,129.00 | 3.13% | - | - | 4,24,129.00 | 2.99% |
| Auto & Ancillary | 1,77,316.33 | 1.31% | - | - | 1,77,316.33 | 1.25% |
| Consumer Products | 3,89,972.14 | 2.88% | - | - | 3,89,972.14 | 2.75% |
| Engineering | 14,663.02 | 0.11% | - | - | 14,663.02 | 0.10% |
| Animal Husbandry | 88,000.00 | 0.65% | - | - | 88,000.00 | 0.62% |
| Food Processing | 8,19,240.00 | 6.05% | - | - | 8,19,240.00 | 5.78% |
| Oil Extraction | 2,81,300.00 | 2.08% | - | - | 2,81,300.00 | 1.99% |

| | | | | | | |
|---------------------|-----------------------|----------------|--------------------|----------------|-----------------------|----------------|
| Readymade Garments | 2,60,000.00 | 1.92% | - | - | 2,60,000.00 | 1.83% |
| Steels | 28,80,200.00 | 21.27% | - | - | 28,80,200.00 | 20.33% |
| Infrastructure | 46,60,000.00 | 34.41% | 6,05,000.00 | 96.34% | 52,65,000.00 | 37.16% |
| Power | 2,09,000.00 | 1.54% | - | - | 2,09,000.00 | 1.48% |
| Education | 55,200.00 | 0.41% | - | - | 55,200.00 | 0.39% |
| Hospitality | 2,74,063.66 | 2.02% | - | - | 2,74,063.66 | 1.93% |
| Cold Storage | 3,50,600.00 | 2.59% | - | - | 3,50,600.00 | 2.47% |
| Industrial Products | 1,35,000.00 | 1.00% | - | - | 1,35,000.00 | 0.95% |
| Chemicals | 1,91,800.00 | 1.42% | - | - | 1,91,800.00 | 1.35% |
| Media | 14,10,000.00 | 10.41% | - | - | 14,10,000.00 | 9.95% |
| Cement | 7,17,500.00 | 5.30% | - | - | 7,17,500.00 | 5.06% |
| Packing | 92,500.00 | 0.68% | 23,000.00 | 3.66% | 1,15,500.00 | 0.82% |
| NBFC | 59,400.00 | 0.44% | - | - | 59,400.00 | 0.42% |
| Others | 51,400.00 | 0.38% | - | - | 51,400.00 | 0.36% |
| Total | 1,35,41,284.16 | 100.00% | 6,28,000.00 | 100.00% | 1,41,69,284.16 | 100.00% |

(iii) A Statement of migration of Financial assets from Standard to Non-Performing Assets:

| Particulars | 2021-22 | 2020-21 |
|---|--------------------------|--------------------------|
| Opening Balance | Rs. 2,12,868.30/- | Rs.10,879.90/- |
| Add: Migration of financial assets from Standard to Non-Performing Assets during the year | - | Rs. 2,02,988.40/- |
| Less: Non-Performing Assets resolved during the year | - | 1,000.00/- |
| Closing Balance | Rs. 2,12,868.30/- | Rs. 2,12,868.30/- |

- (iv) The accounting policies adopted by the Company in preparation and presentation of the financial statements are in conformity with the applicable prudential norms prescribed by the RBI.
- (v) The Details of Related parties, as per Accounting Standard and guidance notes issued by ICAI, has been mentioned under Note No. 21 (III). Further nothing is due from any related parties as on 31st March, 2022.
- (vi) The capital adequacy ratio (CRAR) as on 31.03.2022 is 44.90%.
- (vii) The Value of SRs declined by 12.50% in UVARCL-III Trust and UVARCL IV Trust, additional declined by 50% in UVARCL-II Trust during the financial year 2021-22 and Provision for Diminishing in Value of Investment of Rs. 84,375.00/- in UVARCL-III Trust, Rs. 15,625.00/- in UVARCL-II Trust and Rs. 1,575.00/- in UVARCL-IV Trust has been made respectively during the financial year 2021-22.

(viii) Additional disclosure as per RBI Notification No. DNBS.PD (SC/RC). 8/CGM (ASR) dated April 21, 2010:

| Particulars | Amount in Rs. (Face Value) |
|---|-------------------------------|
| Value of financial assets acquired during the financial year either in its own books or in the books of the trust | 6,28,000.00 |
| Value of financial assets realized during the financial year | 6,60,271.76 |
| Value of financial assets outstanding for realization as at the end of the financial year | 100,78,732.86 |
| Value of Security Receipts redeemed partially during the financial year | 1,98,813.52 |
| Value of Security Receipts redeemed fully during the financial year | 23,000.00 |
| Value of Security Receipts pending for redemption as at the end of the financial year | 97,15,391.93 |
| Value of Security Receipts which could not be redeemed as a result of non-realization of the financial asset as per the policy formulated by the Asset Reconstruction company under Paragraph 7(6)(ii) or 7(6)(iii) | Nil |
| Value of land and/or building acquired in ordinary course of business of reconstruction of assets | Nil |

For RK Mahaseth & Co.
Chartered Accountants
FRN: 022140N

Sd/-
Ram Kumar Mahaseth
Proprietor
M.N. 511641

For UV Asset Reconstruction Company Limited

Sd/-
(P. P. Naolekar)
Chairman
DIN: 02654305

Sd/-
(Dhan Raj)
Director
DIN: 08262126

Sd/-
(Ritesh Aggarwal)
Executive Director & CFO
DIN: 07671600

Sd/-
(Gurpreet Kaur)
Executive Director
DIN: 08821946

Sd/-
(Shubham Bansal)
Company Secretary
M.No.: A49036

Date: September 06, 2022
Place: New Delhi



UV Asset Reconstruction Company Limited

"Restoring NPAs Back to Health"

Regd. Office : 704 Deepali Building, 92, Nehru Place, New Delhi-110019

Tel. : +91-11-41055576, 41038818, Fax: 011-40501824 | Email : uvarcl@gmail.com | Website: www.uvarcl.com

CIN (Corporate Identity Number) : U74900DL2007PLC167329

Form No. MGT-11

Proxy Form

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

CIN: U74900DL2007PLC167329

Name of the Company: UV Asset Reconstruction Company Limited

Registered Office: 704, Deepali Building, 92 Nehru Place, New Delhi-110019

Name of the Member(s):

Registered Address:

E- Mail Id:

Folio No. / DP ID Client ID No:

I/We, being the member(s) of shares of the above named company, hereby appoint

1. Name: Email:
Address:
.....Signature..... Or failing him/her
2. Name: Email:
Address:
.....Signature..... Or failing him/her
3. Name: Email:
Address:
.....Signature..... Or failing him/her

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 15th Annual General Meeting of the Company, to be held on **Friday, September 30, 2022 at 11:30 A.M. at UV Asset Reconstruction Company Limited: Corporate Office: 1304/ 1304A, Chiranjeev Tower, 43, Nehru Place, New Delhi-110019** and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No: | Resolutions | Optional* | |
|----------------|---|-----------|---------|
| | | For | Against |
| 1. | To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2022 together with the Reports of the Board of Directors and the Auditors thereon. | | |
| 2. | To declare dividend on 0.01% Compulsorily Convertible Preference shares (CCPS) of the Company for the financial year ended March 31, 2022. | | |
| 3. | To appoint a Director in place of Mr. Hari Hara Mishra (DIN: 07310056) who retires by rotation and being eligible offers himself for re-appointment. | | |
| 4. | To appoint To appoint M/s J. P. Kapur & Uberai, Chartered Accountants as Statutory Auditors of the Company. | | |
| 5. | To re-appoint Mr. Uma Shankar Paliwal (DIN: 06907963) as an Independent Director of the Company for the second consecutive term. | | |

Signed this..... day of2022

Signature of Member

Signature of Proxy holder(s)

Affix
Revenue
Stamp
Re.1

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



UV Asset Reconstruction Company Limited

"Restoring NPAs Back to Health"

Regd. Office : 704 Deepali Building, 92, Nehru Place, New Delhi-110019

Tel. : +91-11-41055576, 41038818, Fax: 011-40501824 | Email : uvarcl@gmail.com | Website: www.uvarcl.com

CIN (Corporate Identity Number) : U74900DL2007PLC167329

ATTENDANCE SLIP

Name of the Company: UV Asset Reconstruction Company Limited

Registered Address: 704, Deepali Building, 92 Nehru Place, New Delhi-110019

CIN: U74900DL2007PLC167329

Email: uvarcl@gmail.com

Telephone: 011-41038918, 011-41055576

Website: www.uvarcl.com

Folio No. / DP ID Client ID No.:

Name of First named Member/Proxy/

Authorised Representative:

Name of Joint Member(s), if any:

No. of Shares held:

I/we certify that I/we am/are member(s)/proxy for the member(s) of the Company.

I/we hereby record my/our presence at the 15th Annual General Meeting of the Company being held on **Friday, September 30, 2022 at 11:30 A.M.** at UV Asset Reconstruction Company Limited: Corporate Office: 1304/ 1304A Chiranjeev Tower, 43, Nehru Place, New Delhi-110019.

Signature of First holder/Proxy/Authorised Representative:

Signature of 1st Joint holder:

Signature of 2nd Joint holder:

Notes:

1. Please sign this attendance slip and hand it over at the Attendance Verification Counter at the MEETING VENUE.

2. Only shareholders of the Company and/or their Proxy will be allowed to attend the Meeting.



UV ASSET RECONSTRUCTION COMPANY LIMITED

"Restoring NPAs back to health"

CIN No: U74900DL2007PLC167329

Email: uvarcl@gmail.com

Contact Us:

Registered Office

704, Deepali Building, 92,
Nehru Place, New Delhi-110019
Tel: 011- 2648 2050

Corporate Office

1304/1304A, 13th Floor, Chiranjiv Tower-43
Nehru Place, New Delhi-110019
Tel: 011- 4105 5576, 41038818

Mumbai Office

B wing 1013, Kanakia Wall Street, Chakala
Andheri Kurla Road, Andheri (E)
Mumbai- 400093
Tel: 022- 6239 6078