



**UV ASSET  
RECONSTRUCTION  
COMPANY LIMITED**

*"Restoring NPAs back to health"*

**ANNUAL  
REPORT**

2022 - 23



# 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,

I am delighted to present to you our Annual Report for the FY 2022-23. Reflections on the year gone by I feel proud of the way UVARCL has navigated through a volatile and challenging environment in FY 2022-23.

I am truly proud to be a part of this legacy and am committed to building on it in the years to come. We will continue to preserve the core values that have made us successful and keep pushing boundaries.

### Future Outlook

As per the Reserve Bank of India's (the "RBI") report, the GNPA ratio of Scheduled Commercial Banks (SCBs) are declining, however with the sharp acceleration in credit growth particularly, retail loans suggest that concentration in retail loans may become a source of systemic risk. It would lead to opportunities for ARCs for acquisitions of retail loans besides persisting stress in MSME and large corporate accounts.

We find ourselves at a pivotal moment, where RBI amended regulatory framework for Asset Reconstruction Companies ("ARCs") towards strengthening and streamlining ARC framework for resolution of stressed assets. The amended guidelines introduced a more flexible approach by enabling ARCs to invest in the SRs at a minimum of either 15% of transferors' investment in the SRs or 2.5% of the total SRs issued, whichever is higher, vis-à-vis the previous requirement of 15% of total SRs issued in all cases. It is expected to result in better capital utilization, participation in more and large value accounts and efficiently utilizing our resources and contributing towards Nation building.

Best wishes  
Justice (Retd.) Prakash Prabhakar Naolekar  
Chairman and Independent Director

## OUR BOARD MEMBERS



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

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CHAIRMAN AND  
INDEPENDENT DIRECTOR



**MR. RITESH  
AGGARWAL**

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EXECUTIVE CUM  
WHOLE TIME DIRECTOR  
& CFO



**MS. GURPREET  
KAUR**

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EXECUTIVE CUM  
WHOLE TIME DIRECTOR



**MR. UMA SHANKAR  
PALIWAL**

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INDEPENDENT  
DIRECTOR



**MR. KISHORE KUMAR  
SANSI**

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INDEPENDENT  
DIRECTOR



**MR. DHAN RAJ**

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INDEPENDENT  
DIRECTOR

# CORPORATE INFORMATION

## DIRECTORS

**Justice (Retd.)  
Prakash Prabhakar Naolekar**  
Chairman And 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 Sansi**  
Independent Director

**Mr. Dhan Raj**  
Independent Director

## SENIOR EXECUTIVES

**Mr. Ritesh Aggarwal**  
Chief Financial Officer

**Mr. Tushar Chaudhary**  
Chief Investment & Strategy Officer

## COMPANY SECRETARY

**Ms. Daljeet Kaur**

## OTHER INFORMATION

**Registrar & Share Transfer Agent**  
MCS Share Transfer Agent Ltd.

**Statutory Auditors**  
M/s J. P., Kapur & Uberai  
Chartered Accountants

**Internal Auditors**  
M/s Dinesh K. Sharma & Associates  
Chartered Accountants

**Secretarial Auditor**  
M/s Iqneet Kaur & Co.  
Practicing Company Secretary

## COMMITTEES OF BOARD

**Audit Committee**

**Nomination and Remuneration  
Committee**

**Corporate Social Responsibility  
Committee**

**Credit Committee**

## BANKERS

**Punjab National Bank**

**Central Bank of India**

## **NOTICE**

**Notice** is hereby given that the **16<sup>th</sup>** Annual General Meeting ("AGM") of the Members of the Company will be held on **Saturday, the 30<sup>th</sup> day of September, 2023 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, 2023 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, 2023 together with the Directors' Report and the Auditor's Report thereon as presented to the members 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, 2023.**

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, 2023."

### **Special Business:**

- 3. To re-appoint Mr. Dhan Raj (DIN: 08262126) 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. Dhan Raj (DIN: 08262126), Independent Director of the Company, whose period of office is liable to expire till the conclusion of this 16<sup>th</sup> 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 5 (Five) consecutive years on the Board of the Company to hold office till the 21<sup>st</sup> Annual General Meeting of the Company to be held in the year 2028.

**Resolved further that** Mr. Ritesh Aggarwal, Executive cum Whole Time Director & CFO and 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"

4. **To approve increase in the Authorised Preference Share Capital of the Company and consequent amendments in the Capital Clause of the Memorandum of Association 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 Sections 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), read with the relevant rules made thereunder, including any statutory modification(s) thereof, the consent of the members be and is hereby accorded to the Company to increase the Authorized Share Capital of the Company from existing Rs. 70,00,00,000/- (Rupees Seventy Crores Only) divided into 5,00,00,000 (Five Crores) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 2,00,000 (Two Lakh) Preference Shares of Rs.1,000/- (Rupees One Thousand Only) each to Rs.125,00,00,000/- (One Hundred and Twenty-Five Crores Only), divided into 5,00,00,000 (Five Crores) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 7,50,000 (Seven Lakh Fifty Thousand) Preference Shares of Rs.1,000/- (Rupees One Thousand Only) each. Consequently, the existing Clause V of the Memorandum of Association of the Company be and is hereby substituted by the following new clause:

- "V. (A) The Authorised Share Capital of the Company is Rs. 125,00,00,000/- (One Hundred and Twenty-Five Crores Only) divided into 5,00,00,000 (Five Crores) Equity Shares of Rs.10/- (Rupees Ten Only) each and 7,50,000 (Seven Lakh Fifty Thousand) Preference Shares of Rs. 1,000/- (Rupees One Thousand Only) each.**

**(B) The minimum paid-up capital is Rs. 5,00,000/- (Rupees Five Lakh Only) "**

**Resolved further that** Mr. Ritesh Aggarwal, Executive cum Whole Time Director & 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."

5. **To approve issuance of 5,00,000 (Five Lakh) Series A 0.01% Compulsorily Convertible Preference Shares ("Series A 0.01% CCPS") of the Company through Private Placement on a Preferential Basis and approve the Private Placement Offer Letter.**

To consider and if thought fit, to pass with or without modification, the following resolution as **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 23, 42, 55 and 62 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, Companies (Share Capital and Debentures) Rules, 2014 as amended from time to time, Memorandum and Articles of

Association of the Company, RBI guidelines issued from time to time, the consent of the members of the Company be and is hereby accorded to the Board to create, offer, issue and allot from time to time upto 5,00,000 (Five Lakh), in one or more tranches, on preferential basis, unlisted, fully-paid, Series A 0.01% Compulsorily Convertible Preference Shares ("Series A 0.01% CCPS") at face value of Rs. 1,000 (Rupees One Thousand Only) each for an aggregate consideration upto Rs. 50,00,00,000/- (Rupees Fifty Crores Only) on preferential allotment/private placement basis which shall be compulsorily convertible, in one or more tranches to the below mentioned subscriber in such manner and on such terms, as may be decided by the Board:

Preference Shares	Name, Category and Address of Proposed Investor	No. of Series A 0.01% CCPS	Face value (In Rs.)	Total consideration of Series A 0.01% CCPS (in Rs.)
Series A 0.01% Compulsorily Convertible Preference Shares (" <b>Series A 0.01% CCPS</b> ")	Hawk Capital Private Limited  Non-Promoter Company  704, 7 <sup>th</sup> Floor, Deepali Building, 92, Nehru Place, New Delhi- 110019	5,00,000	1,000	50,00,00,000

**Resolved further that** the particulars of the Series A 0.01% CCPS being issued, as per Rule 9(2) of the Companies (Share Capital and Debentures) Rules, 2014 are set out below:

a)	<b>Priority with respect to payment of dividend or repayment of capital vis-a-vis equity shares</b>	CCPS shall carry dividend @ 0.01% p.a. on the face value of CCPS which will remain fixed over the term of Tenure of the CCPS.  Series A 0.01% CCPS shall carry a preferential right vis-à-vis equity shares of the Company with respect to payment of dividend and repayment in case of a winding up or repayment of capital.
b)	<b>The participation in surplus fund</b>	Series A 0.01% CCPS shall be non-participating in surplus funds.
c)	<b>Participation in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid</b>	Series A 0.01% CCPS shall be non-participating in the surplus assets and profits, on winding up which may remain after the entire capital has been repaid.
d)	<b>The payment of dividend on cumulative or non-cumulative basis</b>	Cumulative basis



e)	<b>The conversion of preference shares into equity shares</b>	Holders of the Series A 0.01% CCPS shall have the right to seek conversion of the Series A 0.01% CCPS into Equity Shares of the Company at the end of 119 months from the Date of Issuance, or upon Compulsorily Pre-Conversion, whichever is earlier on 1:4 basis i.e., 1 (One) CCPS converting into 4 (Four) Equity Shares, subject to a maximum equity participation of 5% post conversion, provided that the number of Equity Shares issued pursuant to such conversion of CCPS shall not exceed 20,00,000 (Twenty Lakh).
f)	<b>The voting rights</b>	Series A 0.01% CCPS shall not carry any voting rights in the Equity Share Capital of the Company. The Voting rights of such CCPS holder shall be in accordance with the provisions of Section 47 of the Act (including any statutory amendments thereto or re-enactments thereof for the time being in force).
g)	<b>The redemption of preference shares</b>	Not applicable as the Series A 0.01% CCPS are compulsorily convertible into Equity Shares of the Company.
h)	<b>Adjustment for corporate actions / events</b>	The number of equity shares that Series A 0.01% CCPS converts into and the price per equity share upon conversion of each CCPS shall be appropriately adjusted for splits or sub-divisions, reclassification, consolidation, exchange, or substitution of shares and for any capital re-organisation including bonus issues by the Company. If the Company shall make any distribution to any shareholders, then upon conversion of such CCPS, the holders of the CCPS shall be entitled to receive their pro-rata share thereof. Further, if the Company consolidates, merges or amalgamates with another entity the CCPS shall be entitled to receive shares of the merged entity as if the CCPS were converted to equity shares of the Company.



**Resolved further that** pursuant to the applicable provisions of the Companies Act, 2013, consent of the members of the Company be and is hereby accorded to record the name and details of the Identified Person(s) to whom private placement offer letter is circulated in Form PAS-5 and issue a Private Placement Offer Letter cum Application Form in Form PAS-4, to those persons inviting them to subscribe to the Preference Shares in accordance with the provisions of the Act and the rules made thereunder in respect of subject matter of this form and matters incidental thereto have been complied with and to do all such acts, deeds, matters and things as may be necessary in relation thereto.

**Resolved further that** the monies received by the Company from the Subscribers for application of the CCPS pursuant to this private placement shall be kept by the Company in a separate bank account and shall be utilized by the Company in accordance with provisions of Section 42 of the Companies Act, 2013.

**Resolved further that** the Mr. Ritesh Aggarwal, Executive cum Whole Time Director & CFO, Ms. Gurpreet Kaur, Executive cum Whole Time Director, and Company Secretary of the Company be and are hereby severally authorized to determine, vary, modify, alter any of the terms and conditions of the issue, as it may deem expedient, in its discretion, open and close the offer of Series A 0.01% CCPS, issuing certificates/ clarifications, effecting any modifications or changes to the foregoing (including modifications to the terms of the Issue), entering into agreements, documents in connection therewith and incidental thereto as the Board in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment (including deciding the terms and conditions for the same), utilization of the proceeds of the issue of the Series A 0.01% CCPS and take all other steps and to do all such deeds and actions which may be incidental, consequential, relevant or ancillary in this connection and that the decisions of the Board shall be final, binding and conclusive."

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

**Sd/-  
(Daljeet Kaur)  
Company Secretary  
Membership No: A-66266  
Address: 704, 7<sup>th</sup> Floor, Deepali Building,  
92, Nehru Place, New Delhi-110019**

**Date:** September 04, 2023

**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 ten percent of the total share capital of the company carrying voting rights. A Member holding more than 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 Ms. Daljeet Kaur, Company Secretary or by an email at daljeet@uvarcl.com at least 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 dematerialize 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 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, 2026.
- 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 16<sup>th</sup> 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, 2023 will also be available on the Company's website [www.uvarcl.com](http://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:

Ms. Daljeet Kaur  
Company Secretary  
Email id: [daljeet@uvarcl.com](mailto:daljeet@uvarcl.com)  
Phone No: 011-41038918, 011-41055576

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013 ("THE ACT")**

#### **Item No. 3**

Mr. Dhan Raj was appointed as an Independent Director of the Company under the provisions of the Companies Act, 2013, vide resolution passed by the members of the Company at the 12<sup>th</sup> Annual General Meeting held on September 27, 2019. As per the said resolution, the term of appointment of Mr. Dhan Raj expires on the conclusion of 16<sup>th</sup> 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 June 30, 2023 recommending to Shareholders regarding the re-appointment of Mr. Dhan Raj as an Independent Director of the Company for a second term from conclusion of 16<sup>th</sup> Annual General Meeting till conclusion of 21<sup>st</sup> Annual General Meeting to be held in year 2028, 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 5 (Five) consecutive years on the Board of the 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. Dhan Raj confirming that he meets 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. Dhan Raj fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder, for his reappointment as an Independent Director of the Company and is independent of the Management.

It is proposed to re-appoint Mr. Dhan Raj as an Independent Director of the Company

who shall hold office for 5 (Five) consecutive years for a term up to conclusion of 21<sup>st</sup> Annual General Meeting of the Company to be held in the year 2028.

Copy of draft letters of appointment of Mr. Dhan Raj 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. 3 for approval of the members by way of a **Special Resolution**.

The re-appointment of Mr. Dhan Raj 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 is not required.

**Brief Profile of Mr. Dhan Raj as per Secretarial Standard 2 issued by the Institute of Company Secretaries of India is given below :**

**Name of the Director:** Mr. Dhan Raj

**DIN:** 08262126

**Designation:** Independent Director

**Age (years):** 65 years

**Nationality:** Indian

**Qualifications:** B. Com (Hons.), M. Com, AICAI (Earlier AICWAI), ACS and LLB

**Experience/Profile:** Mr. Dhan Raj has worked in the Ministry of Corporate Affairs at several positions during the period from 05.12.1983 to 15.05.2012. He has acquired excellent exposure in the field of finance, securitization, one-time settlement, asset reconstruction, rehabilitation, liquidation, etc.

While working as Regional Director, he acquired wide experience of administration including cash and budget matters, imposition of compounding fees, mergers of companies leading to dissolution of transferor companies without winding up, supervision of Official Liquidators of Northern Region dealing with liquidation of companies, asset reconstruction, misfeasance proceedings etc. As Director of Inspection and Investigation, he had supervised the Inspections and Investigations of the companies throughout the country and thereby, gathered vast experience of finance, law, sick companies, revival and rehabilitation of companies, liquidation matters, frauds/scams, vanishing companies etc.

He had also joined Company Law Board as Member (Technical) on 16.05.2012 and worked there till its dissolution on 01.06.2016. During this period, he had also exercised judicial powers under the provisions of the Companies Act, 1956 / 2013 and acquired rich experience of finance, manipulations in accounts, misfeasance, sick companies, Liquidations matters, securitization and asset reconstruction.

**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:** 01.02.2019

**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:** Help My India Foundation

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

Except Mr. Dhan Raj being the appointee, 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 proposed resolution.

#### **Item No. 4**

The Company is desirous of raising funds to meet minimum Net Owned Fund (NOF) of Rs. 200 Crores by March 31, 2024 and to strengthen its financial position.

In order to issue a new class of Preference Shares to certain investors, the Board has proposed to increase its existing Authorized Share Capital of the Company from existing Rs. 70,00,00,000/- (Rupees Seventy Crores Only) divided into 5,00,00,000 (Five Crores) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 2,00,000 (Two lakh) Preference Shares of Rs. 1,000/- (Rupees One Thousand Only) each to Rs. 125,00,00,000/- (One Hundred and Twenty-Five Crores Only), divided into 5,00,00,000 (Five Crores) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 7,50,000 (Seven Lakh Fifty Thousand) Preference Shares of Rs. 1,000/- (Rupees One Thousand Only) each.

As per the provisions of Section 13 and 61 of the Companies Act, 2013, the proposal for the increase in the Authorized Share Capital and consequent amendments in the Memorandum of Association of the Company will require the approval of the members in the General meeting by way of **Ordinary Resolution**.

None of the Directors/Managers/Key Managerial Person and relatives of Directors/Managers/Key managerial Person of the Company are interested or concerned in the proposed resolution.

#### **Item No. 5**

The Company proposes to raise Rs. 50,00,00,000/- (Rupees Fifty Crores Only) by way of offer and issuance of 5,00,000 (Five Lakh) Series A 0.01% Compulsorily Convertible Preference Shares ("Series A 0.01% CCPS") at face value of Rs. 1,000 (Rupees One Thousand Only) each in order

to meet the minimum Net Owned Fund (NOF) of Rs. 200 Crores by March 31, 2024 and to strengthen its financial position and the same has been approved by the Board of Directors in their meeting dated September 04, 2023.

The provisions of Section 23, 42, 55 and 62 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014 requires the consent of the shareholders by way of **Special Resolution** for the issuance of securities by the Company through private placement on a preferential basis. Accordingly, the Board of Directors has placed the resolution for the issuance and allotment of Series A 0.01% CCPS through private placement on a preferential issue to the Investor, before the shareholders of the Company for their consent and recommends the approval of this proposal by the shareholders of the Company.

The additional information as per Section 102(1) (a) and (b) of the Companies Act, 2013 is as follows:

- a. The nature of concern or interest, financial or otherwise, if any:
  - i. Every director and the manager, if any: None of the directors or managers have any concern or interest, financial or otherwise, in this resolution;
  - ii. Every other key managerial personnel: None of the key managerial personnel of the Company have any concern or interest, financial or otherwise, in this resolution; and
  - iii. Relatives of the persons mentioned in sub-clauses (i) and (ii) above: None of the relatives of directors or key managerial personnel are interested in this resolution.
- b. Any other information and facts that may enable the shareholders to understand the meaning, scope and implication of the items of business to take decision thereon. Please see additional disclosures below.

**Additional disclosures required under the relevant Rules in connection with issue of Series A 0.01% CCPS are as follows:**

- A. **Disclosures as per Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014:**
  1. **Particulars of the offer including kinds of securities offered and the price at which security is being offered date of passing of Board resolution:** The Company proposed to offer upto 5,00,000 (Five Lakh) Series A 0.01% Compulsorily Convertible Preference Shares ("Series A 0.01% CCPS") at face value of Rs. 1,000 (Rupees One Thousand Only) each for an aggregate consideration upto Rs. 50,00,00,000/- (Rupees Fifty Crores Only) and date of passing of Board resolution is September 04, 2023.
  2. **Basis or justification for the price (including premium, if any) at which the offer or invitation is being made:** The price for Series A 0.01% CCPS has been arrived based on the Valuation Report dated August 28, 2023 received from Mr. Angad Singh, Registered Valuer (Registration No. IBBI/RV/03/2021/14261).



3. **Name and address of valuer who performed valuation:** Mr. Angad Singh, Registered Valuer (Registration No. IBBI/RV/03/2021/14261) having its address at 4746, Sector 125, New Sunny Enclave, Mohali – 140301, Punjab.
  4. **Amount which the Company intends to raise by way of such securities:** An aggregate consideration upto Rs. 50,00,00,000/- (Rupees Fifty Crores Only).
  5. **Material terms of raising such securities, proposed time schedule, purposes or objects of offer, contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects; principle terms of assets charged as securities:** Holders of the Series A 0.01% CCPS shall have the right to seek conversion of the Series A 0.01% CCPS into Equity Shares of the Company at the end of 119 months from the Date of Issuance, or upon Compulsorily Pre-Conversion, whichever is earlier on 1:4 basis i.e., 1 (One) CCPS converting into 4 (Four) Equity Shares, subject to a maximum equity participation of 5% post conversion, provided that the number of Equity Shares issued pursuant to such conversion of CCPS shall not exceed 20,00,000 (Twenty Lakh).
- B. Disclosures as per Rule 13 of the Companies (Share Capital and Debenture) Rules, 2014:**
1. **Object of issue:** The objective of this issue is to raise funds to meet minimum Net Owned Fund (NOF) of Rs. 200 Crores by March 31, 2024 and to strengthen its financial position.
  2. **Total number of shares or others securities to be issued:** Series A 0.01% CCPS 5,00,000 (Five Lakh) Preference Shares of Rs. 1,000/- (Rupees One Thousand Only) each.
  3. **The Price or Price band at/ within which the allotment is proposed:** 5,00,000 (Five Lakh) Series A 0.01% Compulsorily Convertible Preference Shares ("Series A 0.01% CCPS") at face value of Rs. 1,000 (Rupees One Thousand Only) each for an aggregate consideration upto Rs. 50,00,00,000/- (Rupees Fifty Crores Only).
  4. **Basis on which the price has been arrived at along with report of registered valuer:** The price for Series A 0.01% CCPS has been arrived based on the Valuation Report dated August 28, 2023 received from **Mr. Angad Singh, Registered Valuer (Registration No. IBBI/RV/03/2021/14261)**.
  5. **Relevant date with reference to which the price has been arrived at:** As per the Valuation report dated August 28, 2023.
  6. **The class or classes of persons to whom the allotment is proposed to be made:** The preferential allotment is proposed to be made to the existing equity shareholder of the Company i.e., Hawk Capital Private Limited (Indian Company).
  7. **Intention of promoters, directors or key managerial personnel to subscribe to the offer:** None of promoters, directors or key managerial personnel intends to subscribe to the offer.
  8. **The proposed time within which the allotment shall be completed:** The CCPS shall be issued and allotted by the Company to the Subscriber within 12 (Twelve) months of passing this resolution. The allotment of the CCPS shall be completed within a period of 60 (Sixty) days from the date of receipt of the application amount from the Subscriber.



**9. The names of the proposed allottee(s) and the percentage of post preferential offer capital that may be held by them:**

S. No.	Name, Category and Address of the Allottee	Existing Holding	Pre-Issue Holding %	No. of Series A 0.01% CCPS to be allotted	Number of Equity shares to be allotted post conversion of CCPS	Holding % Post Conversion of CCPS
1.	Hawk Capital Private Limited  Non-Promoter  704, 7 <sup>th</sup> Floor, Deepali Building, 92, Nehru Place, New Delhi-110019	19,49,250	Existing Equity Shares: 4.64% (19,49,250)	Maximum number of CCPS issued will be 5,00,000	Holders of the Series A 0.01% CCPS shall have the right to seek conversion of the Series A 0.01% CCPS into Equity Shares of the Company at the end of 119 months from the Date of Issuance, or upon Compulsorily Pre-Conversion, whichever is earlier on 1:4 basis i.e., 1 (One) CCPS converting into 4 (Four) Equity Share, subject to a maximum equity participation of 5% post conversion, provided that the number of Equity Shares issued pursuant to such conversion of CCPS shall not exceed 20,00,000 (Twenty Lakh Only).	Assuming that the maximum number of CCPS are issued as per column 6, the aggregate percentage shareholding of the Proposed Allottee in the Company shall be less than 10% of the paid-up Equity Capital of the Company.

**10. The change in control, if any, in the company that would occur consequent to preferential offer:** No change of control would occur as a result of the private placement.

**11. The number of persons to whom allotment on private placement have already been made during the year, in terms of number of securities as well as price:** Nil

**12. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:** The allotment is being made for cash consideration.

## 13. The pre issue and post issue shareholding pattern of the Company in the following format-

S.No.	Category	Pre-Issue				Post Issue			
		No. of Equity Shares	No. of CCPS	% of Equity shares held	% of CCPS shares held	No. of Equity Shares	No. of CCPS	% of Equity shares held*	% of CCPS shares held
<b>A</b>	<b>Promoter's Holding</b>								
<b>1</b>	Indian:								
	Individual	1,37,99,750	-	32.84%	-	1,37,99,750	-	32.84%	-
	Bodies corporate	-	-	-	-	-	-	-	-
	<b>Subtotal</b>	<b>1,37,99,750</b>	<b>-</b>	<b>32.84%</b>	<b>-</b>	<b>1,37,99,750</b>	<b>-</b>	<b>32.84%</b>	<b>-</b>
<b>2</b>	<b>Foreign Promoters</b>	-	-	-	-	-	-	-	-
	<b>Sub Total (A)</b>	<b>1,37,99,750</b>	<b>-</b>	<b>32.84%</b>	<b>-</b>	<b>1,37,99,750</b>	<b>-</b>	<b>32.84%</b>	<b>-</b>
<b>B</b>	<b>Non-Promoter's Holding</b>								
<b>1</b>	Institutional Investors	31,50,000	-	7.50%	-	31,50,000	-	7.50%	-
<b>2</b>	<b>Non-Institutional</b>								
	Corporate Bodies	2,07,99,250	1,96,450	49.49%	100.00%	2,07,99,250	6,96,450	49.49%	100.00%
	Directors and Relatives	-	-	-	-	-	-	-	-
	Indian Public	42,76,000	-	10.17%	-	42,76,000	-	10.17%	-
	Others (Including NRIs)	-	-	-	-	-	-	-	-
	<b>Sub Total (B)</b>	<b>2,82,25,250</b>	<b>1,96,450</b>	<b>67.16%</b>	<b>100.00%</b>	<b>2,82,25,250</b>	<b>6,96,450</b>	<b>67.16%</b>	<b>100.00%</b>
	<b>GRAND TOTAL</b>	<b>4,20,25,000</b>	<b>1,96,450</b>	<b>100.00%</b>	<b>100.00%</b>	<b>4,20,25,000</b>	<b>6,96,450</b>	<b>100.00%</b>	<b>100.00%</b>

## C. Disclosures as per Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014:

- The size of the issue and number of preference shares to be issued and nominal value of each share: 5,00,000 (Five Lakh) Series A 0.01% Compulsorily Convertible Preference Shares ("Series A 0.01% CCPS") at face value of Rs. 1,000 (Rupees One

Thousand Only) each for an aggregate consideration upto Rs. 50,00,00,000/- (Rupees Fifty Crores Only).

2. **The nature of such shares:** Series A 0.01% Compulsorily Convertible Preference Shares ("Series A 0.01% CCPS") at face value of Rs. 1,000 (Rupees One Thousand Only) each.
3. **The objectives of the issue:** The objective of this issue is to raise funds to meet minimum Net Owned Fund (NOF) of Rs. 200 Crores by March 31, 2024 and to strengthen its financial position.
4. **The manner of issue of shares:** Series A 0.01% Compulsorily Convertible Preference Shares ("Series A 0.01% CCPS") are proposed to be issued by way of through Private Placement on a Preferential basis.
5. **The price at which such shares are proposed to be issued:** 5,00,000 (Five Lakh) Series A 0.01% Compulsorily Convertible Preference Shares ("Series A 0.01% CCPS") at face value of Rs. 1,000 (Rupees One Thousand Only) each for an aggregate consideration upto Rs. 50,00,00,000/- (Rupees Fifty Crores Only).
6. **The basis on which the price has been arrived at:** The price for Series A 0.01% Compulsorily Convertible Preference Shares ("Series A 0.01% CCPS") has been arrived based on the Valuation Report dated August 28, 2023 received from **Mr. Angad Singh, Registered Valuer (Registration No. IBBI/RV/03/2021/14261)**.
7. **The terms of issue, including terms and rate of dividend on each share, etc.:** Mentioned as above.
8. **The terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion:** Holders of the Series A 0.01% CCPS shall have the right to seek conversion of the Series A 0.01% CCPS into Equity Shares of the Company at the end of 119 months from the Date of Issuance, or upon Compulsorily Pre-Conversion, whichever is earlier on 1:4 basis i.e., 1 (One) CCPS converting into 4 (Four) Equity Shares, subject to a maximum equity participation of 5% post conversion, provided that the number of Equity Shares issued pursuant to such conversion of CCPS shall not exceed 20,00,000 (Twenty Lakh).
9. **The manner and modes of redemption:** Not Applicable
10. **The current shareholding pattern of the Company:**

S. No	Name	No. of Shares	Amount @ Rs. 10/- Per Share	% age of Total Paid up Capital
I.	<b>Institutional Shareholders</b>			
1	Bank of Maharashtra	3,00,000	30,00,000	0.71
2	Bank of India	1,50,000	15,00,000	0.36
3	Indian Bank	1,00,000	10,00,000	0.24
4	Punjab National Bank	1,50,000	15,00,000	0.36
5	United India Insurance Company Limited	1,00,000	10,00,000	0.24

6	Union Bank of India	2,50,000	25,00,000	0.59
7	National Insurance Company Limited	1,00,000	10,00,000	0.24
8	Central Bank of India	20,00,000	2,00,00,000	4.76
	<b>Total</b>	<b>31,50,000</b>	<b>3,15,00,000</b>	<b>7.50</b>
<b>II.</b>	<b>Promoter Shareholder</b>			
9	Mr. Pramod Sharma	1,37,99,750	13,79,97,500	32.84
	<b>Total</b>	<b>1,37,99,750</b>	<b>13,79,97,500</b>	<b>32.84</b>
<b>III.</b>	<b>Other Shareholders</b>			
10	Mr. K.N. Singhal	5,000	50,000	0.01
11	Mr. Niranjana Lal Sharma	13,00,000	1,30,00,000	3.09
12	Mr. Rashim Gupta	1,000	10,000	0.00
13	Mr. S L Sharma	14,70,000	1,47,00,000	3.50
14	Rajni Chawla	15,00,000	1,50,00,000	3.57
	<b>Total</b>	<b>42,76,000</b>	<b>4,27,60,000</b>	<b>10.17</b>
<b>IV.</b>	<b>Body Corporates</b>			
15	White Lotus Investments Private Limited	41,75,000	4,17,50,000	9.93
16	Sanmati Trading and Investment Ltd	35,00,000	3,50,00,000	8.33
17	Anubhav Buildtech Private Limited	35,00,000	3,50,00,000	8.33
18	Anubhav Securities Private Limited	35,00,000	3,50,00,000	8.33
19	Kurral Infrastructure Private Limited	41,75,000	4,17,50,000	9.93
20	Hawk Capital Private Limited	19,49,250	1,94,92,500	4.64
	<b>Total</b>	<b>2,07,99,250</b>	<b>20,79,92,500</b>	<b>49.49</b>
	<b>Total (I+II+III+IV)</b>	<b>4,20,25,000</b>	<b>42,02,50,000</b>	<b>100.00</b>
<b>Details of Preference Shareholders</b>				
<b>S. No</b>	<b>Name</b>	<b>No. of Shares</b>	<b>Amount @ Rs. 1,000/- Per Share</b>	<b>% age of Total Paid up Capital</b>
21	Abhipaisa Investment Private Limited	1,96,450	19,64,50,000	100.00
	<b>Total</b>	<b>1,96,450</b>	<b>19,64,50,000</b>	<b>100.00</b>
	<b>Total Paid Up Share Capital (Equity Plus Preference)</b>	<b>4,22,21,450</b>	<b>61,67,00,000</b>	<b>100.00</b>

## 11. The expected dilution in equity share capital upon conversion of preference shares:

S. No	Name	No. of Equity Shares	% age of Total Paid up Capital	*Total Shares on a fully diluted basis	% age Shareholding on a fully diluted basis
1	Bank of Maharashtra	3,00,000	0.71	3,00,000	0.66
2	Bank of India	1,50,000	0.36	1,50,000	0.33
3	Indian Bank	1,00,000	0.24	1,00,000	0.22
4	Punjab National Bank	1,50,000	0.36	1,50,000	0.33
5	United India Insurance Company Limited	1,00,000	0.24	1,00,000	0.22
6	Union Bank of India	2,50,000	0.59	2,50,000	0.55
7	National Insurance Company Limited	1,00,000	0.24	1,00,000	0.22
8	Central Bank of India	20,00,000	4.76	20,00,000	4.41
9	Mr. Pramod Sharma	1,37,99,750	32.84	1,37,99,750	30.40
10	Mr. K.N. Singhal	5,000	0.01	5,000	0.01
11	Mr. Niranjana Lal Sharma	13,00,000	3.09	13,00,000	2.86
12	Mr. Rashim Gupta	1,000	0.00	1,000	0.00
13	Mr. S L Sharma	14,70,000	3.50	14,70,000	3.24
14	Rajni Chawla	15,00,000	3.57	15,00,000	3.30
15	White Lotus Investments Private Limited	41,75,000	9.93	41,75,000	9.20
16	Sanmati Trading and Investment Ltd	35,00,000	8.33	35,00,000	7.71
17	Anubhav Buildtech Private Limited	35,00,000	8.33	35,00,000	7.71
18	Anubhav Securities Private Limited	35,00,000	8.33	35,00,000	7.71
19	Kurral Infrastructure Private Limited	41,75,000	9.93	41,75,000	9.20
20	Hawk Capital Private Limited	19,49,250	4.64	39,49,250	8.70
21	Abhipaisa Investment Private Limited	13,75,150	3.17	13,75,150	3.03
	<b>Total</b>	<b>4,34,00,150</b>	<b>100</b>	<b>4,54,00,150</b>	<b>100.00</b>

\* Post-conversion percentage of shareholding on a fully diluted basis is calculated on the basis that the maximum number of Series A 0.01% CCPS authorised to be issued pursuant to the shareholders resolution i.e., 5,00,000 (Five Lakh) are issued and allotted and all such CCPS are converted into equity shares of the Company on 1:4 basis i.e., 1 (One) CCPS converting into 4 (Four) Equity Shares, subject to a maximum equity participation of 5% post

*conversion, provided that the number of Equity Shares issued pursuant to such conversion of CCPS shall not exceed 20,00,000 (Twenty Lakh), as authorised by the shareholders resolution. However, if any CCPS are not issued / allotted, the figures will change accordingly.*

Approval of the shareholders of the Company is being sought as required in terms of Sections 23, 42, 55 and 62 of the Companies Act, 2013, by way of **Special Resolution**.

The Board of Directors recommends Item No. 5 for the approval of the shareholders by way of Special Resolution.

None of the Directors, Managers and Key Management Personnel of your Company and their relatives, are concerned or interested in the above said resolution.

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

**Sd/-  
(Daljeet Kaur)  
Company Secretary  
Membership No: A-66266  
Address: 704, 7<sup>th</sup> Floor, Deepali Building,  
92, Nehru Place, New Delhi-110019**

**Date:** September 04, 2023  
**Place:** New Delhi

## **DIRECTOR'S REPORT**

**Dear Members,**

Your Board of Directors have pleasure in presenting their 16<sup>th</sup> (Sixteenth) Annual Report on the business, operations and state of affairs of the Company together with the audited financial statements for the year ended on March 31, 2023.

### **(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, 2023	March 31, 2022
Revenue from Operations	5,242.07	5,226.91
Other Income	381.80	35.31
<b>Total Income</b>	<b>5,623.87</b>	<b>5,262.22</b>
Total Expenditure	5,393.33	4,752.34
<b>Profit before Tax</b>	<b>230.54</b>	<b>509.88</b>
Provision for Tax (Deferred Tax)	1.41	153.69
<b>Profit after Tax</b>	<b>229.13</b>	<b>356.19</b>
<b>Transfer to General Reserve</b>	<b>-</b>	<b>53.43</b>
<b>Paid-up Share Capital</b>	<b>6,167.00</b>	<b>6,167.00</b>
<b>Reserves and Surplus (excluding Revaluation Reserve)</b>	<b>8,351.67</b>	<b>8,122.53</b>
<b>Net Worth</b>	<b>14,518.67</b>	<b>14,289.53</b>

### **Information on the state of affairs of the Company**

The Company's Net worth as on March 31, 2023, stood at Rs. 14,518.67 Lakhs (comprising Rs. 6,167 Lakhs of Paid-up Capital and Rs. 8,351.67 Lakhs of Reserves and Surplus) as against Rs. 14,289.53 Lakhs (comprising Rs. 6,167 Lakhs of Paid-up Capital and Rs. 8,122.53 Lakhs of Reserves and Surplus) in the previous year.

During the year under review, the Company acquired financial assets worth Rs. 43,375.63 Lakhs and resolved financial assets amounting Rs. 11,188.40 Lakhs. The outstanding Financial Assets as on March 2023 was Rs. 1,32,974.55 Lakhs.



**(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 global economy has gradually risen from the COVID-19 pandemic, with almost all parts of the world lifting restrictions, and several economies returning to their pre Covid capacity. However, the post Covid era has witnessed enormous disruptions in the field of supply chain as the energy and food markets stabilize after the Russia-Ukraine crisis.

One of the major concerns faced by economies over the world has been that of hyper-inflation. Inflationary pressures saw a change in the policy stance of various central banks across the globe, prompting many to start raising rates in the near future. The world economy will have to navigate through a difficult period ahead under a cloud of geopolitical uncertainty. Banks have been leveraging a tightened monetary policy, to curb the impact of inflation, one of the most pressing issues in 2022.

Indian economy appears to have fully recovered from pandemic. However, the economy faces challenges due to subdued global growth, monetary tightening exercise and bank collapses in the US. As per the Reserve Bank of India's (the "RBI") report, the GNPA ratio of Scheduled Commercial Banks (SCBs) are declining, however with the sharp acceleration in credit growth particularly, retail loans suggest that concentration in retail loans may become a source of systemic risk. This would lead to opportunities for ARCs for acquisitions of retail loans besides persisting stress in MSME and large corporate accounts.

The RBI on October 11, 2022, issued a circular, amending regulatory framework for Asset Reconstruction Companies ("ARCs") towards strengthening and streamlining ARC framework for resolution of stressed assets. The guidelines inter alia, permit ARCs to invest in the SRs at a minimum of either 15% of transferors' investment in the SRs or 2.5% of the total SRs issued, whichever is higher, vis-à-vis the previous requirement of 15% of total SRs issued in all cases. Other changes include some of the operational guidelines. The Company has complied with the corporate governance norms as mentioned in the said circular.

The amended guidelines introduced a more flexible approach by enabling ARCs to adapt their investments based on the specific circumstances of each transaction. This encourages ARCs to participate in a wider range of cases and ensures that ARCs remain engaged in the resolution of stressed assets while allowing them to tailor their investment to the situation, which can vary widely from one case to another. This flexibility is expected to enhance the effectiveness of ARCs in managing distressed assets and resolving them efficiently.

**(D) Dividend**

During the year under review, your Directors has not recommended any dividend for the financial year ended March 31, 2023 to the Equity Shareholders.

Further, as per the terms of issue of Compulsorily Convertible Preference Shares (CCPS), Company proposed to declare 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 financial year ended March 31, 2023.

**(E) Reserves**

During the year under review, the Company did not propose to transfer any % of Profit after Tax (PAT) to the General Reserve.

**(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 set out at **Annexure-I** of this report.

**(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, 2023, 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, 2023, 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 (One Lakh Ninety-Six Thousand Four Hundred and Fifty) shares of Rs. 1,000/- (Rupees One Thousand Only) 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 not issued any further Share Capital.

**(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) Independent Directors****Re-appointment and continuation of Mr. Dhan Raj (DIN: 08262126), Independent Director of the Company, not liable to retire by rotation.**

At the 12<sup>th</sup> Annual General Meeting of the Company held on September 27, 2019, the Shareholders had approved the appointment of Mr. Dhan Raj (DIN: 08262126) as an Independent Director to hold office for a period of 4 (Four) consecutive years upto the conclusion of 16<sup>th</sup> Annual General Meeting of the Company to be held in year 2023 (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 June 30, 2023, have recommended the re-appointment of Mr. Dhan Raj 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. Dhan Raj and the immense value he brings to the Board and the Company, the re-appointment of Mr. Dhan Raj, subject to the approval of RBI, for a second consecutive term of 5 (five) consecutive years from the conclusion of 16<sup>th</sup> Annual General Meeting upto the conclusion of 21<sup>st</sup> Annual General Meeting of the Company to be held in the year 2028, is hereby recommended to the Shareholders of the Company.

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 the 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](http://www.uvarcl.com).

### **Meeting of Independent Directors**

As per Schedule IV of the Companies Act, 2023 and Secreterial Standards-1 on Meeting of the Board of Directors, the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-Independent Directors.

During the Financial year 2022-23, a separate meeting of Independent Directors was held on March 30, 2023. 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.

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

## **(ii) Key- Managerial Personnel**

### **Whole Time Directors**

Mr. Ritesh Aggarwal (DIN: 07671600) and Ms. Gurpreet Kaur (DIN: 08821946) continues to be the Whole Time Directors of the Company.

### **Chief Financial Officer**

Mr. Ritesh Aggarwal continues to be the Chief Financial Officer the of the Company.

### **Company Secretary**

Mr. Shubham Bansal who was the Company Secretary of the Company tendered his resignation from his post with effect of the close of the working hours on February 20, 2023. In view of the above, there was need to appoint new Company Secretary of the Company and therefore, on the basis of the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on March 30, 2023, approved the appointment of Ms. Daljeet Kaur as the Company Secretary of the Company.

## **(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.

The Performance of the Independent Directors of the Company was also evaluated in terms of Schedule IV of the Companies Act, 2013 and as per the criterion laid down in the Nomination and Remuneration Policy of the Company by the Board of Directors and their contribution was appreciated.

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

**(iv) Fit and Proper declarations given by the Directors**

In accordance with the RBI Circular dated October 11, 2022 for ARCs, the Company has obtained annual fit and proper declarations from all the Directors of the Company.

**(v) 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 and is also available on the website of the Company at <http://www.uvarcl.com/regulatoryframework/policies.html>.

**(I) Meetings**

In all, 11 (Eleven) meetings of Directors and its Committees were held during the Financial Year 2022-23 i.e., 4 (Four) Board meetings, 4 (Four) Audit Committee meetings, 1 (One) Credit Committee meeting 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 Auditor**

Pursuant to the RBI Guidelines and based on the recommendation of the Audit Committee, the Board of Directors of the Company at its Meeting held on September 06, 2022, approved the appointment of M/s J.P., Kapur & Uberai, Chartered Accountants (Firm Registration No. 000593N) as Statutory Auditors of the Company from the conclusion 15<sup>th</sup> Annual General Meeting for 5 (Five) consecutive Financials Years till the conclusion of the 20<sup>th</sup> Annual General Meeting of the Company to be held in the year 2027.

The members of the Company had approved the appointment of M/s J.P., Kapur & Uberai, Chartered Accountants (Firm Registration No. 000593N) as Statutory Auditors of the Company on September 30, 2022.

The Auditor's Report for the Financial Year ended on March 31, 2023 on the financial statements of the Company is a part of this Annual Report.

**Board's Explanation and Comments on Auditor's Report**

The Auditors' report, read with notes to the accounts are self-explanatory and therefore do not require further comments/elaborations pursuant to Section 134 of the Companies Act, 2013. There is no qualification made by the Statutory Auditors in their report.

**Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, read with corresponding rules framed thereunder, M/s Iqneet Kaur & Co., Practising Company Secretaries (COP No.: 7085), were appointed as the Secretarial Auditors to carry out the Secretarial Audit of the Company for the financial year ended March 31, 2023.

The Secretarial Audit Report for the financial year ended March 31, 2023 given by the Secretarial Auditors of the Company in requisite Form No. MR-3 is set out at **Annexure-II** 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 & Associates, Chartered Accountants (Firm Registration No. 011115N) as the Internal Auditors of the Company. 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 Directors of the Company and then by Audit Committee of Board of Directors of the Company.

During the financial year under review, no material or serious observations have been received from the Auditors of the Company, citing inefficacy or inadequacy of such controls.



**(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 Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on March 31, 2023 will be available on the Company's website i.e., [www.uvarcl.com](http://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 2022-23, the desired number of meetings of the Committees 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-I)** appended to this report.

**(P) Policy on Prevention of Sexual Harassment at Workplace**

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 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**

During the year under review, the Company has not entered into any contracts or arrangements with related parties as per the provisions of Section 188 of Companies Act, 2013.

**(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 Directors 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, 2023, 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](http://www.uvarcl.com/CORPORATE_SOCIAL_RESPONISIBILITY_POLICY.pdf)

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

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:** During the year under review, there have been no earnings in foreign exchange (Previous year: Nil). The foreign exchange outgo during the financial year was UAE 20,000 Dirhams and USD 3,000 (Previous year: UAE 10,000 Dirhams).

**(Y) 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 March 31, 2023 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 on behalf of Board of Directors of  
UV Asset Reconstruction Company Limited**

Sd/-

**(P. P. Naolekar)**

**Chairman**

**DIN: 02654305**

**Date:** September 04, 2023

**Place:** Madhya Pradesh

## **Annexure-I**

### **REPORT ON CORPORATE GOVERNANCE**

Our Corporate Governance practices are 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 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 Corporate Governance philosophy is further strengthened with the adherence to the Company's Business policies, which articulates the values, ethics and business principles and serves as a guide to the Company, its directors and employees, supplemented with an appropriate mechanism to report any concern pertaining to non-adherence to the policies. In addition, the Company has adopted a Vigil Mechanism, a Fair Practices Code, a Policy against Sexual Harassment at the Workplace, a Code of Conduct for Independent Directors, Know Your Client and Anti- Money Laundering Policy of the Company.

In conclusion, we hold ourselves to the highest standards of corporate governance and we will continue to monitor our practices and make improvements where necessary. Our unwavering dedication to transparency, accountability, responsibility, fairness, independence, ethics, oversight, risk management, compliance and continuous improvement will enable us to create long-term value for our stakeholders and society as a whole and we take great pride in sharing this report on our firm commitment to the highest standards of governance.

### **GOVERNANCE STRUCTURE**

#### **Board and its Composition**

The Board of Directors is the apex body constituted by shareholders and is vested with the powers of governance, control, direction and management of affairs of the Company. The Board provides strategic direction and guidance to the Company and has been steering the Company towards achieving its business objectives. Driven on the principles of ethics and accountability, the Board strives to work in best interest of the Company and its stakeholders. The Board is committed to ensuring in compliance with the highest standards of corporate governance.

The Composition of Board of Directors of the Company is in conformity with the requirement of the Companies Act 2013 and RBI Guidelines, as applicable. The Board represents an optimal mix of

professionalism, knowledge and experience. The profile of Directors can be found at our website i.e., [www.uvarcl.com](http://www.uvarcl.com).

Classification of the Board as on March 31, 2023:

Category	Number of Directors	% to total number of Directors
Executive Directors	2	28.57%
Non-Executive Independent Directors	4	57.15%
Non-Executive Non-Independent Directors	1	14.28%
<b>Total</b>	<b>7</b>	<b>100.00%</b>

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 Directors of the Company report to the Board and are 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 provisions of 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 of the Company.

### **Management**

The management structure of the Company consists of the Executive cum Whole Time Director, Chief Financial Officer, Chief Investment and Strategy Officer and 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 out 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., 1 (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 2022-23, the Board of Directors met 4 (Four) times i.e., on 25.07.2022, 06.09.2022, 20.12.2022 and 30.03.2023. 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.

The overall attendance of Directors for the financial year 2022-23 is shown hereunder:

Name	Designation	Number of Board meetings attended during Financial Year 2022-23		Attendance at the last Annual General Meeting held on September 30, 2022
		Held	Attended	
Justice (Retd.) Prakash Prabhakar Naolekar	Chairman and Independent Director	4	4	No
Mr. Uma Shankar Paliwal	Independent Director	4	4	No
*Mr. Hari Hara Mishra	Non – Executive (Professional) Director	4	4	No



Name	Designation	Number of Board meetings attended during Financial Year 2022-23		Attendance at the last Annual General Meeting held on September 30, 2022
		Held	Attended	
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	4	4	Yes
Ms. Gurpreet Kaur	Executive cum Whole Time Director	4	4	Yes

\* Mr. Hari Hara Mishra, Non-Executive (Professional) Director ceased to be the member of the Board w.e.f his resignation i.e., 13.04.2023.

## BOARD LEVEL COMMITTEES

### i) Audit Committee

The Board has duly constituted the Committee of Board of Directors named as Audit Committee on December 18, 2010. As on March 31, 2023, the Audit Committee comprises of 4 (Four) Non-Executive Directors namely Mr. Dhan Raj, Mr. Hari Hara Mishra, Mr. Kishore Kumar Sansi and Mr. Uma Shanker Paliwal. The Composition of the Audit Committee meets the requirement of the provisions of Section 177 of the Companies Act, 2013 read with rules made thereunder and the RBI guidelines, as applicable. All the Members have the ability to read and understand the financial statements and have relevant finance and / or audit experience.

During the year under review, the Audit Committee met 4 (Four) times, i.e., on 25.07.2022, 06.09.2022, 20.12.2022 and 30.03.2023.

Details of meeting attended by the members are given below:

S. No.	Committee Members	Category	Number of Committee meetings attended during Financial Year 2022-23	
			Held	Attended
1.	Mr. Dhan Raj	Chairman	4	4
2.	*Mr. Hari Hara Mishra	Member	4	4

S. No.	Committee Members	Category	Number of Committee meetings attended during Financial Year 2022-23	
			Held	Attended
3.	Mr. Kishore Kumar Sansi	Member	4	4
4.	**Mr. Ritesh Aggarwal	Member	4	2
5	***Mr. Uma Shankar Paliwal	Member	4	1

\* Mr. Hari Hara Mishra, Non-Executive (Professional) Director ceased to be the member of the Committee w.e.f his resignation i.e., 13.04.2023.

\*\* Mr. Ritesh Aggarwal, Executive cum Whole Time Director & CFO ceased to be the member of the Committee w.e.f 02.11.2022.

\*\*\* Mr. Uma Shankar Paliwal, Independent Director was appointed as the member of the Audit Committee w.e.f 20.12.2022.

### **Nomination and Remuneration Committee**

Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Company has duly constituted the Committee of Board of Directors named as 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 and ensures 'fit and proper' status of proposed/ existing directors and sponsors.

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, 2023, 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 read with rules made thereunder and the RBI guidelines, as applicable.

During the financial year 2022-23, 2 (Two) meetings were held on 25.07.2022 and 30.03.2023.

Details of meeting attended by the members are given below:

S. No.	Committee Members	Category	Number of Committee meetings attended during Financial Year 2022-23	
			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

\* Mr. Hari Hara Mishra, Non-Executive (Professional) Director ceased to be the member of the Committee w.e.f his resignation i.e., 13.04.2023.

## **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 Non-Executive Directors/ Independent Directors**

- (i) The Non-Executive Directors of the Company are paid a sitting fee of Rs. 50,000/- for attending each meeting of the Board and Rs. 10,000/- for every Committee meeting 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 June 29, 2011 as required under RBI Guidelines. As on March 31, 2023, Credit Committee comprises of 5 (Five) Directors out of which i.e., Mr. Uma Shankar Paliwal and Mr. Dhan Raj are Independent Directors, Mr. Hari Hara Mishra is a Non-Executive (Professional) Director, Mr. Ritesh Aggarwal and Ms. Gurpreet Kaur are Executive cum Whole Time Directors. During the financial year 2022-23, 1 (One) meeting was held on 15.07.2022.

Details of meetings attended by the members are given below:

S. No.	Committee Members	Category	Number of Committee meetings attended during Financial Year 2022-23	
			Held	Attended
1.	Mr. Uma Shankar Paliwal	Chairman	1	1
2.	*Mr. Hari Hara Mishra	Member	1	1
3.	Mr. Dhan Raj	Member	1	1
4.	Mr. Ritesh Aggarwal	Member	1	1
5.	Ms. Gurpreet Kaur	Member	1	1

*\* Mr. Hari Hara Mishra, Non-Executive (Professional) Director ceased to be the member of the Committee w.e.f his resignation i.e., 13.04.2023*

### **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, 2023, 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 2022-23, no meeting of Corporate Social Responsibility Committee (CSR) was held. During the financial year ended on March 31, 2023, the Company does fall under the ambit of the provisions of the Section 135(1) of the Companies Act, 2013 relating to applicability of Corporate Social Responsibility. However, average net profit of 3 (Three) immediately preceeding financial years was negative due to which no contribution was required to be made towards CSR during the financial year 2022-23 under the provisions of Section 135(5) of Companies Act, 2013.

*\* Mr. Hari Hara Mishra, Non-Executive (Professional) Director ceased to be the member of the Committee w.e.f his resignation i.e., 13.04.2023.*

**ANNUAL GENERAL MEETING (AGM)**

The 15<sup>th</sup> 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
15 <sup>th</sup>	2022-23	Corporate Office: 1304/1304A, Chiranjeev Tower, 43, Nehru Place, New Delhi-110019	Friday, September 30, 2022	11:30 A.M.

**EXTRAORDINARY GENERAL MEETING (EGM)**

The Company did not conduct any Extraordinary General Meeting (EGM) during the financial year 2022-23.

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

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

**Date: September 04, 2023**  
**Place: Madhya Pradesh**

**Investor Correspondence**

Company Secretary  
UV Asset Reconstruction Company Limited

**Corporate Office:** 1304/1304A, Chiranjeev Tower,  
43, Nehru Place, New Delhi-110019

**Registered Office:** 704, 7<sup>th</sup> Floor, Deepali Building,  
92, Nehru Place, New Delhi-110019

**Phone:** 011-41038918, Fax: 011-40501824  
**Email:** uvarcl@gmail.com

**Annexure-II**

**Iqneet Kaur & Co**  
**Office No. 328, 3<sup>rd</sup> Floor,**  
**Vardhman Premium Mall,**  
**Near Deepali Chowk, PitamPura Delhi-110034**  
**(M): 9873497856**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED - MARCH 31, 2023**  
(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, 7<sup>th</sup> 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: 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 March 31, 2023 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: U74900DL2007PLC167329**) for the Financial Year ended on March 31, 2023 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 (SARFAESI), as amended, and the Rules framed, Circulars, Notifications and Guidelines issued thereunder, to the extent applicable to the Company;

- (vi) Circulars, Notifications, Directions and Guidelines issued by Reserve Bank of India to the extent applicable to the Company;
- (vii) 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, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2015;
  - (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, 2021; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

(viii) 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

(ix) 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/-  
Iqneet Kaur  
FCS No.7669  
COP No : 7085

**Place: Delhi**  
**Date: August 22, 2023**

**UDIN No. F007669E000838114**

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.

**Iqneet Kaur & Co**  
Office No. 328, 3rd Floor,  
Vardhman Premium Mall,  
Near Deepali Chowk, PitamPura Delhi-110034  
(M): 9873497856

**"ANNEXURE A"**

To,

**The Members,**  
**UV ASSET RECONSTRUCTION COMPANY LIMITED**  
704, 7<sup>th</sup> 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: August 22, 2023**

**UDIN No. F007669E000838114**



**J.P., KAPUR & UBERAI**  
**CHARTERED ACCOUNTANTS**

LOWER GROUND FLOOR  
C-4/5, SAFDARJUNG DEVELOPMENT AREA  
NEW DELHI -110016  
PHONES: 49562700  
(20 lines)  
TELEFAX: 26511158  
E-MAIL: info@jpku.com

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of UV Asset Reconstruction Company Limited,**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of **UV Asset Reconstruction Company Limited** (the "Company"), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss and the Cash Flow Statement for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, its profit, and its cash flows for the year ended on that date.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, 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, we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No	Key Audit Matter	Auditor's Response
1	<p><b>Valuation of Investments in Security Receipts:</b></p> <p>The Company has net investment in SRs through various trusts amounting to Rs 198,30,80.20 thousands, as disclosed in the financial statements.</p> <p>The management has involved SEBI registered credit rating agencies for valuation of SR.</p> <p>Reserve Bank of India has specified that an ARC should carry minimum provision as identified by the credit rating agencies.</p> <p>Considering the fair valuation of investments is significant to overall financial statements and any error in the estimate could lead to material misstatement in the financial statements.</p> <p>Refer note no. 8 to the financial statements.</p>	<p><b>Our audit procedures included:</b></p> <p>An assessment of internal controls adopted by the management in determining fair values.</p> <p>We evaluated rationale of the models and accounting treatment applied.</p> <p>We compared the rating provided by the independent rating agencies.</p> <p>We discussed with management regarding resolution plan of various accounts and the roadmap ahead including additional provision that they have considered against specific accounts and their rationale.</p> <p>We assessed the disclosure related to investments in SR and fair valuation included in these financial statements.</p>
2	<p><b>Revenue Recognition:</b></p> <p>Trusteeship Fee, resolution agency fees, Recovery incentive and other operative incomes are the most significant account balances in the Statement of Profit and Loss.</p> <p>Key aspects relating to timing and recognition of revenue in respect of these are set out below:</p> <p>The calculation of investment management fees, is a percentage of NAV based on Assets Under Management ('AUM') of the funds managed by the Company, in accordance with guidelines prescribed under RBI regulations, as amended from time to time.</p> <p>Trusteeship Fee are recognised as per the provisions of the relevant trust deeds/offer documents on receipt basis. These are calculated on NAV determined on the basis of percentage of the Assets Under Management ('AUM') of the funds managed by the Company and ratings provided by credit rating agencies periodically.</p>	<p><b>Our audit procedures included:</b></p> <p>Understanding and evaluation of design and implementation of key controls in place around recognition of various fees charged by the company;</p> <p>Test checked management review controls over recognition of resolution agency fee, Trusteeship Fee, Recovery incentive etc.</p> <p>Substantive tests:</p> <p>Obtained credit rating certificates to check ratings provided by agency to arrive at AUM and NAV of same, subsequently reconciled various fee amounts included in the financial statements;</p> <p>Test checked Fee rates from the Trust deeds/ offer documents as agreed amongst the parties;</p> <p>Test checked Income invoices and reconciled with the accounting records;</p> <p>Evaluated the adequacy of disclosures relating to the Income earned by the Company.</p>

	Refer note no. 15 to the financial statements.	
3	<p><b>Litigations:</b></p> <p>The Company operates in an industry, which is heavily regulated by RBI, SARFAESI Act etc., which increases inherent litigation risk of the company. The Company is engaged in a number of legal cases.</p> <p>Refer note no. 21.11 to the financial statements.</p>	<p><b>Our audit procedure included:</b></p> <p>We evaluated and tested the design and operating effectiveness of the Company's controls with respect to determination of provisions to ensure that they operate effectively.</p> <p>We examined correspondence in respect of these cases and interacted with legal team and top management of the company.</p> <p>We read summary on litigation matters provided by the management and its legal counsels with respect to the matters included in the summary.</p>

### Information Other than the Financial Statements and Auditors Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include financial statements, and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

### Responsibilities of Management and those charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Financial Statements**

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative



factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet and the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31 March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023 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"**.

- (g) In our opinion and to the best of our information and according to the explanations given to us, during the year no remuneration has been paid by the company to its director in accordance with the provisions of Section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 21.11 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The management has represented, that, to the best of its knowledge and belief, 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, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. The company has declared and paid dividend on preference shares during the year under Section 123 of the Act.
  - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit

log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March, 2023.

**For J. P. Kapur & Uberai**  
**Chartered Accountants**  
**FRN: 000593N**

**Sd/-**  
**(Vinay Jain)**  
Partner  
**Membership Number : 095187**  
**UDIN: 23095187BGVVFA8547**

**Place: New Delhi**  
**Date: 30 June 2023**

## 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 of even date)

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

- i.
  - (a) The Company has maintained proper records showing full particulars including quantitative details of property, plant & equipment.
  - (b) The company has maintained proper records showing full particulars of intangible assets.
  - (c) As explained to us and based on our examination of records, the Company has a regular programme of physical verification of property, plant & equipment (PPE). Discrepancies noticed on verification between physical assets and book records were not material, necessary entries for which has already been accounted for in the financial statements. In our opinion, the frequency of verification of the PPE is reasonable having regard to the size of the Company and the nature of its assets.
  - (d) As explained to us and based on our examination of records, the company does not hold any immovable properties. Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company.
  - (e) As explained to us and based on our examination of records, the company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.
  - (f) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii.
  - (a) The company is an Asset Reconstruction Company and does not have any physical inventories. Accordingly, reporting under clause 3 (ii) (a) of the order is not applicable to the company.
  - (b) In our opinion and according to the information and explanations given to us, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- iii. The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year.
  - (a) During the year the company has not provided any loans or provided any advances in the nature of loans, to any party. Accordingly, reporting under clauses 3(iii)(a), 3(iii)(c), 3(iii)(d), 3(iii)(e), and 3(iii)(f) of the Order is not applicable to the Company.
  - (b) The Company has not provided any guarantee or given any security during the year. The

Investment made are not prima facie, prejudicial to the interest of the Company.

- iv. According to the information and explanation given to us, and the books of accounts and records examined by us in the normal course of audit, we state that the company has not granted any loan, made any investment or provided any guarantee or security as specified under provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- v. According to the information and explanation given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits from public during the year and does not have any unclaimed deposits, as at March 31, 2023. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. According to the information and explanation given to us, the maintenance of cost records has not been specified by the Central Government for the business activities carried by the company, under section 148 (1) (d) of the Act. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, goods & services tax, value added tax, cess and other material statutory dues have generally been deposited regularly during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, excise duty and customs duty. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, goods & services tax, cess and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no material dues of income-tax, provident fund, goods & services tax, cess which have not been deposited with the appropriate authorities on account of any dispute.
- viii. According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix.
  - (a) In our opinion and according to the information and explanation given to us by the management, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Accordingly, paragraph 3(ix)(a) of the Order is not applicable to the Company.
  - (b) According to the information and explanations given to us by the management, the company has not been declared as wilful defaulter by any bank or financial institution or other lender. Accordingly, paragraph 3(ix)(b) of the Order is not applicable to the Company.
  - (c) On an overall examination of the financial statements of the Company and according to the information and explanations given to us by the management, the company has not applied

- or availed any term loans during the year. Accordingly, paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.
  - (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, as company does not have any subsidiary.
  - (f) On an overall examination of the financial statements of the Company, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x.
- (a) The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) or term loans. Accordingly, paragraph 3(x)(a) of the Order is not applicable to the Company.
  - (b) During the year, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3(x)(b) of the Order is not applicable to the Company.
- xi.
- (a) According to the information and explanations given to us, the company has not come across any other case of fraud on or by the Company involving its management or employees who have significant roles in internal control, or fraud involving others that could have a material effect on the financial information presented in the financial statements.
  - (b) No report under sub-section (12) of section 143 of the Companies Act, 2013, has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
  - (c) According to the information and explanations given to us, the company has not received any whistle blower complaints during the year (and up to the date of this report). Accordingly, paragraph 3(xi)(c) of the Order is not applicable to the company.
- xii. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with provisions of section 177 and 188 of the Companies Act, 2013, wherever applicable, all transactions with related parties and the details of related party have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv.
- (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
  - (b) We have considered, internal audit reports for the year under audit, issued to the Company, in determining the nature, timing and extent of our audit procedures.



- xv. In our opinion and according to the information and explanations given to us, during the year the company has not entered into any non-cash transactions with Directors or persons connected to its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi.
- (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(a), (b) and (c) of the Order is not applicable to the Company.
  - (b) In our opinion, and according to the information and explanations given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, paragraph 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. Statutory auditors of the Company have not resigned during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable to the company.
- xix. On the basis of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. 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.
- (a) According to the information and explanations given to us, the provision of sub-sections (5) and (6) of section 135 of the Companies Act are not applicable to the company. Accordingly, paragraph 3(xx) (a) & 3(xx) (b) of the Order are not applicable to the Company.

**For J. P. Kapur & Uberai**  
**Chartered Accountants**  
**FRN: 000593N**

**Sd/-**  
**(Vinay Jain)**  
Partner  
**Membership Number : 095187**  
**UDIN: 23095187BGVVFA8547**

**Place: New Delhi**  
**Date: 30 June 2023**



**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 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 the **UV Asset Reconstruction Company Limited** ("the Company") as of 31 March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**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 judgment, 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 internal financial controls system over financial reporting of the Company.

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

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

In our opinion 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 31 March, 2023, 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 J. P. Kapur & Uberai**  
**Chartered Accountants**  
**FRN: 000593N**

**Sd/-**

**(Vinay Jain)**

Partner

**Membership Number : 095187**

**UDIN: 23095187BGVVFA8547**

**Place: New Delhi**

**Date: 30 June 2023**

# UV ASSET RECONSTRUCTION COMPANY LIMITED

## Balance Sheet as at 31<sup>st</sup> March, 2023

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

	Note No.	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>I. EQUITY AND LIABILITIES</b>			
<b>1) Shareholder's Funds</b>			
a) Share capital	1	6,16,700.00	6,16,700.00
b) Reserves and surplus	2	8,35,167.08	8,12,253.11
		<b>14,51,867.08</b>	<b>14,28,953.11</b>
<b>2) Non Current Liabilities</b>			
a) Long Term Borrowings	3	7,67,093.86	12,71,636.55
		<b>7,67,093.86</b>	<b>12,71,636.55</b>
<b>3) Current Liabilities</b>			
a) Short Term Borrowings	3	2,91,579.16	3,66,946.01
b) Trade Payables			
Total outstanding due to Micro and Small Enterprises	4	294.50	-
Dues to parties other than Micro and Small Enterprises		903.65	1,696.44
c) Other Current Liabilities	5	2,20,060.07	2,15,962.39
d) Short-term Provisions	6	11,901.97	135.00
		<b>5,24,739.34</b>	<b>5,84,739.83</b>
<b>TOTAL</b>		<b>27,43,700.29</b>	<b>32,85,329.48</b>
<b>II. ASSETS</b>			
<b>1) Non-current assets</b>			
a) Property, Plant and Equipment			
(i) Tangible Assets	7	4,670.77	6,124.86
(ii) Intangible Assets	7	780.29	1,212.08
		<b>5,451.06</b>	<b>7,336.94</b>
b) Non-Current Investment	8	15,69,714.70	19,63,514.77
c) Deferred Tax Assets (Net)	9	1,35,045.23	59,071.82
d) Long-term loans and advances	10	1,94,457.58	1,90,915.12
e) Other non-current assets	11	1,01,246.48	1,01,964.78
		<b>20,05,915.05</b>	<b>23,22,803.43</b>
<b>2) Current assets</b>			
a) Current Investments	8	5,15,170.69	26,904.82
b) Trade Receivables	12	2,419.00	5,309.13

	Note No.	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
c) Cash & Cash Equivalents	13	1,85,113.29	1,83,083.81
d) Short-term loans and advances	10	-	65,991.65
e) Other current assets	14	35,082.26	6,81,236.64
		<b>7,37,785.24</b>	<b>9,62,526.05</b>
<b>TOTAL</b>		<b>27,43,700.29</b>	<b>32,85,329.48</b>

Significant accounting policies

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## For UV Asset Reconstruction Company Limited

## AUDITORS' REPORT

As per our separate report of even date

For J.P., Kapur & Uberai  
Chartered Accountants  
Firm Registration Number: 000593N

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

Sd/-  
(Dhan Raj)  
Director  
DIN: 08262126

Sd/-  
Vinay Jain  
Partner  
Membership No. 095187

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

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

Sd/-  
(Daljeet Kaur)  
Company Secretary  
M.No.: A66266

Place: New Delhi  
Date: 30.06.2023

**UV ASSET RECONSTRUCTION COMPANY LIMITED**  
**Statement of Profit & Loss for the period ended on 31<sup>st</sup> March, 2023**  
**(All Amounts are in (₹ '000), unless otherwise specified)**

	Note No.	For the year ended on	
		31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>I INCOME</b>			
Revenue from Operations	15	5,24,207.37	5,22,691.38
Other Income	16	38,180.01	3,531.71
<b>Total Income</b>		<b>5,62,387.38</b>	<b>5,26,223.09</b>
<b>II EXPENSES</b>			
Employee benefits expenses	17	36,257.20	33,184.61
Finance Cost	18	1,71,754.89	2,07,525.92
Depreciation & amortisation	7	1,867.65	1,641.59
Other expenses	19	3,28,453.29	2,32,882.74
<b>Total Expenses</b>		<b>5,38,333.04</b>	<b>4,75,234.86</b>
<b>III PROFIT/(LOSS) BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX</b>		<b>24,054.34</b>	<b>50,988.23</b>
<b>IV PRIOR PERIOD ADJUSTMENTS (NET)</b>		999.75	-
<b>V PROFIT/(LOSS) BEFORE TAX</b>		<b>23,054.59</b>	<b>50,988.23</b>
<b>VI TAX EXPENSE</b>			
a) Current taxes		68,910.00	6,196.47
b) Previous year tax adjustment		7,204.03	-
c) Deferred taxes		(75,973.41)	9,172.61
<b>VII PROFIT/(LOSS) AFTER TAX</b>		<b>22,913.97</b>	<b>35,619.15</b>
<b>VIII EARNINGS PER SHARE - BASIC AND DILUTED</b>			
Basic		<b>0.55</b>	<b>0.85</b>
Diluted		<b>0.53</b>	<b>0.83</b>

Significant accounting policies 20

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**For UV Asset Reconstruction Company Limited**

**AUDITORS' REPORT**

As per our separate report of even date

For J.P., Kapur & Uberai  
Chartered Accountants  
Firm Registration Number: 000593N

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

Sd/-  
(Dhan Raj)  
Director  
DIN: 08262126

Sd/-  
Vinay Jain  
Partner  
Membership No. 095187

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

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

Sd/-  
(Daljeet Kaur)  
Company Secretary  
M.No.: A66266

Place: New Delhi  
Date: 30.06.2023

**UV ASSET RECONSTRUCTION COMPANY LIMITED**  
**Cash Flow Statement for the year ended on 31<sup>st</sup> March, 2023**  
**(All Amounts are in (₹ '000), unless otherwise specified)**

	For the year ended on	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Cash Flow From Operating Activities</b>		
Net Profit/(loss) before tax	23,054.59	50,988.23
<b>Adjustment for :-</b>		
Depreciation and Amortization	1,867.65	1,641.59
Provision for Diminishing in Value of Investment / NPAs	2,35,832.58	1,82,770.36
Provision no longer required written back	(26,046.20)	-
Interest Income	(10,627.08)	(3,451.02)
Interest Expense	1,64,487.03	2,00,468.77
Invocation of BCL shares pledged	(1,05,947.15)	-
Fixed Assets written off	429.87	-
<b>Operating profit/(loss) before working capital changes</b>	<b>2,83,051.29</b>	<b>4,32,417.92</b>
Adjustment for changes in working capital:		
Increase/(Decrease) in Short-term Provisions	90.00	(3.75)
Increase/(Decrease) in Trade Payables	(498.29)	1,666.60
Increase/(Decrease) in Other Current Liabilities	4,097.69	1,56,646.01
(Increase)/Decrease in Trade Receivables	2,890.13	(5079.13)
(Increase)/Decrease in Long term Loans & Advances (Financial Assets)	(3,542.46)	4,99,509.94
(Increase)/Decrease in Short term Loans & Advances (Financial Assets)	19,879.90	(61,051.70)
(Increase)/Decrease in Other Non Current Assets	718.30	380.00
(Increase)/Decrease in Other Current Assets	6,04,732.66	(5,88,145.19)
<b>Net cash flow generated from/(Used in) Operating Activities</b>	<b>9,11,419.22</b>	<b>4,36,340.70</b>
Less : Income tax paid	23,005.45	49,588.78
<b>Net cash flow from/(Used in) operating activities (A)</b>	<b>8,88,413.78</b>	<b>3,86,751.92</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(411.64)	(1,001.36)
Sale of Fixed Assets	-	59.46
Interest received	10,627.08	3,451.02
Investment in UVARCL Trusts	(4,65,950.00)	(19,950.00)
Redemption of Security Receipts of UVARCL Trusts	3,13,756.74	1,59,123.81
<b>Net cash flow generated from/(Used in) Investing activities (B)</b>	<b>(1,41,977.83)</b>	<b>1,41,682.93</b>
<b>Cash Flow from Financing activities</b>		
Proceeds from issue of Equity Share Capital	-	-
Proceeds from Security Premium on Equity Share Capital	-	-
Proceeds from issue of Preference Share Capital	-	1,96,450.00
Proceeds from issue of Non Convertible Debentures	-	-
Interest paid	(1,64,487.03)	(2,00,468.77)
Investment in Fixed Deposits	(2,662.23)	(1,47,296.64)
Repayment of Non Convertible Debentures	(3,02,940.30)	-
Preference Dividend paid	(9.90)	-
Repayment of Borrowings	(2,77,585.14)	(6,22,305.80)

	For the year ended on	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Proceeds from Borrowings	615.90	2,41,906.09
<b>Net cash flow generated from/(Used in) Financing activities (C)</b>	<b>(7,47,068.70)</b>	<b>(5,31,715.12)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents during the year (A+B+C)</b>	<b>(632.75)</b>	<b>(3,280.27)</b>
Cash & Cash Equivalent (Opening)	1,216.73	4,497.00
Cash & Cash Equivalent (Closing)	583.98	1,216.73
Cash & Cash Equivalent (Note No.13)	1,85,113.29	1,83,083.81
Less:- Fixed Deposit having original maturity of more than 3 months	1,81,454.31	1,78,792.08
Less:- Unclaimed Dividend lying with Bank	3,075.00	3,075.00
	<b>583.98</b>	<b>1,216.73</b>

**Note:**

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard-3 on Cash Flow Statements issued by the The Institute of Chartered Accountants of India.
2. Figures in bracket represent outgo.

**For UV Asset Reconstruction Company Limited****AUDITORS' REPORT**

As per our separate report of even date

For J.P., Kapur & Uberai  
Chartered Accountants  
Firm Registration Number: 000593N

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

Sd/-  
(Dhan Raj)  
Director  
DIN: 08262126

Sd/-  
Vinay Jain  
Partner  
Membership No. 095187

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

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

Sd/-  
(Daljeet Kaur)  
Company Secretary  
M.No.: A66266

Place: New Delhi  
Date: 30.06.2023



**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 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	Number	Rs.	Number	Rs.
<b>(a) Authorised</b>				
Equity shares of Rs. 10 each	5,00,00,000	5,00,000.00	5,00,00,000	5,00,000.00
Compulsory Convertible Preference Shares of Rs. 1000 each	2,00,000	2,00,000.00	2,00,000	2,00,000.00
<b>(b) Issued, Subscribed and Fully Paid up Equity Shares</b>	4,20,25,000	4,20,250.00	4,20,25,000	4,20,250.00
<b>(c) Issued, Subscribed and Fully Paid up Compulsory Convertible preference shares</b>	1,96,450	1,96,450.00	1,96,450	1,96,450.00
<b>TOTAL</b>	<b>4,22,21,450</b>	<b>6,16,700.00</b>	<b>4,22,21,450</b>	<b>6,16,700.00</b>

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

Particulars	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	Number	Rs.	Number	Rs.
<b>Equity Shares with voting rights</b>				
Shares outstanding at the beginning of the year	4,20,25,000	4,20,250.00	4,20,25,000	4,20,250.00
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	<b>4,20,25,000</b>	<b>4,20,250.00</b>	<b>4,20,25,000</b>	<b>4,20,250.00</b>

**(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 31<sup>st</sup> March 2023, the amount of dividend paid/payable to equity share holders is NIL (31<sup>st</sup> March 2022 - NIL).

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

Particulars	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	No. of Shares held	% holding	No. of Shares held	% holding
Mr. Pramod Sharma	1,37,99,750	32.84	1,37,99,750	32.84
White Lotus Investments Pvt. Ltd.	41,75,000	9.93	41,75,000	9.93
Sanmati Trading and Investment Ltd.	35,00,000	8.33	35,00,000	8.33
Anubhav Buildtech Pvt. Ltd.	35,00,000	8.33	35,00,000	8.33
Anubhav Securities Pvt. Ltd.	35,00,000	8.33	35,00,000	8.33
Kurral Infrastructure Pvt. Ltd.	41,75,000	9.93	41,75,000	9.93
	<b>3,26,49,750</b>	<b>77.69</b>	<b>3,26,49,750</b>	<b>77.69</b>

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

**UV Asset Reconstruction Company Limited**

Notes Forming part of the Financial Statements

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

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

Particulars	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022		% change during the year
	No. of Shares held	% holding	No. of Shares held	% holding	
Mr. Pramod Sharma	1,37,99,750	32.84%	1,37,99,750	32.84%	-
	<b>1,37,99,750</b>	<b>32.84%</b>	<b>1,37,99,750</b>	<b>32.84%</b>	<b>-</b>

PREFERENCE SHARE CAPITAL	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	Number	Rs.	Number	Rs.
(a) Authorised				
Compulsory Convertible Preference Shares of Rs. 1000 each	2,00,000	2,00,000.00	2,00,000	2,00,000.00
(b) Issued, Subscribed and Fully Paid up	1,96,450	1,96,450.00	1,96,450	1,96,450.00
<b>TOTAL</b>	<b>1,96,450</b>	<b>1,96,450.00</b>	<b>1,96,450</b>	<b>1,96,450.00</b>

**(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 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	Number	Rs.	Number	Rs.
<b>Compulsory Convertible Preference shares</b>				
Shares Outstanding at the beginning of the year	1,96,450	1,96,450.00	-	-
Shares issued during the year	-	-	1,96,450	1,96,450.00
Shares outstanding at the end of the year	<b>1,96,450</b>	<b>1,96,450.00</b>	<b>1,96,450</b>	<b>1,96,450.00</b>

**(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 compulsorily 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.

**UV Asset Reconstruction Company Limited**

Notes Forming part of the Financial Statements

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

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

Particulars	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	No. of Shares held	% holding	No. of Shares held	% holding
Abhi Paisa Investment Pvt. Ltd.	1,96,450	100.00	1,96,450	100.00
	<b>1,96,450</b>	<b>100.00</b>	<b>1,96,450</b>	<b>100.00</b>

Note No. '2'

**RESERVES AND SURPLUS**

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>General Reserve Account</b>		
Opening Balance	44,139.56	38,796.69
Addition during the period	-	5,342.87
	<b>44,139.56</b>	<b>44,139.56</b>
<b>Share Premium Account</b>		
Opening Balance	7,95,750.00	7,95,750.00
Addition during the period	-	-
	<b>7,95,750.00</b>	<b>7,95,750.00</b>
<b>Profit and Loss Account</b>		
Opening Balance	(27,636.46)	(57,912.73)
Add: Profit/(loss) for the period	22,913.97	35,619.15
<b>Less : Appropriations</b>		
Transfer to General reserve	-	5,342.87
<b>Total Appropriations</b>	<b>-</b>	<b>5,342.87</b>
	<b>(4,722.48)</b>	<b>(27,636.46)</b>
<b>TOTAL</b>	<b>8,35,167.08</b>	<b>8,12,253.11</b>

Note No. '3'

**LONG TERM & SHORT TERM BORROWINGS**

	Non Current Liabilities		Current Liabilities	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Secured Loans:</b>				
- Overdraft facility				
:- from Punjab National Bank	5,68,415.78	7,04,465.00	1,41,959.96	35,899.52
:- from Central Bank of India	1,98,678.08	2,35,671.55	49,619.19	12,009.82
:- from United Bank of India	-	-	-	-
- Term Loan				
:- from Punjab National Bank	-	-	-	12,853.31
:- from Central Bank of India	-	-	-	3,243.06
- Non Convertible Debentures	-	-	-	3,02,940.30
<b>Unsecured Loans:</b>				
- Inter Corporate Deposit	-	3,31,500.00	1,00,000.00	-
<b>TOTAL</b>	<b>7,67,093.86</b>	<b>12,71,636.55</b>	<b>2,91,579.16</b>	<b>3,66,946.01</b>

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

**Notes:-**

- (i) Total Overdraft facility of Rs. 100 Crores has been sanctioned i.e. Rs. 75 Crores from Punjab National Bank, Rs. 25 Crores from Central Bank of India.
- (ii) Rate of Interest of PNB, CBI is MCLR plus 3.55% i.e. 15.40% p.a., MCLR plus 3.55% i.e. 14.80% p.a. respectively
- (iii) Overdraft facility from Banks is against 1st parri passu charge by way of hypothecation of entire receivables/claims (NPA's), Investments in Security Receipts & personal Guarantee of Mr. Pramod Sharma.
- (iv) 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.
- (v) Balance Non Convertible Debentures is fully repaid during the year.
- (vi) Balance Emergency COVID term loan from PNB and CBI is fully repaid during the year.

**Note No. '4'**

**TRADE PAYABLE**

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Dues to Micro & Small Enterprises	294.50	-
Dues to parties other than Micro & Small Enterprises	903.65	1,696.44
<b>TOTAL</b>	<b>1,198.15</b>	<b>1,696.44</b>

**Trade payables ageing schedule**

Particulars	Outstanding for following periods from due date of payment					As at March 31, 2023
	Unbilled*	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Trade payable to Micro and Small Enterprises	-	294.50	-	-	-	294.50
Trade payable other than Micro and Small Enterprises	-	703.65	200.00	-	-	903.65
Trade payable to Micro and Small Enterprises - Disputed	-	-	-	-	-	-
Trade payable other than Micro and Small Enterprises - Disputed	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>998.15</b>	<b>200.00</b>	<b>-</b>	<b>-</b>	<b>1,198.15</b>

Particulars	Outstanding for following periods from due date of payment					As at March 31, 2022
	Unbilled*	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Trade payable to Micro and Small Enterprises	-	-	-	-	-	-
Trade payable other than Micro and Small Enterprises	-	1,696.44	-	-	-	1,696.44
Trade payable to Micro and Small Enterprises - Disputed	-	-	-	-	-	-
Trade payable other than Micro and Small Enterprises - Disputed	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1,696.44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,696.44</b>

\*Being the amount booked on provisional basis but bill not raised by creditor.

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

(i) The information regarding dues to Micro and Small Enterprises as required under Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 as on 31st March 2023 & 31st March 2022 is furnished below:

S.NO	Particulars	As at 31.03.2023	As at 31.03.2022
		Rs.	Rs.
(I)	The principal amount and the interest due thereon remaining unpaid to any supplier/ service provider as at 31st March:	-	-
	Principal	294.50	-
	Interest	-	-
(II)	The amount of interest paid/reversed by the buyer in terms of section 16 of the Micro, small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during the year ending 31st March:	-	-
	Principal	-	-
	Interest	-	-
(III)	The amount of Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, small and Medium Enterprises Development Act, 2006;	-	-
(IV)	The amount of Interest accrued and remaining unpaid at the end of the year ending 31st March.	-	-
(V)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, small and Medium Enterprises Development Act, 2006.	-	-

(ii) The information has been given in respect of such service providers to the extent they could be identified as Micro & Small Enterprises on the basis of information available with the Company and have been relied upon by the Auditors.

**Note No.'5'****OTHER LIABILITIES**

	Non Current Liabilities		Current Liabilities	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Statutory dues payables	-	-	8,009.17	9,734.28
Expenses Payable	-	-	3,236.18	6,236.42
Amount Received for Expenses	-	-	228.90	405.32
Amount Received in advance	-	-	1,50,000.00	1,50,000.00
Other Payables	-	-	55,510.82	46,511.38
Unclaimed Dividend*	-	-	3,075.00	3,075.00
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>2,20,060.07</b>	<b>2,15,962.39</b>

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

**Note No.'6'****SHORT TERM PROVISIONS**

(a) Others	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
- Provision for Income Tax (Net of TDS Rs. 5,72,33,033, PY Rs. Nil)	11,676.97	-
- Provision for Audit fees	225.00	135.00
<b>TOTAL</b>	<b>11,901.97</b>	<b>135.00</b>

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

Note No '7'

**Property, Plant & Equipment and Intangible Assets**

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2022	Additions/ Adjustments during the period	Sales/ Adjustments during the period	As at 31.03.2023	Upto 31.03.2022	Additions during the period	Adjustments during the period	Upto 31.03.2023	As at 31.03.2023	As at 31.03.2022
<b><u>Property, Plant &amp; Equipment (A)</u></b>										
Office Equipment	2,272.75	20.35	(162.37)	2,130.73	1,661.19	283.18	(155.48)	1,788.90	341.83	611.56
Data Processing Equipment	2,079.84	391.29	(623.97)	1,847.17	1,337.15	358.99	(600.65)	1,095.49	751.68	742.69
Vehicles	4,374.60	-	(79.73)	4,294.87	2,212.27	519.48	68.04	2,799.79	1,495.08	2,162.33
Furniture & Fixture	4,562.71	-	(354.03)	4,208.68	1,954.42	441.71	(269.64)	2,126.49	2,082.19	2,608.29
<b>T O T A L (A)</b>	<b>13,289.90</b>	<b>411.64</b>	<b>(1,220.10)</b>	<b>12,481.44</b>	<b>7,165.04</b>	<b>1,603.36</b>	<b>(957.73)</b>	<b>7,810.67</b>	<b>4,670.77</b>	<b>6,124.86</b>
<b><u>Intangible Assets (B)</u></b>										
Software	2,012.83	-	(427.08)	1,585.75	800.75	264.29	(259.58)	805.46	780.29	1,212.08
<b>Total (B)</b>	<b>2,012.83</b>	<b>-</b>	<b>(427.08)</b>	<b>1,585.75</b>	<b>800.75</b>	<b>264.29</b>	<b>(259.58)</b>	<b>805.46</b>	<b>780.29</b>	<b>1,212.08</b>
<b>TOTAL (A+B)</b>	<b>15,302.73</b>	<b>411.64</b>	<b>(1,647.17)</b>	<b>14,067.20</b>	<b>7,965.78</b>	<b>1,867.65</b>	<b>(1,217.31)</b>	<b>8,616.13</b>	<b>5,451.06</b>	<b>7,335.94</b>

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2021	Additions/ Adjustments during the period	Sales/ Adjustments during the period	As at 31.03.2022	Upto 31.03.2021	Additions during the period	Adjustments during the period	Upto 31.03.2022	As at 31.03.2022	As at 31.03.2021
<b><u>Property, Plant &amp; Equipment (A)</u></b>										
Office Equipment	2,259.75	13.00	-	2,272.75	1,337.18	324.01	-	1,661.19	611.56	922.57
Data Processing Equipment	1,492.01	647.29	59.46	2,079.84	1,136.12	201.03	-	1,337.15	742.69	355.89
Vehicles	4,374.60	-	-	4,374.60	1,692.78	519.49	-	2,212.27	2,162.32	2,681.81
Furniture & Fixture	4,421.21	141.50	-	4,562.71	1,533.88	420.54	-	1,954.42	2,608.29	2,887.33
<b>T O T A L (A)</b>	<b>12,547.56</b>	<b>801.79</b>	<b>59.46</b>	<b>13,289.90</b>	<b>5,699.96</b>	<b>1,465.07</b>	<b>-</b>	<b>7,165.04</b>	<b>6,124.86</b>	<b>6,847.60</b>
<b><u>Intangible Assets (B)</u></b>										
Software	1,813.26	199.57	-	2,012.83	624.23	176.52	-	800.75	1,212.08	1,189.03
<b>Total (B)</b>	<b>1,813.26</b>	<b>199.57</b>	<b>-</b>	<b>2,012.83</b>	<b>624.23</b>	<b>176.52</b>	<b>-</b>	<b>800.75</b>	<b>1,212.08</b>	<b>1,189.03</b>
<b>TOTAL (A+B)</b>	<b>14,360.82</b>	<b>1,001.36</b>	<b>59.46</b>	<b>15,302.72</b>	<b>6,324.19</b>	<b>1,641.59</b>	<b>-</b>	<b>7,965.78</b>	<b>7,336.94</b>	<b>8,036.63</b>

**UV Asset Reconstruction Company Limited**

Notes Forming part of the Financial Statements

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

Note No. '8'

**CURRENT & NON-CURRENT INVESTMENTS**

Investment in special purpose vehicles (Valued at cost unless stated otherwise) Unquoted security receipts	Non Current Investment		Current Investment	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
(a) Investment in UVARCL-I TRUST- 37,500 (31 <sup>st</sup> March, 2022-37,500) SRs of Rs. 485.2058/- each	-	18,195.22	18,195.22	-
(b) Investment in UVARCL-III TRUST- 6,75,000 (31 <sup>st</sup> March, 2022- 6,75,000) SRs of Rs. 1000/- each	6,75,000.00	6,75,000.00	-	-
(c) Investment in UVARCL- II TRUST- Nil (31 <sup>st</sup> March, 2022- 31,250) SRs of Rs. 1000/- each	-	31,250.00	-	-
(d) Investment in UVARCL-IV TRUST- Nil (31 <sup>st</sup> March, 2022- 12,600) SRs of Rs. 1000/- each	-	12,600.00	-	-
(e) Investment in UVARCL-VI TRUST- 52,590 (31 <sup>st</sup> March, 2022- 52,590) SRs of Rs. 1000/- each	52,590.00	52,590.00	-	-
(f) Investment in UVARCL-VII TRUST- 54,611.263 (31 <sup>st</sup> March, 2022- 54,999.291) SRs of Rs. 1000/- each	54,611.26	54,999.29	-	-
(g) Investment in UVARCL-VIII TRUST- 20,250 (31 <sup>st</sup> March, 2022- 20,250) SRs of Rs. 1000/- each	20,250.00	20,250.00	-	-
(h) Investment in UVARCL-IX TRUST- 29,925 (31 <sup>st</sup> March, 2022- 29,925) SRs of Rs. 1000/- each	29,925.00	29,925.00	-	-
(i) Investment in UVARCL-X TRUST- Nil (31 <sup>st</sup> March, 2022- 5,112.819) SRs of Rs. 1000/- each	-	-	-	5,112.82
(j) Investment in UVARCL-XII TRUST- Nil (31 <sup>st</sup> March, 2022- 21,792) SRs of Rs. 1000/- each	-	-	-	21,792.00
(k) Investment in UVARCL-XIII TRUST- 3,60,000 (31 <sup>st</sup> March, 2022- 3,60,000) SRs of Rs. 1000/- each	-	3,60,000.00	3,60,000.00	-
(l) Investment in UVARCL-XIV TRUST- Nil (31 <sup>st</sup> March, 2022- 1,16,178) SRs of Rs. 1000/- each	-	1,16,178.00	-	-
(m) Investment in UVARCL- XV TRUST- 5,58,586.69 (31 <sup>st</sup> March, 2022- 5,81,473.077) SRs of Rs. 1,000/- each	4,05,690.41	5,81,473.08	1,52,896.28	-
(n) Investment in UVARCL- XVI TRUST- 4357.142 (31 <sup>st</sup> March, 2022- 4,500) SRs of Rs. 1000/- each	4,357.14	4,500.00	-	-



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

(o) Investment in UVARCL- XVII TRUST- 74,250 (31 <sup>st</sup> March, 2022- 74,250) SRs of Rs. 1000/- each	74,250.00	74,250.00	-	-
(p) Investment in UVARCL- XIX TRUST- 44,800 (31 <sup>st</sup> March, 2022- 44,800) SRs of Rs. 1000/- each	44,800.00	44,800.00	-	-
(q) Investment in UVARCL- XXI TRUST- Nil (31 <sup>st</sup> March, 2022- 16,500) SRs of Rs. 1000/- each	-	16,500.00	-	-
(r) Investment in UVARCL- XXII TRUST- 1,93,593.54 (31 <sup>st</sup> March, 2022- Nil) SRs of Rs. 1000/- each	1,93,593.35	-	-	-
(s) Investment in UVARCL- XXIV TRUST- 106,500 (31 <sup>st</sup> March, 2022- Nil) SRs of Rs. 1000/- each	1,06,500.00	-	-	-
(t) Investment in UVARCL- XXVII TRUST- 72,500 (31 <sup>st</sup> March, 2022- Nil) SRs of Rs. 1000/- each	72,500.00	-	-	-
(u) Investment in UVARCL- XXVIII TRUST- 6450 (31 <sup>st</sup> March, 2022- Nil) SRs of Rs. 1000/- each	6,450.00	-	-	-
	<b>17,40,517.17</b>	<b>20,92,510.59</b>	<b>5,31,091.50</b>	<b>26,904.82</b>
<b>Less: Provision for Diminishing in Value of Investment</b>	2,72,607.66	1,28,995.82	15,920.82	-
	<b>14,67,909.51</b>	<b>19,63,514.77</b>	<b>5,15,170.69</b>	<b>26,904.82</b>
<b>*Investment in Assets repossessed for Sale</b> (No of Shares- 2,17,99,826 Weighted Average Price of shares- Rs. 4.86). Price as on 31.03.2023 - Rs. 4.67	<b>1,05,947.15</b>			
<b>Less: Provision for Diminution in Value of Investment</b>	<b>4,141.97</b>			
<b>TOTAL</b>	<b>15,69,714.70</b>	<b>19,63,514.77</b>	<b>5,15,170.69</b>	<b>26,904.82</b>

\* Burnpur Cement Limited (BCL) is a Non-Performing Asset, which was acquired by our Company on Debt Assignment basis under Section 5 of SARFAESI Act, 2002 from State Bank of India, Central Bank of India and Punjab National Bank and consequently UVARCL became secured creditor of BCL with 100% share in its debt. Pursuant to recovery of our dues, we initiated various recovery proceedings including invocation of pledge of shares by promoters of BCL. Due to the invocation of pledge, UVARCL has acquired shares of BCL and the same is presented as "repossessed assets held for sale", at the fair value of such shares as on the date of invocation of pledge. The objective of the invocation is not to hold the assets as investments, but to sell down and realize the cash flows, hence the said acquisition of shares is a transitory move, and they will eventually be sold.

**UV Asset Reconstruction Company Limited**

Notes Forming part of the Financial Statements

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

Note No. '9'

**DEFERRED TAX ASSETS**

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 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>(a) Deferred Tax Assets</b>		
(i) Provisions for NPAs	46,190.90	26,789.47
(ii) Provisions for Diminishing in Value of Investments	88,620.61	32,468.25
(iii) Difference in Net Book Value as per Companies Act, 2013 & Closing WDV as per Income Tax Act, 1961 for PPE	313.22	(185.90)
(iv) Expenses Disallowed in Income Tax	21.80	-
<b>(b) Deferred Tax Liabilities</b>		
(i) Expenses allowed in Income Tax on paid basis, but deferred in Financials	101.30	-
<b>Deferred Tax Assets (net)</b>	<b>1,35,045.23</b>	<b>59,071.82</b>

Note No.'10'

**LOANS & ADVANCES**

	<b>Non Current Assets</b>		<b>Current Assets</b>	
	As at 31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Secured, Considered good Financial Asset</b>	92,963.38	89,420.92	-	61,051.70
	<b>92,963.38</b>	<b>89,420.92</b>	<b>-</b>	<b>61,051.70</b>
<b>Secured, Considered NPA</b>	2,02,988.40	2,02,988.40	51,051.70	9,879.90
	<b>2,95,951.78</b>	<b>2,92,409.32</b>	<b>51,051.70</b>	<b>70,931.61</b>
Less: Provision for NPAs	1,01,494.20	1,01,494.20	51,051.70	4,939.95
<b>TOTAL</b>	<b>1,94,457.58</b>	<b>1,90,915.12</b>	<b>-</b>	<b>65,991.65</b>

Note No.'11'

**OTHER NON CURRENT ASSETS**

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>(a) Unsecured, considered good</b>		
Security Deposits	1,246.48	1,964.78
(i) Advances to Banks for acquisition of Assets	-	-
(ii) Interest accrued but not due	-	-
(iii) Part payment for acquisition of Financial Assets	-	-
Advance given for Performance Guarantee	1,00,000.00	1,00,000.00
<b>TOTAL</b>	<b>1,01,246.48</b>	<b>1,01,964.78</b>

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

**Note No. '12'**

**TRADE RECEIVABLE**

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Unsecured ; Considered Good	2,419.00	5,309.13
Unsecured ; Considered doubtful	-	-
<b>TOTAL</b>	<b>2,419.00</b>	<b>5,309.13</b>

**Trade receivables ageing schedule**

S. No	Particulars	Outstanding for following periods from due date of payment					As at March 31, 2023
		Less than 6 Months	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	2,419.00	-	-	-	-	2,419.00
(ii)	Undisputed Trade receivables – considered doubtful	-	-	-	-	-	-
(iii)	Disputed Trade receivables – considered good	-	-	-	-	-	-
(iv)	Disputed Trade receivables – considered doubtful	-	-	-	-	-	-
	Less: Provision for doubtful detbs	-	-	-	-	-	-
	<b>Total</b>	<b>2,419.00</b>					<b>2,419.00</b>

**Trade receivables ageing schedule**

S. No	Particulars	Outstanding for following periods from due date of payment					As at March 31, 2022
		Less than 6 Months	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	5,079.13	-	230.00	-	-	5,309.13
(ii)	Undisputed Trade receivables – considered doubtful	-	-	-	-	-	-
(iii)	Disputed Trade receivables – considered good	-	-	-	-	-	-
(iv)	Disputed Trade receivables – considered doubtful	-	-	-	-	-	-
	Less: Provision for doubtful detbs	-	-	-	-	-	-
	<b>Total</b>	<b>5,079.13</b>	<b>-</b>	<b>230.00</b>	<b>-</b>	<b>-</b>	<b>5,309.13</b>

**Note No.'13'**

**CASH & CASH EQUIVALENTS**

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>(a) Cash and cash equivalents</b>		
Cash on hand	479.43	448.72
Balances with banks:		
In current accounts	104.55	768.01
<b>(b) Other Bank Balances</b>		
Fixed deposits with original maturity of more than three months but less than 12 months*	1,81,454.31	1,78,792.08
<b>(c) Earmarked balance with Bank</b>		
In unclaimed Dividend Account**	3,075.00	3,075.00
<b>TOTAL</b>	<b>1,85,113.29</b>	<b>1,83,083.81</b>

\* 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.

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

**UV Asset Reconstruction Company Limited****Notes Forming part of the Financial Statements****(All Amounts are in (₹ '000), unless otherwise specified)****Note No. '14'****OTHER CURRENT ASSETS**

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Tax deducted at sources (Net of Advance tax Rs. Nil, PY Rs. 61,96,473)	-	43,392.31
Income tax refund recoverable	25,267.77	23,717.14
Input Tax Credit	1.35	1.35
Amount receivable from Trust	2,431.29	2,005.00
Prepaid Expenses	1,507.73	2,203.17
Advance to Employees	206.98	136.00
Earnest Money Deposit	100.00	10,000.00
Security Deposits	618.30	150.00
Other Recoverable	4,948.84	5,99,631.68
<b>TOTAL</b>	<b>35,082.26</b>	<b>6,81,236.64</b>

**Note No. '15'****REVENUE FROM OPERATIONS**

	For the year ended on 31 <sup>st</sup> March, 2023	For the year ended on 31 <sup>st</sup> March, 2022
Interest income on restructuring	2,44,048.31	67,999.95
Resolution Agency Fee	25,670.65	40,126.23
Recovery Incentive	14,240.11	1,782.51
Trusteeship Fees	22,655.46	19,177.28
Profit on Resolution of Financial Assets	1,78,391.51	3,31,911.91
Recovery of expenses from Trust & Other Financial Assets related to P. Y.	39,201.33	61,693.50
<b>TOTAL</b>	<b>5,24,207.37</b>	<b>5,22,691.38</b>

**Note No. '16'****OTHER INCOME**

	For the year ended on 31 <sup>st</sup> March, 2023	For the year ended on 31 <sup>st</sup> March, 2022
(a) Interest on :		
- Deposits with Banks	8,841.13	3,451.02
- Income Tax Refund	1,785.95	0.00
(b) Miscellaneous Income		
- Misc Income	1,506.73	80.69
- Provision no longer required, written back	26,046.20	0.00
<b>TOTAL</b>	<b>38,180.01</b>	<b>3,531.71</b>

**UV Asset Reconstruction Company Limited****Notes Forming part of the Financial Statements****(All Amounts are in (₹ '000), unless otherwise specified)****Note No.'17'****EMPLOYEE BENEFIT EXPENSES**

	For the year ended on 31 <sup>st</sup> March, 2023	For the year ended on 31 <sup>st</sup> March, 2022
(a) Salaries, Wages and Allowances	33,310.50	31,259.82
(b) Contribution to Provident and other funds	1,533.06	1,162.10
(c) Staff Welfare expenses	1,413.65	762.69
<b>TOTAL</b>	<b>36,257.20</b>	<b>33,184.61</b>

**Note No.'18'****FINANCE COSTS**

	For the year ended on 31 <sup>st</sup> March, 2023	For the year ended on 31 <sup>st</sup> March, 2022
(a) Interest expenses on bank borrowings	1,00,075.37	78,448.14
(b) Interest expenses on ICDs	31,972.94	41,458.87
(c) Interest expenses on NCDs	32,438.72	80,561.76
(d) Processing fee and Other charges on OD facility	7,267.86	7,057.15
<b>TOTAL</b>	<b>1,71,754.89</b>	<b>2,07,525.92</b>

**Note No.'19'****OTHER EXPENSES**

	For the year ended on 31 <sup>st</sup> March, 2023	For the year ended on 31 <sup>st</sup> March, 2022
Auditor's fees		
- Statutory Audit	250.00	150.00
Bank Charges	93.54	8.60
Books & periodicals	26.62	23.92
Business Promotion Expenses	7,592.37	1,447.02
Commission & Brokerage	-	50.00
Consultancy Expenses	4,263.74	4,105.44
Directors sitting Fees	1,415.44	948.68
Electricity Expenses	727.05	619.19
Insurance expenses	136.10	91.30
Legal & Professional Expenses	8,421.22	5,225.62
Meeting Expenses	376.66	31.86
Membership & Subscription	278.41	381.83
Repair & Maintenance	798.49	662.12
Postages, Courier & Stamps	64.33	77.77
Printing & Stationery	508.54	379.41
Rates & Taxes	1,289.45	2,420.76
Rent	6,791.65	6,988.99
Software and Website Maintenance Expenses	675.04	737.35
Telephone & Communication Expenses	377.39	397.11
Travelling And Conveyance Expenses	6,206.14	2,035.66
Vehicle Running And Maintenance Expenses	879.89	714.52
Miscellaneous expenses	1,290.81	446.91
Loss on Resolution of Financial Assets	27,984.30	-
Operative Expenses (Refer Note No. 19.1)	22,173.53	22,168.35
Provision for Npa & Diminution in Value of Investments (Refer Note No. 19.2)	2,35,832.58	1,82,770.36
<b>TOTAL</b>	<b>3,28,453.29</b>	<b>2,32,882.74</b>

**UV Asset Reconstruction Company Limited**

Notes Forming part of the Financial Statements

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

**Note No. '19.1'****OPERATIVE EXPENSES**

	For the year ended on 31 <sup>st</sup> March, 2023	For the year ended on 31 <sup>st</sup> March, 2022
Valuation, Due Diligence & Legal Expenses	430.00	543.50
Travelling Expenses	710.39	134.07
Legal & Professional Expenses-Direct	12,766.01	13,992.75
Insurance Expenses - Direct	368.13	737.42
Security Guard Expenses	2,019.98	279.11
Publication Charges	8.40	97.60
Assignment Deed Registration charges	396.24	693.46
Other Direct Expense	5,474.38	5,690.43
<b>TOTAL</b>	<b>22,173.53</b>	<b>22,168.35</b>

**Note No. '19.2'****PROVISION FOR NPA AND DIMINISHING IN VALUE  
OF INVESTMENT**

	For the year ended on 31 <sup>st</sup> March, 2023	For the year ended on 31 <sup>st</sup> March, 2022
<b>Secured, Considered NPA</b>		
M/s Chandra Proteco Ltd	5,062.50	-
M/s Maa Durga Thermal Power Company Ltd.	-	15,625.00
M/s Majestic Hotels Ltd.	-	81,195.36
M/s DSC	1,68,750.00	84,375.00
M/s MSM Energy Ltd.	-	1,575.00
Rice Mills Basket(UVARCL VII Trust)	6,826.41	-
JR Solvent Industries Pvt Ltd	12,500.00	-
Agro Dutch Industries Ltd	38,551.70	-
Value of repossessed Shares - BCL	4,141.97	-
<b>TOTAL</b>	<b>2,35,832.58</b>	<b>1,82,770.36</b>

The Provision for NPA is as per RBI Circular No. 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. -'20'. 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 issued "Certificate of Commencement of Business" on 17<sup>th</sup> September, 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 17<sup>th</sup> June, 2011. The Company commenced its Business as an Asset Reconstruction Company w.e.f. 15<sup>th</sup> July, 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 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 Accounting Standards, guidelines and directions given by the RBI will prevail.

The financial statements are presented in Indian Rupees rounded off to the nearest thousands.

**(ii) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles, RBI guidelines/circulars/notifications requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**(iii) Property, Plant and Equipment, Intangible Assets and Depreciation / Amortization / Impairment:**

**Tangible Property, Plant and Equipment and depreciation**

Tangible Property, Plant and Equipment acquired by the Company are reported at acquisition



cost, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition cost of Property, Plant and Equipment 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.

### **Impairment**

The carrying amount of assets are reviewed at each balance sheet date to consider if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

Depreciation on Property, Plant and Equipment is provided on straight-line method as per useful life prescribed in Schedule II to the Companies Act, 2013.

Residual value of all assets is retained at 5% of Purchase Price.

### **Intangible assets and Amortization**

Intangible assets comprise mostly of 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, which has been considered as 6 years.

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

### **(iv) Revenue recognition**

Revenue of the Company is derived by way of interest charged to the borrowers, Trusteeship Fees, processing fees, Resolution Agency fee, 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, income (other than interest on Bank deposits and Dividend income) is recognized on actual realization.

Interest Income on Bank deposits is recognized on accrual basis.

Dividend income is recognized when the right to receive dividend is established. In Case of Financial Assets acquired in Trust on 100% SR Basis, Income attributable to trust will be transferred to Company (SR Holder).

Policy on income from SR - Trusteeship fees are recognized as per the provisions of the relevant Trust deed/offer document on actual basis. Trusteeship fees have been calculated and charged as percentage (%) specified in offer document of Net Asset Value (NAV) of SRs..

#### **(v) 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 reasonable certainty that the assets can be realised in the future.

#### **(vi) Earning Per Share**

EPS is calculated by dividing net profit or loss for the period attributable to equity shareholders by weighted average no. of equity shares outstanding during the period.

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

#### **(vii) Leases**

##### **Operating Lease**

Leases where the lessor effectively retains substantially all the risk and benefits of ownership of the leased asset are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss account on a straight line basis over the lease period.

#### **(viii) Employee Benefits**

##### **Provident Fund**

The Company's contribution to government provident fund is considered as defined contribution plan and is charged as an expense based on the amount of the contribution required to be made and when services are rendered by the employees. The Company has no further obligation.

##### **Defined Benefit Plan**

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.

The Company provides for gratuity, a defined benefit plan, which defines an amount of

benefit that an employee will receive on separation from the Company, usually dependent on one or more factors such as age, years of service and remuneration. The liability recognized in the balance sheet for defined benefit plan is the present value of the defined benefit obligation('DBO') at the balance sheet date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The present value of DBO is calculated annually by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of Profit and Loss in the year in which such gains or losses arise.

### **Compensated absences**

The Company also provides benefit of compensated absences under which un-availed leaves are allowed to be accumulated and can be availed in future..

### **(ix) Operating Cycle**

Operating cycle is the realization period of the investments, which considers the realization period provided under the guidelines issued by the Reserve Bank of India and resolution plan formulated by the management subject to period of five years, extendable up to eight years. Investments that are realizable within 12 months are classified as current investments.

### **(x) Investments**

Investment in security receipts are classified as available for sale.

Investment in SRs are aggregated for the purpose of arriving at net depreciation / appreciation of investment under the category. Net depreciation if any should be provided for, net appreciation if any should be ignored.

Initial contribution towards trusts fund is valued at cost less diminution other than temporary.

### **(xi) Cash and cash equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprises cash at bank and in hand, cheques in hand and short-term investment in fixed deposits with an original maturity of 3 Months or less.

### **(xii) Foreign Exchange Transactions**

Transactions denominated in foreign currency are recorded at standard rates that approximate the actual rate on the date of the transactions. Foreign Currency monetary items outstanding at year end are reported using the closing rate and the resultant gain/loss taken to statement of Profit and Loss. Any exchange differences arising on settlement are dealt within the statement of Profit and Loss.

### **(xiii) Provisions and contingencies**

The company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there

is a possible obligation or a present obligation that may but probably will not require an outflow of resources. Disclosure is also made in respect of a present obligation that probably requires an outflow of resources, where it is not possible to make a reliable estimate of the related outflow. When there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

**UV Asset Reconstruction Company Limited****Notes Forming part of the Financial Statements****(All Amounts are in (₹ '000), unless otherwise specified)****Note '21.1 ': The accounting ratios required under Schedule III of the Companies Act, 2013 given as follows:**

S. No	Ratio	Numerator/ Denominator	For the year ended 31st March 2023	For the year ended 31st March 2022	Variance (in %)
1	Current ratio	Total current assets/ Total current liabilities	1.41	1.65	-14.58%
2	Debt-equity ratio <sup>1</sup>	Total Debt/ Shareholder's equity	0.89	1.30	-31.51%
3	Debt service coverage ratio <sup>2</sup>	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	0.85	0.28	203.57%
4	Return on equity ratio <sup>3</sup>	Net profit after tax*100/ Shareholder's equity	1.58	2.49	-36.68%
5	Inventory turnover ratio	Cost of goods sold/ (Opening inventory+closing inventory)/2	NA	NA	NA
6	Trade Recievable turnover Rattio <sup>4</sup>	Net Sales/Avg Trade Receivables	33.92	47.18	-28.12%
7	Trade payables turnover ratio	Total Purchases/ Average Account Payables (Opening+Closing)/2	NA	NA	NA
8	Net Capital turnover ratio <sup>5</sup>	Total Net Revenue from operations/ Working capital (Current Assets-Current liabilities)	2.46	1.38	77.84%
9	Net Profit ratio <sup>6</sup>	Net Profit after tax*100/ Net Revenue from operations	4.37	6.81	-35.86%
10	Return on capital employed <sup>7</sup>	Earning Before interest and Tax/ Capital Employed (Tangible Net worth+ Total Debt+ Deferred tax liability)	0.28	0.22	27.08%
11	Return on Investment	Net Operating Income(EBIT)/ Average Operating Assets (Current Assets)	0.23	0.23	-1.12%

**Explanation for change in the ratio by more than 25% as compared to preceding year**

1. Due to decrease in Current liabilities and Profit.
2. Due to decrease in loan to be repaid.
3. Due to decrease in Profit after tax.
4. Due to increase in Operating revenue.
5. Due to decrease in Working Capital.
6. Due to decrease in Net Profit after tax.
7. Due to decrease in debt and finance cost.

**Note No. '21.2' 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 used borrowings from banks and financial institutions for the purchase of NPA and to meet working capital requirement.
- (v) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (vi) The Company did not have any transactions with Companies struck off.

- (vii) The Company does not have any charges or satisfaction of charge which is yet to be registered with ROC beyond the statutory period for the Financial year 2022-23.
- (viii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year 2022-23.
- (ix) The Company has not advanced or loaned or invested funds with 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
- (x) 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,
- (xi) 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).
- (xii) The Company has not been declared willful defaulter by any bank or financial Institution or other lender.
- (xiii) 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 Companies Act, 2013.
- (xiv) 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.

**UV Asset Reconstruction Company Limited**

Notes Forming part of the Financial Statements

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

**Note No. 21.3: Earnings per share**

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Net Profit after Tax (Rs.)	22,913.97	35,619.14
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
Effect of dilution:		
Compulsory Convertible preference shares	13,75,150	13,75,150
Weighted-average number of equity shares used to compute diluted earning per shares	4,34,00,150	4,27,18,226
Basic earnings per share (Rs.)	0.55	0.85
Diluted EPS	0.53	0.83

**Note No. 21.4: Leasing Arrangements:**

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

Lease payments charged during the year to the statement of Profit and Loss amounts to Rs.6,791.64 (Previous year Rs. 6,988.99).

Disclosure in respect of Company's operating lease arrangements entered into by the company, under Accounting Standard (AS-19) "Leases" issued by the Institute of Chartered Accountants of India.



**UV Asset Reconstruction Company Limited**

Notes Forming part of the Financial Statements

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

The year wise breakup of future minimum lease payments (MLP) in respect of leased premises is as under:

Particulars	31 March, 2023	31 March, 2022
Operating lease payments recognized during the year	6,401.40	6,641.40
Total Future minimum lease payments as at 31 March 2023	5,532.80	11,754.20
Not later than 1 Year	5,532.80	6,401.40
Later than 1 year but not later than 5 year	-	5,352.80
Later than 5 years	-	-

\*Figures shown under MLP disclosures are exclusive of GST.

**Note No. 21.5: Related party disclosures**

(i) Related parties and nature of relationship with whom transactions have taken place during the current and previous year:	
(a) Key Managerial personnel	Ms. Shilpi Sharma, Whole Time Director & Executive Vice Chairperson (till 17.07.2021) Mr. Ritesh Aggarwal, Executive Cum Whole Time Director & CFO w.e.f. 12.01.2022 Ms. Gurpreet Kaur, Executive Cum Whole Time Director w.e.f. 12.01.2022 Mr. Shubham Bansal, Company Secretary w.e.f. 12.01.2022 till 20.02.2023 Ms. Daljeet Kaur, Company Secretary w.e.f 30.03.2023
(b) Related Parties	Mr. Pramod Sharma (having substantial interest in the company)

**Enterprises over which any person in (a) & (b) above exercises significant influence**

Sr. No	Name of Companies	Relation
1.	UV Strategic Advisers Private Limited	Shareholder holds substantial interest
2.	UV Stressed Assets Management Private Limited	Shareholder holds substantial interest
3.	UV Venture Capital Fund Private Limited	Shareholder holds substantial interest
4.	UV Foods Pvt Ltd.	Shareholder holds substantial interest
5.	UV Mines and Energy Pvt Ltd	Shareholder holds substantial interest
6.	UV News Media & Communication Ltd	Shareholder holds substantial interest
7.	UV Housing Finance Ltd	Shareholder holds substantial interest
8.	UV Stressed Assets Management Private Limited	KMP holds substantial interest
9.	Hawk Capital Private Limited	Shareholder holds substantial interest

**UV Asset Reconstruction Company Limited**

Notes Forming part of the Financial Statements

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

**Transactions with Key Managerial Personnel:**

Type of Transaction	2022-23				2021-22					
	Key Managerial Personnel				Key Managerial Personnel					
	Mr. Ritesh Aggarwal	Ms. Gurpreet Kaur	Mr. Shubham Bansal	Ms. Daljeet Kaur	Ms. Shilpi Sharma	Mr. Ritesh Aggarwal	Ms. Gurpreet Kaur	Mr. Shubham Bansal		
	WTD & CFO	WTD	CS	CS		CFO	WTD & CFO	CS	WTD	CS
Managerial Remuneration	10,701.62	2,977.10	1,372.27	3.10	3,726.97	4,513.32	1,246.69	1,692.49	467.51	177.19
Reimbursement of Expenses	1,286.61	303.00	17.17	27.67	-	131.44	-	-	-	-

**Transactions with Related Parties:**

Type of Transaction	2022-23		2021-22	
	Related Parties		Related Parties	
	Mr. Pramod Sharma	Hawk Capital Private Limited	Mr. Pramod Sharma	Hawk Capital Private Limited
Consultancy Fees	3,600.00	-	3,600.00	-
Rent Paid	744.00	-	744.00	-
Interest paid on loan	-	3,426.86	-	7,085.74
Loan Repaid	-	3,94,300.00	-	2,43,800.00

**Outstanding Balances of Related Parties and KMPs as on 31.03.2023:**

Outstanding Balances	As on 31.03.2023			As on 31.03.2022	
	Related Parties		KMP	Related Parties	
	Mr. Pramod Sharma	Hawk Capital Private Limited	Mr. Ritesh Aggarwal	Mr. Pramod Sharma	Hawk Capital Private Limited
Rent Due	-	-	-	323.52	-
Advance Receivable	-	-	98.10	-	-

**UV Asset Reconstruction Company Limited**

Notes Forming part of the Financial Statements

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

**Note No. 21.6:** There is no disclosure as required by sub-section 4 of section 186 of the Companies Act, 2013 during the Financial Year 2022-23.

**Note No. 21.7:** These financial statements have been prepared in the format prescribed by Schedule III to the Companies Act, 2013. Previous year figures have been regrouped/restated to confirm with the classification of the current year.

**Note No. 21.8:** 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 the Reserve Bank of India for credit rating of SRs' of Trusts.

**Note No. 21.9: Employee benefits:**

The Company has a defined benefit gratuity plan, every employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972.

The following table summarizes the components of net benefit expenses recognized in the statement of profit and loss and amounts recognized in the balance sheet:

**Actuarial assumptions provided by the company and employed for the calculations are tabulated:**

Discount rate	7.50 % per annum
Salary Growth Rate	5.00 % per annum
Mortality	IALM 2012-14
Expected rate of return	-
Withdrawal rate (Per Annum)	5.00% p.a.

**UV Asset Reconstruction Company Limited**

Notes Forming part of the Financial Statements

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

**Changes in Present Value of Obligations:**

Period	From: 01-04-2022 To : 31-03-2023
Present value of the obligation at the beginning of the period	1,608.77
Interest cost	120.66
Current service cost	501.63
Past Service Cost	-
Benefits paid (if any)	(500.77)
Actuarial (gain)/loss	1,039.52
Present value of the obligation at the end of the period	2,769.81

Period	01-04-2022 to 31-03-2023
Interest cost	120.66
Current service cost	501.63
Past Service Cost	-
Expected return on plan asset	-
Net actuarial (gain)/loss recognized in the period	1,039.52
Expenses to be recognized in P&L	1,661.81

**Experience adjustment:**

Period	01-04-2022 to 31-03-2023
Experience Adjustment (Gain) / loss for Plan liabilities	1,039.52
Experience Adjustment Gain / (loss) for Plan assets	-

**UV Asset Reconstruction Company Limited**

Notes Forming part of the Financial Statements

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

**Reconciliation of liability in balance sheet**

Period	01-04-2022 to 31-03-2023
Opening gross defined benefit liability/ (asset)	1,608.77
Expenses to be recognized in P&L	1,661.81
Benefits paid (if any)	(500.77)
Closing gross defined benefit liability/ (asset)	2,769.81

\*Previous year comparative has not been provided as Actuarial has been done for the 1<sup>st</sup> time.

**Note No. 21.10: Expenditure and Earning in Foreign Currency.**

Particulars	FY 2022-23	FY 2021-22
Expenditure in Foreign Currency	UAE Dirhams 20000 USD 3000	UAE Dirhams 10000
Earning in Foreign Currency	Nil	Nil

**Note No. 21.11: Contingent Liability as on March 31, 2023.**

Particulars	F.Y 2022-23	F.Y 2021-22
Claims against the company not acknowledged as debt (Stamp duty demand cases pending with Hon'ble High Court, Allahabad for getting this liability quashed)	Rs. 32,378.40	Rs. 32,378.40
Bank Guarantee/Performance Guarantee	Rs. 3,62,000.00	Rs. 3,62,000.00

**Note No. 21.12:** 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 – Nil)

(b) Amount spent and paid during the year by way of donations to charitable trusts- Rs. Nil (Previous Year – Rs. Nil)

**UV Asset Reconstruction Company Limited**

Notes Forming part of the Financial Statements

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

**Note No. 21.13:** Segment Reporting- The Company has single reportable segment viz, 'Securitization and Reconstruction of Financial Assets' for the purposes of Accounting Standard 17 as 'Segment reporting' and a single geographical segment viz, India.

**Note No. 21.14: Additional disclosure**

In compliance with 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 till 31<sup>st</sup> March'23.

Name of the selling bank/ financial institutions	Address of Banks/ Fls Head Offices	Acquisition Price as on 31 <sup>st</sup> March, 2022*	Acquisition during the year	Acquisition Price as on 31 <sup>st</sup> March, 2023
<b>Sponsors</b>				
Central Bank of India *	Chandermukhi, Nariman Point, Mumbai – 400021	57,000.00	Nil	57,000.00
Sponsors Total		<b>57,000.00</b>	<b>Nil</b>	<b>57,000.00</b>
<b>Non-Sponsors</b>				
Punjab National Bank	7, Bhikaji Cama Place, New Delhi	64,229.00	2,01,000.00	2,65,229.00
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	13,13,913.02	Nil	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

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

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 <sup>rd</sup> 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, 1st Floor, Jamnalal Bajaj Marg, Nariman Point, Mumbai- v 400021	43,550.00	Nil	43,550.00
Standard Chartered Bank	Mezzanine & Alternative Solutions Crescenzo, 7 <sup>th</sup> Floor, C-38/39, G-Block, Behind MCA Club, Bandra Kurla Complex, Bandra (East), Mumbai-400051	1,95,000.00	2,28,000.00	4,23,000.00
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	83,33,000.00	Nil	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 <sup>th</sup> 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



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

Indiabulls Housing Finance Ltd	M-62, 63 First Floor, Connaught New Delhi-110001	1,10,000.00	Nil	1,10,000.00
ICICI Bank Ltd	ICICI Bank Tower, Near Chakli Circle, Old Padra Road, Vadodara Gujrat-390007	Nil	2,65,000.00	2,65,000.00
Yes Bank Ltd	4 <sup>th</sup> Floor, Max Tower, Sector- 16B, Noida, Uttar Pradesh-201301	Nil	7,10,000.00	7,10,000.00
The South Indian Bank Ltd.	804-B, Parinee Crescenzo, G Block, Bandra Kurla Complex, Bandra(East) Mumbai-400051	Nil	33,563.38	33,563.38
JM Financial ARC Ltd	7 <sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi Mumbai-400025	Nil	29,00,000.00	29,00,000.00
<b>Non Sponsors Total</b>		<b>1,41,12,284.16</b>	<b>43,37,563.38</b>	<b>1,84,49,847.54</b>
<b>Grand Total</b>		<b>1,41,69,284.16</b>	<b>43,37,563.38</b>	<b>1,85,06,847.54</b>

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

Note: Company additionally lent Rs. 1,27,703.61 to borrowers as reconstruction loan up to 31<sup>st</sup> March, 2023. Thus, the amount of asset acquired and additional exposure till 31<sup>st</sup> March, 2023 is Rs. 1,86,34,551.15/-.

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

Industry	Acquisition Price as on 31 <sup>st</sup> March, 2022		Acquisition during the year		Acquisition Price as on 31 <sup>st</sup> March, 2023	
	Amount	% to total	Amount	% to total	Amount	% to total
Textile	4,24,129.00	2.99%	33,563.38	0.77%	4,57,692.38	2.47%
Auto & Anciliary	1,77,316.33	1.25%	-	-	1,77,316.33	0.96%
Consumer Products	3,89,972.14	2.75%	-	-	3,89,972.14	2.11%
Engineering	14,663.02	0.10%	-	-	14,663.02	0.08%
Animal Husbandry	88,000.00	0.62%	-	-	88,000.00	0.48%
Food Processing	8,19,240.00	5.78%	-	-	8,19,240.00	4.43%
Oil Extraction	2,81,300.00	1.99%	-	-	2,81,300.00	1.52%
Readymade Garments	2,60,000.00	1.83%	-	-	2,60,000.00	1.40%
Steels	28,80,200.00	20.33%	-	-	28,80,200.00	15.56%
Infrastructure	52,65,000.00	37.16%	-	-	52,65,000.00	28.45%

**UV Asset Reconstruction Company Limited**

Notes Forming part of the Financial Statements

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

Power	2,09,000.00	1.48%	-	-	2,09,000.00	1.13%
Education	55,200.00	0.39%	-	-	55,200.00	0.30%
Hospitality	2,74,063.66	1.93%	36,10,000.00	83.23%	38,84,063.66	20.99%
Cold Storage	3,50,600.00	2.47%	-	-	3,50,600.00	1.89%
Industrial Products	1,35,000.00	0.95%	-	-	1,35,000.00	0.73%
Chemicals	1,91,800.00	1.35%	-	-	1,91,800.00	1.04%
Media	14,10,000.00	9.95%	-	-	14,10,000.00	7.62%
Cement	7,17,500.00	5.06%	2,01,000.00	4.63%	9,18,500.00	4.96%
Packing	1,15,500.00	0.82%	-	-	1,15,500.00	0.62%
NBFC	59,400.00	0.42%	-	-	59,400.00	0.32%
Others	51,400.00	0.36%	4,93,000.00	11.37%	5,44,400.00	2.94%
<b>Total</b>	<b>1,41,69,284.16</b>	<b>100.00%</b>	<b>43,37,563.38</b>	<b>100.00%</b>	<b>1,85,06,847.54</b>	<b>100.00%</b>

(iii) Statement of migration of financial assets from Standard to Non-Performing Assets.

Particulars	2022-23	2021-22
Opening Balance	Rs. 2,12,868.30	Rs. 2,12,868.30
Add: migration of financial assets from Standard to Non-Performing Assets during the year	Rs. 61,051.70	-
Less: Non-Performing Assets resolved during the year	Rs. 19,879.90	-
<b>Closing Balance</b>	<b>Rs. 2,54,040.01</b>	<b>Rs. 2,12,868.30</b>

(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) 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 31<sup>st</sup> March, 2023.

(vi) The capital adequacy ratio (CRAR) as on 31.03.2023 is 50.28%.

(vii) The Company has acquired no financial asset wherein the acquisition value of the assets is more than the book value in F.Y 2022-23.

**UV Asset Reconstruction Company Limited**

Notes Forming part of the Financial Statements

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

- (viii) The Details of assets where the value of the SRs declined more than 20% below the Acquisition Value are

S. No	Name of Trust	Total SR Value as at 31 March, 2023	Total SR value (after declining) as at 31 March, 2023	Company Share	Net Asset Value
1.	UVARCL – I Trust	1,21,301.45	15,162.68	2,274.40	12.50%
2.	UVARCL-III Trust	45,00,000.00	28,12,500.00	4,21,875.00	62.50% *
3.	UVARCL-VIII Trust	1,35,000.00	50,625.00	7,593.75	37.50%

\*SRs of Trust III have been assigned a rating of RR2, which requires provision @12.5%, however, the Company has made higher provision @37.5% on prudent basis.

- (ix) Details of assets disposed of (either by write off or by realization) during the year at a discount of more than 20% of valuation as on previous year end and reasons thereof:

- (a) SRs of UVARCL- IV Trust disposed off during the year at a discount of more than 20% of SR valuation as on previous year end, recovery in the account was through liquidation under IBC and our share in IBC was 55.95%.
- (b) SRs of UVARCL-II Trust disposed off during the year at a discount of more than 20% of SR valuation as on previous year end, recovery in the account was through liquidation under IBC and our share in IBC was 11.50%.

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

		31.3.2023	31.3.2022
Sr.no	Particulars	Amount	Amount
1(a)	Value of financial assets acquired during the financial year in the books of the trust		
	(a) In its own books	2,61,563.38	-
	(b) In the books of Trust	40,76,000.00	62,80,000.00
		<b>43,37,563.38</b>	<b>62,80,000.00</b>
2	Value of financial assets realized during the financial year	11,18,840.26	6,60,271.76
3	Value of financial assets outstanding for realization as at the end of the financial year	1,32,97,455.98	1,00,78,732.86
4	Value of Security Receipts redeemed partially during the financial year	1,19,087.92	1,98,813.52
5	Value of Security Receipts redeemed fully during the financial year	5,47,055.46	23,000.00

**UV Asset Reconstruction Company Limited**

Notes Forming part of the Financial Statements

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

6	Value of Security Receipts pending for redemption as at the end of the financial year	1,30,01,504.19	97,15,391.93
7	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 6(C)(ii) or 6(C)(iii)	1,23,744.35	-
8	Value of land and/or building acquired in ordinary course of business of reconstruction of assets	Nil	Nil

For J.P., Kapur & Uberai  
Chartered Accountants  
Firm Registration Number: 000593N

Sd/-  
Vinay Jain  
Partner  
Membership No. 095187

Place: New Delhi  
Date: 30.06.2023

For UV Asset Reconstruction Company Limited

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

Sd/-  
(Dhan Raj)  
Director  
DIN: 08262126

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

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

Sd/-  
(Daljeet Kaur)  
Company Secretary  
M.No.: A66266





# 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 16<sup>th</sup> Annual General Meeting of the Company, to be held on **Saturday, September 30, 2023 at 11:30 A.M. at 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:

Item No:	Resolutions
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2023 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, 2023.
3.	To re-appoint Mr. Dhan Raj (DIN:08262126) as an Independent Director of the Company for the second consecutive term.
4.	To approve increase in the Authorised Preference Share Capital of the Company and consequent amendments in the Capital Clause of the Memorandum of Association of the Company.
5.	To approve issuance of 5,00,000 (Five Lakh) Series A 0.01% Compulsorily Convertible Preference Shares ("Series A 0.01% CCPS") of the Company through Private Placement on a Preferential Basis and approve the Private Placement Offer Letter.

Signed this..... day of .....2023

Affix  
Revenue  
Stamp  
Re.1

Signature of Member

Signature of Proxy holder(s)

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***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

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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 16<sup>th</sup> Annual General Meeting of the Company being held on **Saturday, September 30, 2023 at 11:30 A.M. at Corporate Office: 1304/ 1304A Chiranjeev Tower, 43, Nehru Place, New Delhi-110019.**

Signature of First holder/Proxy/Authorised Representative:

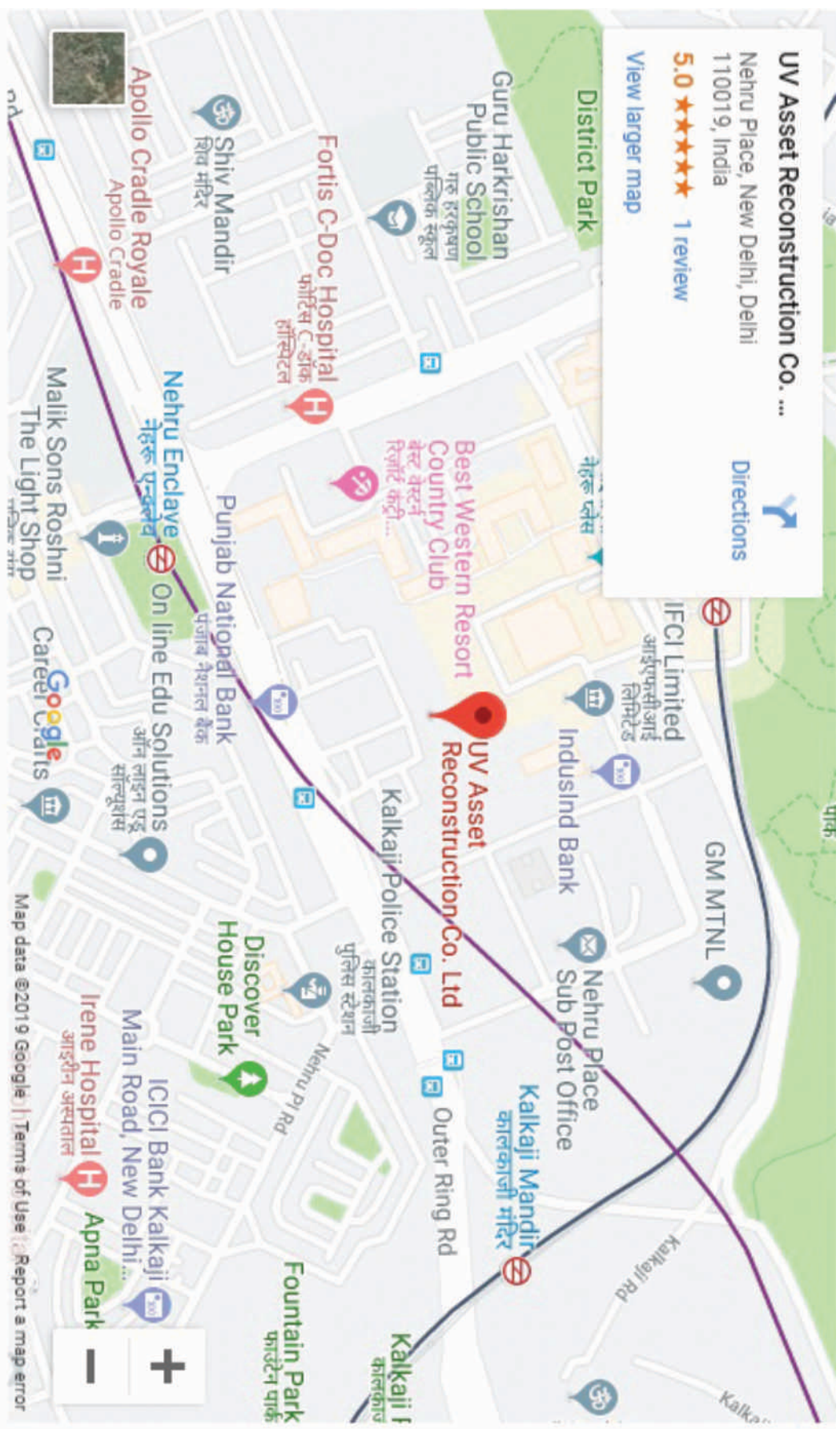
Signature of 1<sup>st</sup> Joint holder:

Signature of 2<sup>nd</sup> 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.**



## CONTACT US

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### Registered Office

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

### Corporate Office

1304/1304A, 13<sup>th</sup> Floor  
Chiranjiv Tower-43  
Nehru Place, New Delhi-110019  
Tel: 011- 4105 5576, 4103 8818

### Mumbai Office

915-D, B Wing  
The Capital, C-70, G- Block, B.K.C.  
Bandra (E), Mumbai- 400051  
Tel: 022-3512 0375, 3501 4602

**CIN : U74900DL2007PLC167329**

Email: [uvarcl@gmail.com](mailto:uvarcl@gmail.com)



**UV ASSET RECONSTRUCTION  
COMPANY LIMITED**

*"Restoring NPAs back to health"*

# ANNUAL REPORT

## 2022-23

