



**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**

**Report on Standalone Ind AS Financial Statements**

**Opinion**

We have audited the accompanying Standalone Ind AS Financial Statements of India SME Asset Reconstruction Company Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2026, the Standalone Statement of Changes in Equity, the Standalone Statement of Profit and Loss (including Other Comprehensive Income) and the Standalone Statement of Cash Flows for the year ended on that date, notes to the Standalone Ind AS Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give true and fair view in conformity with accounting principles generally accepted in India including the Indian Accounting Standards (the "Ind AS") prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, of the state of affairs (financial position) of the Company as at March 31, 2026, the changes in equity, its profit (financial performance including other comprehensive income) and cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing (SA) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further prescribed in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the Key Audit Matter
<p><b><u>i. Valuation of Investment in Security Receipts (SR) (as described in Note No. 2.03 &amp; 2.25 of the standalone financial statements)</u></b></p>	
<p>The Company has investment in SR having fair value amounting to Rs. 347.75 Cr which are classified as Fair Value through Profit &amp; Loss Accounts and fair valued as Level 3 financial instruments. As disclosed in the standalone financial Statements.</p> <p>The fair value of SR is determined through discounted cash flow method which involves management judgment using level 3 inputs such as projections of future cash flows and its timings and expenses.</p> <p>Based on RBI's Master Direction, the management has engaged external credit rating agencies for assigning the rating to SRs basis which the management estimate Net Asset Value (NAV) of Security Receipts (SRs) that are less than eight years old. While an external valuer (registered/unregistered) has been appointed for valuation of SRs basis the management estimate for SRs exceeding eight year old.</p> <p>Considering the fair valuation of investments is significant to overall standalone financial Statement as well as the company's performance and the fair valuations involves significant degree of complexities and including management's judgment. This could lead to material misstatement in the standalone financial statement.</p> <p>Therefore, it is considered as a key audit matter.</p>	<p>Our audit approach was a combination of test of internal controls and substantive procedure which include the following:</p> <ol style="list-style-type: none"><li>1. We tested the relevant internal controls over measurement of fair value and evaluating the methodologies assessment underlying pool of assets, inputs, judgements made and assumptions used by the management in determining fair value.</li><li>2. Performed testing on a sample basis of key inputs like estimated cash flows and its timing. The trend of recoveries were tested on sample basis with previous year's trend. Verified actual cashflows with estimated cashflows and obtained explanations for variances, if any-</li><li>3. We reviewed the adequacy of the inputs used in the fair valuation vis-à-vis the observable market data.</li><li>4. Verification of the disclosure related to investments in SRs being financial instrument as guided by relevant Indian Accounting Standards and RBI guidelines.</li></ol>
<p><b><u>ii. Revenue Recognition- Trusteeship fees/Management fees (as described</u></b></p>	





<u>in Note 1.02 (i) &amp; 2.21 of the standalone financial statements)</u>	
<p>Trusteeship fees constitute the primary source of income in the statement of profit and loss.</p> <p>The calculation of Trusteeship fees as percentage of NAV is based on the Asset Under Management ('AUM') of the fund managed by the Company in accordance with guidelines prescribed under RBI guidelines, as amended from time to time.</p> <p>Trusteeship fees are recognized as per the provisions of the relevant trust deeds/offer documents on accrual basis.</p> <p>Trusteeship Fee is accrued based on a five step model as set out in Ind AS 115 "Revenue from Contract with Customers". Further, to comply with the RBI guidelines the income is reversed if it is outstanding for more than 180 days.</p> <p>Therefore, it is considered as a key audit matter.</p>	<p>Our audit approach was a combination of test of internal controls and substantive procedure which include the following:</p> <ol style="list-style-type: none"><li>1. Understanding and valuation of design and implementation of key controls place around recognition of fees charged by the company.</li><li>2. Evaluated the appropriateness of recognition of revenue in respect of Trusteeship Fee income based on the requirements of Ind AS 115.</li><li>3. Reviewed fee rates from Trust deeds and offer documents as agreed upon by the parties on sample basis.</li><li>4. Verified invoices raised towards revenue and reconciled them with accounting records.</li><li>5. Further, verified trusteeship fees computation with reference to SR outstanding as well as NAV (recovery estimate at lower end) of the SR.</li></ol>

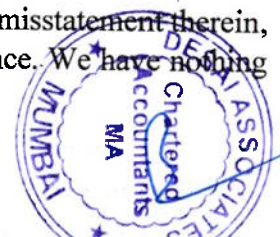
### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, the Director's Report including Annexures to Directors' Report, (collectively called as "Other Information") but does not include the Ind AS Financial Statements and our auditor's report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Other Information, if, we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance. We have nothing to report in this regard.





### **Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards ("Ind AS") prescribed under section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015; as amended.

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

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

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

### **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.





The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

- As required by the Companies (Auditors' Report) Order, 2020 ("the order") issued by the Central Government of India in terms of sub-section (11) of the Section 143 of the Act, we give in "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
- As required by sub-section (3) of the section 143 of the Act, we report that:
  - 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





**desai associates**  
*Chartered Accountants*

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss(including other comprehensive income ), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards referred under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Amendment Rules, 2024.
- e) On the basis of the written representations from the directors as on March 31, 2026 taken on record by the Board of Directors, in its meeting held on 12<sup>th</sup> May 2026 none of the directors is disqualified as on March 31, 2026 from being appointed as a director u/s 164(2) of the Companies Act, 2013.
- f) With respect to the adequacy of the internal financial controls with reference to Ind AS Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Further our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over with reference to Ind AS Financial Statements.
- g) With respect to the other matters to be included in the Auditors’ Report in accordance with the requirements of Section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration for the year ended March 31, 2026 has been provided by the company to its director in accordance with the provisions of Section 197 read with Schedule V 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:
- a) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements
- b) The Company has made provision as required under applicable law or accounting standards for material foreseeable losses
- c) The Company did not have any long term contracts including derivative contracts.
- d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.





- e) (i) On the basis of written representations received from the management and reference to Note no. 51 (h) (A), there were no funds, that have been advanced or loaned or invested by the company to or in any other person(s) or entity (ies), including (foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) On the basis of written representations received from the management and reference to Note no. 51 (h) (B) , there were no funds, received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (iii) Basis the audit procedures performed, nothing has come to our notice that has caused us to believe that the representations under sun-clause (i) and (ii) contain any material mis-statement.
- (f) No dividend was declared or paid during the year by the Company.
- (g) Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account for the year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, basis the data received and verified on test check, we did not come across any instance of the audit trail feature being tampered with and also found that the audit trail feature has been configured in the core accounting software including the record preservation as per the statutory requirements.

**For Desai Associates**  
**Chartered Accountants**  
**ERN No. 102286W**

**Iqbal Mukadam**  
**Partner**

**Membership No: 016865**

**Place: Mumbai**

**Date: May 12<sup>th</sup> 2026**

**UDIN: 26016865OCRFHR9276**





**(Referred to in paragraph (i) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of the Company.**

**We report that:**

- i)
  - (a) The Company has maintaining proper records to show full particulars, including quantitative details and situation of Property, Plant and Equipment and intangible assets.
  - (b) According to the information and explanations given to us Property, Plant and Equipment were physically verified by management, which is in our opinion, is reasonable considering the size of the Company and the nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification as compared to the book records.
  - (c) There is no immoveable property (other than properties where company is the lessee and lease agreement are duly executed in favor of lessee) held by the Company and accordingly, requirement to report on clause 3(1)( c ) of the Order is not applicable to the Company..
  - (d) The Company has not revalued its property, plant and Equipment or intangible assets. Accordingly, paragraphs 3 (i) (d) of the Order is not applicable to the Company.
  - (e) According to the information and explanations given to us, no proceedings have been initiated or pending against company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii.
  - a) The Company does not hold any inventories as defined in Ind AS-2. Thus, paragraph 3 (ii) (a) of the Order is not applicable to the Company.
  - b) The Company holds investments in the form of security receipts in various Trust. Such Investment are classified as available for Sale in accordance with RBI guidelines. The Company has not availed any working capital facilities from Banks . Accordingly requirement to report on clause 3 (ii) (b) of the Oder is not applicable to the Company.
- iii. The Company's principal business is to carry on business of an assets reconstruction and securitization as permitted by Reserve Bank of India. The Company has not made any investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnership or any other parties except





advances to the trust formed by the Company as part of its core business structured. Accordingly, clause (iii) (a), (b) (c),(d),(e) and (f) of the order is not applicable to the company.

- iv. In our opinion and according to information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act with respect to investments made and loans and financial commitments given during the year. There is no guarantee or security provided to the Companies covered under Section 186 of the Act.
- v. According to the information and explanation given to us, the Company has not accepted deposits or amounts which is deemed to be deposit from public in terms of derivatives issued by Reserve bank of India and of provisions of Section 73 to 76 of the Companies Act, 2013. Accordingly, paragraphs 3(v) of the Order is not applicable to the company.
- vi. According to the information and explanation given to us, pursuant to the rules prescribed by the Central Government for maintenance of cost records under section subsection (1) of Section 148 of the Companies Act, 2013, the company is not required to maintain cost record in respect of services rendered by the company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Goods & Service tax, provident fund, employee state insurance, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us, there were no undisputed amounts payable in respect Goods and Service tax, provident fund, employee state insurance, income tax, sales tax, service tax, duty of customs, value added tax, cess other material statutory dues outstanding as at March 31, 2026 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us and on basis of our examination of records of the company, there are no dues of income tax sales tax, service tax, duty of customs, value added tax, duty of excise and duty of custom which have not been deposited with the appropriate authorities on account of any dispute as at March 31, 2026 except the details mentioned below:





Name of Statute	Nature of Dues	Period to which the amount relates	Forum where dispute is pending	Amount Involved (Rs.)	Amount Unpaid (Rs.)
Income Tax Act, 1961	Income Tax	2011-12	CIT (A)	19,73,166	5,900
Income Tax Act, 1961	Income Tax	2014-15	CIT (A)	40,40,300	NIL
Income Tax Act, 1961	Income Tax	2016-17	CIT (A)	20,000	NIL
Income Tax Act 1961	Income tax	2018-19	Assessing Officer	7,32,509	NIL

viii. According to the information and explanations given to us no transaction which was not recorded in the books of account have been surrendered or disclosed as income by the Company during the year in the tax assessments under the Income Tax Act, 1961.

- ix). (a) According to the records of the Company, examined by us and the information and explanations given to us, the Company has not taken any loans or other borrowing or interest thereon, hence reporting of any default of amount and period and declaration of wilful defaulter as required as per clause 3 (ix) (a) & (b) does not arise.
- (b) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and accordingly, Paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (c) According to the information and explanations given to us and on an overall examination of the balance sheet and statement of cash flows of the Company, we report that no funds raised on short term basis have been, prima facie, used for long term purposes.
- (d) According to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations as such of the subsidiaries in the nature of Trusts. Accordingly, reporting on paragraph 3(ix)(c) of the Order is not applicable to the company
- (e) According to the information and explanations given to us, the company has not raised funds during the year on the pledge of securities held in its subsidiaries, Associates (in the forms of Trusts).
- x) According to the information and explanations given to us and the records examined by us,





- (a) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting on paragraphs 3 (x) (a) of the Order is not applicable to the Company.
- (b) According to the information and explanation provided to us, during the year, the Company has made preferential allotment or private placement of shares fully paid up as per section 42 and section 62 of the Act. The Company complied requirement of section 42 and section 62 of the Act and funds raised have been used for the purpose for which is raised.
- xi) a) According to the information and explanations given to us and on the basis of representation of the management which we have relied upon, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- b) In the course of the performance of our duties as auditor, there is no reason to believe that an offence of fraud has been committed in the company by its officers or employees hence no report has been filed under sub-section (12) of section 143 of the Companies Act in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Amendment Rules, 2021, with the Central Government.
- c) According to the information and explanations given to us and on the basis of representation of the management which we have relied upon, there are no whistle-bowler complaints received during the year by the company.
- xii) Since the Company is not a nidhi company, Accordingly, paragraphs 3(xii) of the Order is not applicable to the company.
- xiii) According to the information and explanations given to us, all transactions with the related parties are in compliances with Section 177 and 188 of the Companies Act, 2013 as applicable and the details of such transactions have been disclosed in the Ind AS Financial Statements as required by the applicable Indian Accounting Standards.
- xiv) In our opinion the Company has an internal audit system commensurate with its size and nature of its business. Report of Internal Auditors for the period under audit has been considered while conducting the Audit.
- xv) According to the information and explanations given to us, company has not entered into any non-cash transactions with directors or persons connected with its director and hence provision of section 192 of the Companies Act 2013 are not applicable to Company. .





**desai associates**

*Chartered Accountants*

- xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.
- xvii) In our opinion and according to the information and explanation given to us, the Company has not incurred cash losses in the current financial year and immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year. Accordingly reporting under clause 3 (xviii) of the Order is not applicable..
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that 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) According to the records of the Company examined by us and the information and explanations given to us, there is no unspent amount which needs to be transferred to a Fund as specified in Schedule VII to the Companies Act for any ongoing projects or other than ongoing projects in compliance with second proviso to sub-section (5) and sub-section (6) of Section 135 of the said Act. Accordingly, paragraph 3(xx) of the Order is not applicable to the Company.
- xxi) The reporting under paragraph 3(xx) of the order is not applicable in respect of audit of standalone financial statement.

**For Desai Associates**  
**Chartered Accountants**  
**FRN No. 102286W**

**Iqbal Mukadam**

**Partner**

**Membership No: 016865**

**Place: Mumbai**

**Date: May 12<sup>th</sup> 2026**

**UDIN: 26016865OCRFHR9276**





**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 **INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED** (“the Company”) as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

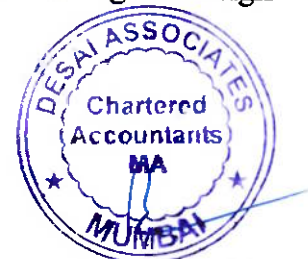
**Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026 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 Desai Associates  
Chartered Accountants  
FRN No. 102286W**

**Iqbal Mukadam**

**Partner**

**Membership No: 016865**

**Place: Mumbai**

**Date: May 12<sup>th</sup> 2026**

**UDIN: 26016865OCRFHR9276**



**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**

Statement of Audited Standalone Financial Results for the Quarter and Year Ended March 31, 2026

(Rs. in Lakhs except per share data)

S. No.	Particulars	Quarter Ended			Year Ended	Year Ended
		Mar-26	Dec-25	Mar-25	Mar-26	Mar-25
		Audited	Unaudited	Audited	Audited	Audited
1	<b>Income</b>					
	Revenue from operations	260.82	65.73	5.74	455.37	2,121.70
2	<b>Other Income</b>	249.38	320.67	260.00	1,287.59	1,028.42
3	<b>Total Income (1+2)</b>	<b>510.20</b>	<b>386.41</b>	<b>265.74</b>	<b>1,742.96</b>	<b>3,150.12</b>
4	<b>Expenses</b>					
	(a) Cost of Sales					
	(b) Employee benefits expenses	62.47	52.51	76.75	254.61	306.51
	(c) Impairment of Financial Instruments	64.27	(103.99)	381.34	71.66	(110.25)
	(d) Depreciation and amortisation	1.93	2.30	1.29	7.11	5.24
	(e) Other expenses	27.81	31.79	(118.97)	180.19	244.27
	<b>Total Expenses</b>	<b>156.48</b>	<b>(17.39)</b>	<b>340.40</b>	<b>513.57</b>	<b>445.77</b>
5	<b>Profit before tax &amp; exceptional item (3-4)</b>	<b>353.72</b>	<b>403.81</b>	<b>(74.67)</b>	<b>1,229.38</b>	<b>2,704.35</b>
6	Exceptional Items	-	-	-	-	-
7	<b>Profit after exceptional item (5+6)</b>	<b>353.72</b>	<b>403.81</b>	<b>(74.67)</b>	<b>1,229.38</b>	<b>2,704.35</b>
8	Tax expense					
	- Current Tax	-	-	33.77	-	657.99
	- Deferred Tax	-	0.00	(49.11)	-	21.28
	- Income tax of earlier years	14.55	-	45.61	14.55	45.61
9	<b>Net Profit for the period (7-8)</b>	<b>339.17</b>	<b>403.81</b>	<b>(104.93)</b>	<b>1,214.83</b>	<b>1,979.47</b>
10	<b>Other comprehensive income</b>					
	(i) Items that will not be reclassified to profit or loss					
	Remeasurements of POST-employment benefit obligations	-	-	-	-	-
	- Equity instruments through Other Comprehensive Income	-	-	-	-	-
	- Capital reserves on Business Combination	-	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	<b>Other comprehensive income ((i)+(ii)+(iii)+(iv))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
11	<b>Total comprehensive income for the period (9+10)</b>	<b>339.17</b>	<b>403.81</b>	<b>(104.93)</b>	<b>1,214.83</b>	<b>1,979.47</b>
12	<b>Paid up Equity Share Capital</b> (Face value Re.10/- per share)	<b>23,000.00</b>	<b>23,000.00</b>	<b>10,000.00</b>	<b>23,000.00</b>	<b>10,000.00</b>
13	<b>Other equity (excluding revaluation reserves)</b>					
14	<b>Earnings per equity share face value of Rs.10 each fully paid up (not annualised)</b>					
	(a) Basic (Rs) *	0.01	0.18	(0.01)	0.05	1.98
	(b) Diluted (Rs) *	0.01	0.18	(0.01)	0.05	1.98

For Desai Associates  
Chartered Accountants  
Firm Reg No 102286W

*(Iqbal Mukadam)*  
Partner  
M No 016865  
Mumbai, May 12, 2026



For India SME Asset Reconstruction Company Limited

*(Ajay Dangi)*  
Whole Time Director  
DIN 08323807

*(Sandeep Welling)*  
Director  
DIN 00072457

*(Jayshree Jain)*  
Jayshree Jain  
Chief Financial Officer

*(Jethalal Chopra)*  
Jethalal Chopra  
Chief Executive Officer

*(Mina Jain)*  
Mina Jain  
Company Secretary  
Mumbai, May 12, 2026



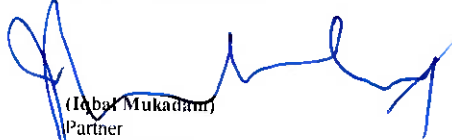
**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**  
STANDALONE BALANCE SHEET AS AT MARCH 31, 2026

(Rs in lakhs)

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025	As at April 01, 2024
<b>A. ASSETS</b>				
<b>1. Financial Assets</b>				
(a) Cash and Cash Equivalents	2	66.75	4,324.24	11,351.75
(b) Bank Balance other than (a) above	3	-	10,008.52	564.92
<b>(c) Receivables</b>				
(i) Trade Receivables	4	16.46	5.12	22.55
(ii) Other Receivables		-	-	-
(d) Loans	5	-	-	-
(e) Investments	6	34,775.06	286.65	701.66
(f) Other Financial Assets	7	51.24	14.65	7.39
<b>2. Non-Financial Assets</b>				
(a) Current tax assets (Net)	8	260.65	172.41	171.09
(b) Investment Property	9	-	-	-
(c) Property, Plant and Equipment	10A	25.06	9.48	10.41
(d) Intangible assets under development	10B	-	-	-
(e) Other Intangible Assets		-	-	-
(f) Other Non-Financial Assets	11	15.07	57.23	30.14
(g) Deferred Tax Assets (Net)	18	130.38	130.38	151.66
<b>Total Assets</b>		<b>35,340.66</b>	<b>15,008.67</b>	<b>13,011.57</b>
<b>B. LIABILITIES AND EQUITY</b>				
<b>a. LIABILITIES</b>				
<b>1. Financial Liabilities</b>				
<b>(a) Payables</b>				
<b>(I) Trade Payables</b>				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	12	6.00	55.86	40.25
<b>(II) Other Payables</b>				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
(b) Borrowings (Other than Debt Securities)	13	-	-	-
(c) Subordinated Liabilities	14	-	-	-
(d) Other Financial Liabilities	15	-	-	-
(e) Contractual debt obligations	16	-	-	-
<b>2. Non-Financial Liabilities</b>				
(a) Provisions	17	-	-	-
(b) Deferred Tax Liabilities (Net)	18	-	-	-
(c) Other Non-Financial Liabilities	19	6.08	5.06	3.04
<b>b. EQUITY</b>				
(a) Equity Share Capital	20	23,000.00	10,000.00	10,000.00
(b) Other Equity	21	12,328.58	4,947.75	2,968.28
<b>Total Liabilities and Equity</b>		<b>35,340.66</b>	<b>15,008.67</b>	<b>13,011.57</b>

The accompanying notes 1 to 51 are integral part of the standalone financial statements.

As per our report of even date  
For Desai Associates  
Chartered Accountants  
Firm Reg. No. 102286W



(Iqbal Mukadam)  
Partner  
M. No. 016865  
UDIN  
Mumbai, May 12, 2026



For and on behalf of Board of Directors

INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED



Divy Dangi  
Whole Time Director  
DIN : 08323807



Sandeep Welling  
Independent Director  
DIN 00072457



Jethanand Chopra  
Chief Executive Officer



Jayshree Jain  
Chief Financial Officer



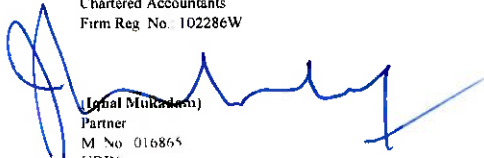
Mingal Jain  
Company Secretary  
Mumbai, May 12, 2026



**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**  
**STATEMENT OF STANDALONE CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2026**

		(Rs. in Lakhs)	
Particulars	For the year ended 31.03.2026 (Audited)	For the year ended 31.03.2025 (Audited)	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before tax	1229.38	2704.35	
Adjustment for:			
Interest Expenses	-	-	
Depreciation, Amortization and Impairment	7.11	5.24	
Rent Income	-	-	
Add: Provision for Security Receipts	-	(425.31)	
Add: Provision for Diminution in Value of Security Receipts	-	378.50	
Add: Provision for Advances to Trusts	-	(57.67)	
Add: Written off SRs & Advance to Trust	(65.70)	-	
Less: Profit on sale of Fixed Assets	0.85	0.01	
Less: Interest on Fixed Deposits having maturity of more than three months	-	752.01	
Provision no longer required	-	-	
Net (Gain)/loss on financial instruments at fair value	-	-	
Allotment of equity instruments by conversion of assigned debt	-	-	
Net (Gain)/ Loss on Sale of Investments	-	-	
Net (Gain)/ Loss on Investments Property Sold / Discarded	-	-	
<b>Operating Profit</b>	<b>1,171.64</b>	<b>1,853.10</b>	
Adjustment for working capital changes			
Decrease/(Increase) in Receivables	(11.34)	17.43	
Decrease/(Increase) in Loans	-	-	
Decrease/(Increase) in Other Financial Assets	(36.60)	0.25	
Decrease/(Increase) in Other Non-Financial Assets	42.16	(183.39)	
Increase / (decrease) in Trade Payables	(49.86)	1.61	
Increase / (decrease) in Other Financial Liabilities	-	-	
Increase / (decrease) in Provisions	-	-	
Increase / (decrease) in Other Non-Financial Liabilities	1.03	2.02	
<b>Cash generated / (used) from operations</b>	<b>1,117.04</b>	<b>1,705.01</b>	
Income Tax Paid (net of refunds)	102.81	(704.92)	
<b>Net cash generated / (used) from operating activities (A)</b>	<b>1,014.22</b>	<b>1,000.09</b>	
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Security Receipts of Trusts	-34422.72	461.82	
Sale of Fixed Assets	0.25	0.13	
Advances given to Trusts	0.00	54.32	
Fixed Deposits having maturity of more than three months but less than 12 months	10603.22	(2,508.97)	
Fixed Deposits having maturity of more than 12 months	0.00	564.92	
(Purchase)/Sale of Property, Plant and Equipment	(23.76)	(4.43)	
(Purchase)/Sale of Intangible assets under development	-	-	
(Purchase)/Sale of Investments Property	-	-	
Interest Received	-	752.01	
Movement in Other Bank Balances	-	0.00	
<b>Net cash generated / (used) from investing activities (B)</b>	<b>(23,843.01)</b>	<b>(680.19)</b>	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceed/(Repayment) of Equity Shares	19,165.99	-	
Proceed/(Repayment) of Redeemable Preference Shares	-	-	
Proceeds/(Repayment) of Borrowings	-	-	
Interest Expenses	-	-	
<b>Net cash generated / (used) from financing activities (C)</b>	<b>19,165.99</b>	<b>-</b>	
<b>Net Increase/(decreased) in cash and cash equivalents during the year (A+B+C)</b>	<b>(3,662.79)</b>	<b>319.90</b>	
Cash and cash equivalents at the beginning of the year	3,729.54	3,409.64	
<b>Cash and cash equivalents at the end of the period</b>	<b>66.75</b>	<b>3,729.54</b>	

As per our report of even date  
For Desai Associates  
Chartered Accountants  
Firm Reg. No. 102286W

  
Ujjwal Mukadam  
Partner  
M No 016865  
UDIN  
Mumbai, May 12, 2026



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

  
Divy Dabgi  
Whole Time Director  
DIN: 08323807

  
Sandeep Welling  
Independent Director  
DIN: 00072457

  
Jashree Jain  
Chief Financial Officer

  
Jatin Chandra Chopra  
Chief Executive Officer

  
Minak Jain  
Company Secretary  
Mumbai, May 12, 2026



INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2026

A EQUITY SHARE CAPITAL

Particulars	Number of Shares	Rs. in Lakhs
As at April 01, 2024	10,00,00,000	1,00,00,00,000
Shares Issued during the year	-	-
As at March 31, 2025	10,00,00,000	1,00,00,00,000
Shares Issued during the year	1,30,00,00,000	1,30,00,00,000
As at March 31, 2026	1,40,00,00,000	2,30,00,00,000

B Other Equity

Particulars	Note No.	Securities Premium	Retained Earnings	Total
As at April 01, 2024	21			
Profit for the year			2,968.28	2,968.28
Received During the year		-	1,979.47	1,979.47
As at March 31, 2025			4,947.75	4,947.75
Profit for the year			1,214.83	1,214.83
Received During the year		6,318		6,318.00
Elimination		-152.01		-152.01
As at March 31, 2026		6,165.99	6,162.58	12,328.58

The accompanying notes 1 to 51 are integral part of the standalone financial statements

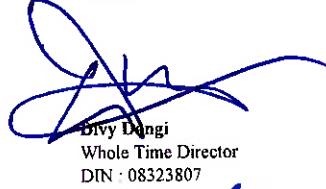
As per our report of even date  
For Desai Associates  
Chartered Accountants  
Firm Reg. No. 102286W

  
(Iqbal Mukadam)  
Partner  
M. No.: 016865  
UDIN

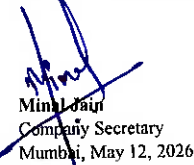
Mumbai, May 12, 2026

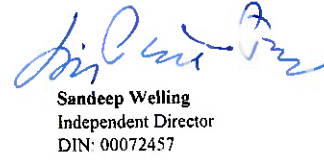


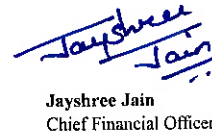
For and on behalf of Board of Directors  
INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

  
Divy Dangi  
Whole Time Director  
DIN: 08323807

  
Jethanand Chopra  
Chief Executive Officer

  
Minil Jain  
Company Secretary  
Mumbai, May 12, 2026

  
Sandeep Welling  
Independent Director  
DIN: 00072457

  
Jayshree Jain  
Chief Financial Officer



# INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

### NOTE 1: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

#### 1. Company Overview:

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

The Company is in a business of assets reconstruction and securitization in all forms and to acquire, hold, manage, assign NPA loan assets (of Bank or Financial Institutions ) with or without underlying securities and recover from borrower / underlying securities or dispose off loan assets to other body corporate, firms, or individual or Co operative societies.

To meet the requirement of minimum net own Funds (NOF), the Company has issued further equity shares to Authum Investment and Infrastructure Limited on Private Placement Basis. Accordingly, Equity Shares to the extent of 88.37% is held by Authum Investment and Infrastructure Limited.

#### 2. Significant Accounting Policies:

##### 2.1. Basis of preparation of financial statements:

Financial Statement upto 31<sup>st</sup> March 2025 were prepared in accordance with Generally Accepted Accounting Principles (GAAP) notified under Companies (Accounting Standard) Rules 2006 as amended and other relevant provision of the Act. Due to change in shareholding of the company the current standalone financial statement have been prepared in accordance with Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act 2013 (the Act) (Companies (India Accounting Standard) Rules as amended ) and other relevant provision of The Act to the extent applicable and the guideline prescribed by RBI to the extent applicable.

The financial statements are prepared under the historic cost convention except for the following:

- Certain financial assets and liabilities are measured at fair value.
- Define benefit plan – plan assets are measured at fair value.

##### 2.2. Statement of Compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under Section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and the Master Direction – Reserve bank of India (Assets Reconstruction Companies ) Direction 2025 dated November, 28,2025 updated as on March, 10,2026 The financial statements have been prepared on a going concern basis. The Company uses accrual basis of accounting except in case of significant uncertainties.



# INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

### 2.3. Functional and Presentation currency

These financial statements are presented in Indian Rupee (INR) , which is also the functional currency of the company, in denomination of Lakhs with rounding off to two decimals as permitted by Schedule III to the Act except otherwise stated.

### 2.4. Basis of Measurements

The Financial Statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period.

### 2.5. Measurement of fair values

The Company's accounting policies and disclosures require the measurement of financial assets and liabilities at fair values. The Company has established policies and procedures with respect to measurement of fair values.

The Company classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

Level 1 - The fair value of financial instruments traded in active markets is based on quoted (unadjusted) market prices at the end of the reporting period.

Level 2 - The fair valuation of instruments not traded in active markets is determined based on observable market data and by using valuation techniques.

Level 3 - Where one or more of the significant inputs are not from observable market data.

### 2.6. Order of Liquidity

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Pursuant to Ind AS 1 - 'Presentation of Financial Statements' and amendment to Division III of Schedule III to the Companies Act, 2013 dated October 11, 2018, the Company presents its balance sheet in the order of liquidity. This is since the Company does not supply goods or services within a clearly identifiable operating cycle, therefore making such presentation more relevant. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note No. 43.

### 2.7. Compliance with RBI Master Direction

The Company complies in all material respects, with the prudential norms relating to income recognition, asset classification and provisioning for bad and doubtful debts and other matters, specified in the master directions issued by the Reserve Bank of India ('RBI') in terms of Reserve bank of India (Assets Reconstruction Companies ) Direction 2025 dated November, 28,2025 updated as on March, 10,2026 (the "RBI Directions") as applicable to the Company. Indian Accounting Standards and Guidance Notes issued by the Institute of Chartered Accountants of India (referred to in these Directions as "ICAI") shall be followed insofar as they are not inconsistent with any of these Directions.



## INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

#### 2.8. Material accounting estimates, judgements and assumptions

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of estimates are recognised prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were issued. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

#### The areas involving critical estimates or judgements are:

##### Impairment of financial assets using the expected credit loss method

The measurement of impairment losses on loan assets and commitments requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulae and the choice of inputs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL model
- It has been the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary.

#### 3. Use of Estimates:

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



## INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

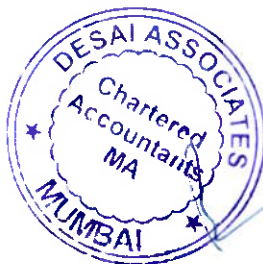
### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

#### 4. Revenue Recognition:

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

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

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



# INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

### 5. Property, Plant & Equipment:

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

Property, Plant & Equipment are reviewed for impairment in terms of Ind AS 36 "Impairment of Assets" and necessary provision for impairment loss, if any, is made. The same is reviewed at each reporting date.

### 6. Depreciation:

- a) Depreciation is provided on the straight-line method using useful life prescribed in Part C of Schedule II of the Companies Act, 2013. The estimated useful lives of different types of assets are:

Assets	Useful Life
Furniture and Fixture	10 Years
Office Equipment	5 Years
Computers	3 years

- b) Individual assets costing less than Rs. 5,000/- are depreciated in full in the year of acquisition.
- c) Depreciation is calculated on a pro-rata basis from the date on which the asset is put to use till the date the assets are sold or disposed or till the date of the financial statements, as the case may be.
- d) Intangible assets are amortized over their estimated useful life on a straight line basis, commencing from the date the asset is available to the company for its use.

### 7. Financial Instruments:

#### Investments in Security Receipts (SRs)

- a) All Security Receipts (SRs) held by the company are aggregated for the purpose of arriving at a net depreciation or appreciation of the investment value. Average of latest range of ratings obtained from credit rating agencies is considered for the NAV of the investment. Net depreciation, if any is provided for and net appreciation, if any, is ignored based on valuation Guidelines/ Directions issued by RBI from time to time.
- b) Financials Assets acquired on the books of the Company are classified under Standard Assets, Sub-Standard Assets, Doubtful Assets and Loss Assets as per applicable RBI Guidelines/Directions. Income recognition and provisioning norms on each of the above categories are applied as per the aforesaid RBI Guidelines/Directions.

#### Advance To/From Trusts

- a) The expenses incurred on behalf of the trusts are shown as recoverable from the trust in the balance sheet under the head 'Advances to Trusts'. These expenses are reimbursable to the Company as per



## INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

terms of the respective trust deed/offer document.

- b) The Company has made provision for the value of advances given to trusts which have remained outstanding for a period exceeding three years as at the Balance Sheet date for all the live trust whereas 100% provision were made on advance to trust where trust has completed Max resolution period as per RBI.

#### 8. Employees Benefits:

##### a) Short-Term Benefits:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

##### b) Post Employment Benefits:

- **Gratuity:**

The Company has an obligation towards gratuity, defined benefit retirement plan covering eligible employees. The plan provides a lumpsum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable to each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The company has obtained insurance policies with the Life Insurance Corporation of India ("LIC") and makes an annual contribution to LIC for amounts notified by LIC. The company accounts for gratuity benefits payable in future based on an independent external actuarial valuation carried out at the end of the year using the projected unit credit method. Actuarial gains and losses are recognized in the statement of profit and loss in the period in which they arise.

- **Provident Fund:**

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### 9. Earnings Per Share:

##### Basic:

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



## INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

#### **Diluted:**

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

#### **10. Taxes on Income:**

##### **a) Current Tax:**

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

##### **b) Deferred Tax:**

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

#### **11. Provisions, contingent liabilities and contingent assets:**

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

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

A Contingent Liability is disclosed in case of:

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

Contingent assets are neither recognized nor disclosed.

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

#### **12. Cash & Cash Equivalents:**

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



## INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

#### 13. Cash Flow Statement:

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

#### 14. Fair value measurement:

The Company measures its qualifying financial instruments at fair value on each Balance Sheet date.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For detailed information on the fair value hierarchy.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

#### 15. Segment Reporting:

The group operates in a segment of distressed credit business and all other activities are incidental to its main business activities as per requirement of Ind AS- 108 on Operating Segment. The reportable business segment is in line with the segment wise information which is being presented to the Chief Operating Decision Maker.

The Group has one geographical segment identified based on its location of customers which is within India.



**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026**

(Rs. in lakhs)

**Note 2: CASH AND CASH EQUIVALENTS**

Particulars	As at 31 March, 2026	As at 31 March, 2025
Cash on hand	0.01	0.02
<b>Balance with banks</b>		
- in current account	66.75	4.61
- in term deposit account (Maturity within 3 months) (including interest accrued on fixed deposits)	-	4,319.62
<b>Total</b>	<b>66.75</b>	<b>4,324.24</b>

**Note 3: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

Particulars	As at 31 March, 2026	As at 31 March, 2025
Earmarked balances with banks (Unpaid dividend balance)	-	-
Fixed deposits with banks (Maturity with more than 3 months)*	-	10,008.52
Less : Expected credit loss on fixed deposits	-	-
<b>Total</b>	<b>-</b>	<b>10,008.52</b>

**Note 4: RECEIVABLES**

Particulars	As at 31 March, 2026	As at 31 March, 2025
<b>Trade Receivables</b>		
(a) Receivables considered good - Secured	16.46	5.12
(b) Receivables considered good - Unsecured	-	-
(c) Receivables which have significant increase in credit risk	-	-
(d) Receivables - Credit Impairment	-	-
Less : Allowances for impairment losses	-	-
<b>Total</b>	<b>16.46</b>	<b>5.12</b>
<b>Other Receivables</b>		
(a) Receivables considered good - Secured	-	-
(b) Receivables considered good - Unsecured	-	-
(c) Receivables which have significant increase in credit risk	-	-
(d) Receivables - Credit Impairment	-	-
Less : Allowances for impairment losses	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Trade Receivable Ageing Schedule**

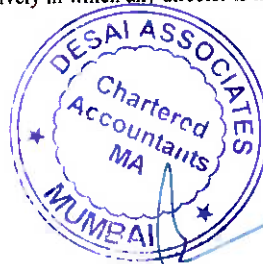
As on 31-03-26

Particulars	Unbilled	Less than 6 months	6 month 1 year	1-2 year	More than 3 years	Total
(i) Undisputed Trade Receivables - considered good	-	16.46				16.46
(ii) Undisputed Trade Receivables - considered doubtful	-					-
(iii) Disputed Trade Receivables - considered good	-					-
(iv) Disputed Trade Receivables - considered doubtful	-	16.46				16.46

As on 31-03-25

Particulars	Unbilled	Less than 6 months	6 month 1 year	1-2 year	More than 3 years	Total
(i) Undisputed Trade Receivables - considered good	-	5.12				5.12
(ii) Undisputed Trade Receivables - considered doubtful	-					-
(iii) Disputed Trade Receivables - considered good	-					-
(iv) Disputed Trade Receivables - considered doubtful	-	5.12				5.12

No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.



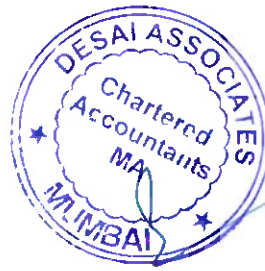
**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026**

**Note 5: LOANS**

(Rs. in lakhs)

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 01 April, 2024
<b>Loans - At Amortised Cost</b>			
(A)			
(i) Bills Purchased and Bills Discounted:			
(a) Related Parties	-	-	-
(b) Others	-	-	-
(ii) Loans repayable on Demand	-	-	-
(iii) Term Loan	-	-	-
(iv) Others Loan:			
(a) Housing loans, Corporate loans, Retail loans etc.	-	-	-
(b) Related Parties	-	-	-
Total (A) Gross	-	-	-
Less: Impairment loss allowance	-	-	-
<b>Total (A)-Net</b>	-	-	-
(B) Secured/Unsecured			
(i) Secured by tangible assets	-	-	-
(ii) Unsecured	-	-	-
Total (B) Gross	-	-	-
Less: Impairment loss allowance	-	-	-
<b>Total (B)-Net</b>	-	-	-
(C) Loans in India			
(i) Public sector	-	-	-
(ii) Others	-	-	-
Total (C) Gross	-	-	-
Less: Impairment loss	-	-	-
<b>Total (C)-Net</b>	-	-	-

Note: There are no loans or advances, in the nature of loans, are granted to promoters, directors and KMPs, either severally or jointly with any other person.



**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026**

(Rs in lakhs)

Investments	As at 31 March, 2026				As at 31 Mar, 2025				As at 01 Apr, 2024				
	At Fair value		Total	Others *	At Fair value		Total	Others *	At Fair value		Total	Others *	
	Through Other Comprehensive Income	Through Profit or Loss			Designated at fair value through P&L	Subtotal			Through Other Comprehensive Income	Through Profit or Loss			Designated at fair value through P&L
(A) Mutual Funds/Other Funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Instruments - Listed	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Instruments - Unlisted	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments in Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments in Preference Shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments in Debentures	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments in Security Receipts (Refer Note )	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in Gold Bar	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (A) Gross</b>	-	-	<b>34,775.06</b>	-	<b>34,775.06</b>	-	<b>34,775.06</b>	-	<b>3,096.57</b>	-	<b>3,096.57</b>	-	<b>3,558.44</b>
* Others Valued at cost	-	-	-	-	-	-	-	-	-	-	-	-	-
(B) (i) Investment outside India	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investment in India	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (B) Gross</b>	-	-	<b>34,775.06</b>	-	<b>34,775.06</b>	-	<b>34,775.06</b>	-	<b>3,096.57</b>	-	<b>3,096.57</b>	-	<b>3,558.44</b>
(C) Less:	-	-	-	-	-	-	-	-	-	-	-	-	-
Allowance for impairment loss (C)	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Net D=(A-C)</b>	-	-	<b>34,775.06</b>	-	<b>34,775.06</b>	-	<b>34,775.06</b>	-	<b>286.65</b>	-	<b>286.65</b>	-	<b>3,558.44</b>

During the year, the company has written Off Investments in Security Receipts amounting to Rs. 286.76 lakhs (previous year - 0.06 lakhs) as no recovery is expected in future.



Particulars	No. of SRs as at		Amount as at	Amount as at
	March 31,2026	March 31,2025	Mar 31,2026	March 31,2025
<b>Investments in SR of Trusts (Unquoted):</b>				
<b>Structured Entities Controlled by the Company</b>				
ISARC 2025-26 -1 Trust - Series 1	80,000	-	800.00	-
ISARC 2025-26 -1 Trust - Series 2	21,000	-	210.00	-
ISARC 2025-26 -1 Trust - Series 3	54,600	-	546.00	-
ISARC 2025-26 -1 Trust - Series 4	2,27,237	-	2,272.37	-
ISARC 2025-26 -1 Trust - Series 5	38,420	-	384.20	-
ISARC 2025-26 -2 Trust	260000	-	2,230.80	-
ISARC 2025-26 -3 Trust	162874	-	1,548.93	-
ISARC 2025-26 -4 Trust- Series 1	75654	-	756.54	-
ISARC 2025-26 -4 Trust- Series 2	57000	-	570.00	-
ISARC 2025-26 -4 Trust- Series 3	30000	-	300.00	-
ISARC 2025-26 -4 Trust- Series 4	13800	-	138.00	-
ISARC 2025-26 -5 Trust	191510	-	1,867.22	-
ISARC 2025-26 -6 Trust	2,80,000	-	2,800.00	-
ISARC 2025-26 -7 Trust	10,50,000	-	10,500.00	-
ISARC 2025-26 -8 Trust	790000	-	7,900.00	-
ISARC 2025-26 -9 Trust	25000	-	250.00	-
ISARC 2025-26 -10 Trust	77800	-	778.00	-
<b>Other Structured Entities</b>				
ISARC 12/2010-11 Trust	69780	69780	-	69.78
ISARC 13/2010-11 Trust	11211	11211	-	0.11
ISARC 14/2010-11 Trust	53109	53109	-	0.53
ISARC ACBL I/2017-18 Trust	3450	3450	-	20.91
ISARC Allahabad Bank II/2012-13 Trust	10617	10617	-	-
ISARC Axis 2/2010-11 Trust	28900	28900	-	165.31
ISARC Axis 3/2012-13 Trust	-	-	-	-
Series II	25500	25500	-	38.25
Series III	59000	59000	-	310.93
				349.18
ISARC Axis 4/2015-16 Trust	164	164	-	0.00
ISARC Axis 5/2015-16 Trust	54973	54973	-	0.00
ISARC BOB 1/2009-10 Trust	54557	54557	-	0.55
ISARC BOI 1/2010-11 Trust	23038	23038	-	0.00
ISARC BOI 2/2015-16 Trust	40000	40000	-	-
ISARC Canara Bank-I/2013-14 Trust	104682	104682	-	665.78
ISARC CBI 1/2010-11 Trust	3102	3102	-	31.02
ISARC CBI II / 2012-13 Trust	10213	10213	-	54.84
ISARC Dena Bank III/2017-18 Trust	12435	12435	-	10.45
ISARC FA 16 I/2011-12 Trust	25385	25385	-	145.71
ISARC FA 27 I/2012-13 Trust	18000	18000	-	-
ISARC FA 41 I/2011-12 Trust	27921	27921	-	88.51
ISARC FA 54/002/2011-12 Trust	44000	44000	-	0.00
ISARC FA 63 I/2012-13 Trust	81	81	-	0.00
ISARC GPIL/2014-15 Trust	875	875	-	8.75
ISARC IDBI Bank II/2013-14 Trust	22379	22379	-	14.71
ISARC IU/2011-12 Trust	42100	42100	-	421.00
ISARC OBC I/2014-15 Trust	5001	5001	-	48.36
ISARC RCPPL/2014-15 Trust	70732	70732	-	-
ISARC SBI 1/2015-16 Trust	107800	107800	-	0.00
ISARC SCB 1/2015-16 Trust	43108	43108	-	-
ISARC SIDBI 1/2009-10 Trust	357	357	-	1.41
ISARC SIDBI 2/2009-10 Trust				
Class B				



Scheme A	4183	4183	-	0.00
Scheme B	1055	1055	-	0.00
			-	0.00
ISARC SIDBI III/2017-18 Trust	96105	96105	-	740.01
ISARC UBI 1/2009-10 Trust Class B	4154	4154	-	41.54
ISARC UBI 3/2009-10 Trust	4038	4038	-	35.01
ISARC UCO 1/2010-11 Trust	29275	29275	-	182.97
ISARC Yes Bank I-2012 13 Trust	28500	28500	-	0.14
Phoenix Trust F.Y 26 -5	92300	-	923.00	-
Investment in Trust Fund (Corpus)				
			34,775.06	3,096.57
Provision for: Diminution in Value of Security Receipts			-	484.72
Security Receipts			-	2,325.20
<b>Total Other Investments</b>			<b>34,775.06</b>	<b>286.65</b>

**Movement of Provision for**

**(i) Diminution in Value of Security Receipts**

Opening Balance	484.72	106.21
Add: During the year	91.08	394.81
Less: Reversal of provision made in earlier years which is no longer required	(137.69)	(16.31)
Less: Reversal of provision on a/c of write off during the year	(438.11)	-
Closing Balance as on year end	<b>(0.00)</b>	<b>484.72</b>

**(ii) Security Receipts**

Opening Balance	2,325.20	2,750.57
Add: During the year	-	-
Less: Reversal of provision made in earlier years which is no longer required	-	(425.31)
Less: Reversal of provision on a/c of write off during the year	(2,325.20)	(0.06)
Closing Balance	<b>0.00</b>	<b>2,325.20</b>

Notes:

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



# INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

**Note 7: OTHER FINANCIAL ASSETS**

(Rs. in lakhs)

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 01 April, 2024
Excess Interest Spread Receivables	-	-	
Interest accrued on investments	-	-	
Security Deposits - Unsecured, considered good	-	-	
Less: Expected credit loss on Deposits	-	-	
Receivable against Securitisation/Assignment (net)	-	-	
Less: ECL on Securitisation receivable	-	-	
Stock of Acquired Properties (Secured)	-	-	
Less: Expected credit loss on Acquired Properties	-	-	
Trust Fund (Corpus)	0.10	-	-
Other Receivables/Advances	51.14	157.29	7.39
Less : Expected credit loss on investment control	-	142.64	
Advance for investment in SRs	-	-	
<b>Total</b>	<b>51.24</b>	<b>14.65</b>	<b>7.39</b>

**Note 8: CURRENT TAX ASSETS**

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 01 April, 2024
Taxes paid (Net of Income Tax Provisions)	260.63	172.41	171.09
<b>Total</b>	<b>260.63</b>	<b>172.41</b>	<b>171.09</b>

**Note 9: INVESTMENT PROPERTY**

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 01 April, 2024
<b>Investment in Immovable Property</b>			
Opening Balance	-	-	-
Less: Reclassification to Property Plant & Equipment *	-	-	-
Add: Additions During the year	-	-	-
Less: Disposals	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>



**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026**

**Note 10A: PROPERTY, PLANT AND EQUIPMENTS**

(Rs. in lakhs)

Particulars	Right to Use - Asset	Computer	Furniture & Fixtures	Motor Vehicle	Office Equipments	Total
<b>Gross Block</b>						
Balance as at April 01, 2025	-	18.84	9.77	-	9.19	37.79
Additions	-	23.12	-	-	0.64	23.76
Reclassification from Investment Property	-	-	-	-	-	-
Disposals	-	-	(5.87)	-	(2.83)	(8.70)
<b>Balance as at March 31, 2026</b>	-	<b>41.96</b>	<b>3.90</b>	-	<b>6.99</b>	<b>52.85</b>
Balance as at April 01, 2024	-	17.19	9.77	-	8.77	35.73
Additions on account of business combination	-	-	-	-	-	-
Additions	-	4.01	-	-	0.42	4.43
Disposals	-	(2.37)	-	-	-	(2.37)
<b>Balance as at March 31, 2025</b>	-	<b>18.84</b>	<b>9.77</b>	-	<b>9.19</b>	<b>37.79</b>

<b>Accumulated Depreciation and Impairment</b>						
Balance as at April 01, 2025	-	13.22	8.91	-	6.50	28.63
Charge for the year	-	6.44	0.12	-	0.55	7.11
Disposals	-	(0.43)	(5.57)	-	(1.93)	(7.94)
<b>Balance as at March 31, 2026</b>	-	<b>19.23</b>	<b>3.46</b>	-	<b>5.12</b>	<b>27.81</b>
Balance as at April 01, 2024	-	11.42	8.27	-	5.95	25.64
Additions on account of business combination	-	-	-	-	-	-
Charge for the year	-	4.05	0.64	-	0.54	5.24
Disposals	-	2.25	-	-	-	(2.25)
<b>Balance as at March 31, 2025</b>	-	<b>13.22</b>	<b>8.91</b>	-	<b>6.50</b>	<b>28.63</b>
<b>Net carrying amount as at March 31, 2026</b>	-	<b>22.73</b>	<b>0.44</b>	-	<b>1.87</b>	<b>25.05</b>
<b>Net carrying amount as at March 31, 2025</b>	-	<b>5.61</b>	<b>0.86</b>	-	<b>2.69</b>	<b>9.16</b>

**Note 10B: INTANGIBLE ASSETS UNDER DEVELOPMENT**

(Rs. in lakhs)

Gross Block	Computer Software	Trademark	Total
Balance as at April 01, 2025	5.98	0.33	6.31
Additions	-	-	-
Disposals	5.98	-	5.98
<b>Balance as at March 31, 2026</b>	<b>0.00</b>	<b>0.33</b>	<b>0.33</b>
Balance as at April 01, 2024	5.98	0.33	6.31
Additions	-	-	-
Disposals	-	-	-
<b>Balance as at March 31, 2025</b>	<b>5.98</b>	<b>0.33</b>	<b>6.31</b>

<b>Accumulated Depreciation and Impairment</b>			
Balance as at April 01, 2025	5.69	0.31	6.00
Charge for the year	-	-	-
Disposals	5.69	-	5.69
<b>Balance as at March 31, 2026</b>	<b>-</b>	<b>0.31</b>	<b>0.31</b>
Balance as at April 01, 2024	5.69	0.31	6.00
Charge for the year	-	-	-
Disposals	-	-	-
<b>Balance as at March 31, 2025</b>	<b>5.69</b>	<b>0.31</b>	<b>6.00</b>

<b>Net carrying amount as at March 31, 2025</b>	<b>0.30</b>	<b>0.02</b>	<b>0.32</b>
<b>Net carrying amount as at March 31, 2026</b>	<b>0.00</b>	<b>0.02</b>	<b>0.02</b>



**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026**

**Note 11: OTHER NON-FINANCIAL ASSETS**

Particulars	(Rs in lakhs)		
	As at 31 March, 2026	As at 31 March, 2025	As at 01 April, 2024
Capital Advances	-	-	-
Other advances for supply of services	0.30	-	-
Security Deposits	-	11.11	11.36
Balance With Government Authorities	9.09	42.76	12.70
Prepaid Expenses	5.68	3.36	6.08
<b>Total</b>	<b>15.07</b>	<b>57.23</b>	<b>30.14</b>

**Note 12: PAYABLES**

Particulars	(Rs in lakhs)		
	As at 31 March, 2026	As at 31 March, 2025	As at 01 April, 2024
<b>Trade Payables</b>			
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	-	-	-
(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	6.00	55.86	40.25
<b>Other Payable</b>			
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	-	-	-
(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	-	-	-
<b>Total</b>	<b>6.00</b>	<b>55.86</b>	<b>40.25</b>

**Trade Payable Ageing Schedule  
as on 31-03-2026**

Particulars	Unbilled	Less than 6 months	6 month - 1 year	1-2 year	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	5.37	0.63	-	-	-	6.00
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
	5.37	0.63	-	-	-	6.00

**as on 31-03-2025**

Particulars	Unbilled	Less than 6 months	6 month - 1 year	1-2 year	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	43.33	-	12.52	-	-	55.86
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
	43.33	-	12.52	-	-	55.86



**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026**

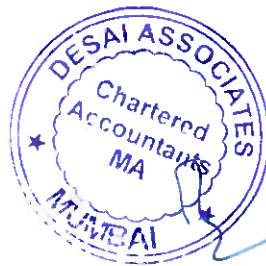
**Note 13: BORROWINGS**

(Rs. In Lakhs)

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 01 April, 2024
At Amortised Cost			
a) Term Loan			
(i) from Banks (secured)	-	-	
b) Loans repayable on Demand			
(i) from Financial Institutions (secured)*	-	-	
(ii) from Related Parties (unsecured)	-	-	
c) Lease Liability	-	-	
	-	-	
Borrowings in India	-	-	
Borrowings outside India	-	-	
<b>Total</b>	-	-	

**Note 14: SUBORDINATED LIABILITIES**

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 01 April, 2024
At Amortised Cost			
(A) In India			
7% Redeemable Preference Shares other than those that qualify as Equity	-	-	
	-	-	
Subordinate liabilities in India	-	-	
Subordinate liabilities outside India	-	-	
<b>Total</b>	-	-	



**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026**

**Note 15: OTHER FINANCIAL LIABILITIES**

Particulars	(Rs. In Lakhs)		
	As at 31 March, 2026	As at 31 March, 2025	As at 01 April, 2024
Unpaid Dividend*	-	-	-
Customer Deposit	-	-	-
Security Deposits	-	-	-
Others- Employees dues, contractually reimbursement expenses etc.	-	-	-
<b>Total</b>	-	-	-

\* Gross dividend of Rs. 4.62 Crores and TDS payable on dividend is Rs. 0.32 Crores.

**Note 16: CONTRACTUAL DEBT OBLIGATIONS**

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 01 April, 2024
Pass through Certificates Borrowings	-	-	-
<b>Total</b>	-	-	-

**Note 17: PROVISIONS**

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 01 April, 2024
Provision for employee benefits - Gratuity	-	-	-
<b>Total</b>	-	-	-

**Note 18: DEFERRED TAX ASSETS/(LIABILITIES)**

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 01 April, 2024
Deferred tax Assets (Net)	130.38	130.38	151.66
<b>Total</b>	130.38	130.38	151.66

Deferred Tax Assets / (Liabilities)	As at 31 March, 2026	As at 31 March, 2025	As at 01 April, 2024
<b>Deferred Tax Liability</b>			
Gratuity	-	-	-
Related to Property, Plant, and Equipment and Intangible	-	-	-
Fair Valuation of Investments	-	-	-
<b>Sub Total</b>	-	-	-
<b>Deferred Tax Asset</b>			
Gratuity	-	6.50	4.99
Property, Plant and Equipment	-	1.43	1.77
Fair Valuation of Investments	-	122.45	144.90
<b>Sub Total</b>	-	130.38	151.66
<b>Total</b>	-	130.38	151.66

**Movement in Deferred tax**

Particulars	Property, Plant and Equipment	Fair Valuation of Investments	Gratuity	Provision	Total
As at 1st April 2024	1.77	144.90	4.99	-	151.66
Change Credited to					
Statement of Profit and Loss	0.34	22.46	1.51	-	24.31
Other Comprehensive Income	-	-	-	-	-
As at 1st April 2025	1.43	122.45	6.50	-	130.38
Change Credited to					
Statement of Profit and Loss	-	-	-	-	-
Other Comprehensive Income	-	-	-	-	-
As at 31st March 2026	1.43	122.45	6.50	-	130.38

**Note 19: OTHER NON-FINANCIAL LIABILITIES**

Particulars	As at 31 March, 2026	As at 31 March, 2025	As at 01 April, 2024
Advance from Customers	-	-	-
Statutory Dues Payable	6.08	5.06	3.04
Advance against properties	-	-	-
Other payables	-	-	-
<b>Total</b>	6.08	5.06	3.04



**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**  
NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

**Note 20: SHARE CAPITAL**

Particulars	As at 31 March, 2026		As at 31 March, 2025		As at 01 April, 2024	
	No. of Shares	Value	No. of Shares	Value	No. of Shares	Value
<b>AUTHORISED:</b>						
Equity Shares of Rs. 10/- each	25,00,00,000.00	25,00,00.00	10,00,00,000.00	10,00,00.00	10,00,00,000.00	10,00,00.00
	<b>25,00,00,000.00</b>	<b>25,00,00.00</b>	<b>10,00,00,000.00</b>	<b>10,00,00.00</b>	<b>10,00,00,000.00</b>	<b>10,00,00.00</b>
<b>ISSUED:</b>						
Equity Shares of Rs 10 - each	23,00,00,000.00	23,00,00.00	10,00,00,000.00	10,00,00.00	10,00,00,000.00	10,00,00.00
	<b>23,00,00,000.00</b>	<b>23,00,00.00</b>	<b>10,00,00,000.00</b>	<b>10,00,00.00</b>	<b>10,00,00,000.00</b>	<b>10,00,00.00</b>
<b>SUBSCRIBED AND FULLY PAID UP:</b>						
Equity Shares of Rs. 10/- each	23,00,00,000.00	23,00,00.00	10,00,00,000.00	10,00,00.00	10,00,00,000.00	10,00,00.00
	<b>23,00,00,000.00</b>	<b>23,00,00.00</b>	<b>10,00,00,000.00</b>	<b>10,00,00.00</b>	<b>10,00,00,000.00</b>	<b>10,00,00.00</b>

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

Particulars	As at 31 March, 2026		As at 31 March, 2025		As at 01 April, 2024	
	No. of Shares	Value	No. of Shares	Value	No. of Shares	Value
Equity Shares						
Shares outstanding at the beginning of the year	10,00,00,000.00	10,00,00.00	10,00,00,000.00	10,00,00.00	10,00,00,000.00	10,00,00.00
Add: Issued during the year	13,00,00,000.00	13,00,00.00	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>23,00,00,000.00</b>	<b>23,00,00.00</b>	<b>10,00,00,000.00</b>	<b>10,00,00.00</b>	<b>10,00,00,000.00</b>	<b>10,00,00.00</b>

During the year, the Company allotted 13,00,00,000 equity shares of face value of Rs. 10/- each at an issue price of Rs. 14.88/- per share, aggregating to Rs. 1,93,18,00,000/- to Authum Investment & Infrastructure Limited (AILL) through a private placement of equity shares on June 17, 2025. The object of the issue was to raise the equity capital base, net owned funds and compliance of the capital adequacy ratio as per the RBI guidelines. The equity capital infusion has been duly accounted for under equity share capital and securities premium and all statutory and regulatory compliances with regard to allotment and reporting have been completed.

Further, certain existing shareholders of the Company transferred 7,32,50,000 equity shares of Rs. 16.29/- each amounting to Rs. 1,19,32,42,500/- to AILL, representing 31.85% of paid-up share capital of the Company. In aggregate, AILL now holds 20,32,50,000 equity shares, representing 89.37% of the paid-up share capital of the Company. AILL has become the sole sponsor of the Company and the existing sponsors viz. SIDBI, Bank of Baroda, Punjab National Bank, and SIDBI Venture Capital Limited have ceased to be the sponsor effective June 17, 2025. The RBI vide its letter dated March 25, 2025, has conveyed its approval for the aforesaid change in sponsor. This change impacts the management or control structure of the Company, and the Company continues to operate as an independent legal entity with no change in its governance or business operations. The Company has duly reported the changes.

**(b) Terms and rights attached to equity shares:**

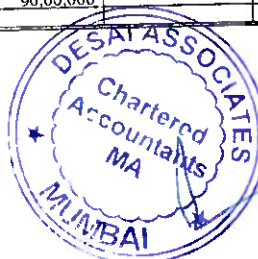
The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share and to receive dividend thereon. The dividend, proposed by the Board of Directors, is subject to approval of the shareholders in the ensuing Annual General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

**(c) Shares held by sponsors/promoter companies:**

Name of Shareholder	No. of shares at the beginning of the period	Change during the period	No. of Shares at the closing	% of Change during the period
Authum Investment and Infrastructure Ltd.	-	20,32,50,000	20,32,50,000	88.37
Punjab National Bank	2,09,00,000	2,09,00,000	-	-
Small Industries Development Bank of India	1,50,00,000	1,50,00,000	-	-
SIDBI Venture Capital Limited	1,10,00,000	1,10,00,000	-	-
Bank of Baroda	1,40,00,000	-	1,40,00,000	6.09

**(d) Details of shareholding more than 5% of the aggregate shares in the company**

Name of Shareholder	March 31, 2026		March 31, 2025	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Authum Investments and Infrastructure Ltd.	20,32,50,000	88.37	-	-
Punjab National Bank	2,09,00,000	-	2,09,00,000	20.90
Small Industries Development Bank of India	1,50,00,000	-	1,50,00,000	15.00
SIDBI Venture Capital Limited	1,10,00,000	-	1,10,00,000	11.00
Bank of Baroda	1,40,00,000	6.09	1,40,00,000	14.00
Union Bank of India	80,00,000	-	80,00,000	8.00
Punjab & Sind Bank	50,00,000	-	50,00,000	5.00
Life Insurance Corporation of India	90,00,000	-	90,00,000	9.00



**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026**

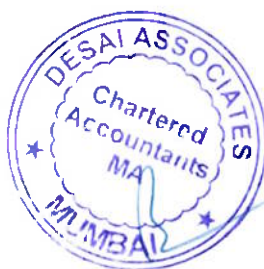
**Note 21: OTHER EQUITY**

(Rs. in lakhs)

(1) Current Reporting Period							
Reserves & Surplus	Capital Reserve	Securities Premium	Amalgamation Reserve	General Reserve	Retained Earnings	Other Comprehensive Income	Total
Balance as at 01/04/2025	-	-	-	-	4,947.75	-	4,947.75
Profit for the year	-	6,318.00	-	-	1,214.83	-	7,532.83
Items of Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	-	-
Remeasurement benefit of defined benefit plans	-	-	-	-	-	-	-
Net fair value gain on investments in equity instruments through other comprehensive income	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
Elimination	-	152.01	-	-	-	-	152.01
Repayment of Premium on Redemption of Redeemable Preference shares	-	-	-	-	-	-	-
Transfers to Reserve Fund	-	-	-	-	-	-	-
Transfers to Capital Redemption Reserve	-	-	-	-	-	-	-
<b>Total for the quarter</b>	-	<b>6,165.99</b>	-	-	<b>1,214.83</b>	-	<b>7,380.83</b>
Dividends	-	-	-	-	-	-	-
<b>Balance as on 31/03/2026</b>	-	<b>6,165.99</b>	-	-	<b>6,162.59</b>	-	<b>12,328.58</b>
(2) Previous Reporting Period							
Balance as on 01/04/2024	-	-	-	-	2,968.28	-	2,968.28
Profit for the year	-	-	-	-	1,979.47	-	1,979.47
Items of Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	-	-
Remeasurement benefit of defined benefit plans	-	-	-	-	-	-	-
Net fair value gain on investments in equity instruments through other comprehensive income	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
Additions on account of business combinations	-	-	-	-	-	-	-
Repayment of Premium on Redemption of Redeemable Preference shares	-	-	-	-	-	-	-
Transfers to Reserve Fund	-	-	-	-	-	-	-
Transfers to Capital Redemption Reserve	-	-	-	-	-	-	-
<b>Total for the quarter</b>	-	-	-	-	<b>1,979.47</b>	-	<b>1,979.47</b>
Dividends	-	-	-	-	-	-	-
<b>Balance as on 31/03/2025</b>	-	-	-	-	<b>4,947.75</b>	-	<b>4,947.75</b>

**Nature and Purpose of Reserve**

- a) **Retained Earnings**  
Retained Earnings represents surplus / accumulated earnings of the company and are available for distribution to the shareholders.
- b) **Other Comprehensive income**  
Other Comprehensive income consists of gain / losses of equity financial instruments carried through fair value through other comprehensive income and employee liabilities.
- c) **Securities Premium**  
Securities Premium account is used to record the premium received on issue of shares. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.
- d) **Elimination from Securities Premium Account**  
Elimination on account of Share Issue Expenses.



## INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

**Note 22: INTEREST INCOME**

Particulars	As at 31 March, 2026	As at 31 March, 2025
On Financial Assets measured at Fair Value through OCI Interest income from investments	-	-
On Financial Assets measured at amortised cost Interest on Loans Interest on Deposits with Banks	-	-
On financial assets measured at FVTPL: Interest income from investments	-	-
<b>Total</b>	-	-

**Note 23: DIVIDEND INCOME**

Particulars	As at 31 March, 2026	As at 31 March, 2025
Dividend Income from Investments	-	-
<b>Total</b>	-	-

**Note 24: RENTAL INCOME**

Particulars	As at 31 March, 2026	As at 31 March, 2025
Rental Income from Investment Property	-	-
<b>Total</b>	-	-

**Note 25: FEES AND COMMISSION INCOME**

Particulars	As at 31 March, 2026	As at 31 March, 2025
Advisory Fees	-	-
Management Fees	215.21	86.41
Upside Fees	156.13	2,016.56
Commission and Incentives Fees	84.03	18.74
Processing Fees	-	-
<b>Total</b>	<b>455.37</b>	<b>2,121.70</b>



**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026**

**Note 26: NET GAIN/(LOSS) ON FAIR VALUE CHANGES**

Particulars	As at 31 March, 2026	As at 31 March, 2025
(A) Net gain/(loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	-	-
- Derivatives	-	-
- Speculation Gain/Loss	-	-
- Security Receipts	-	-
- Mutual Funds/Other Funds	-	-
(ii) Others*	-	-
<b>Total</b>	-	-
(B) Fair Value Changes :		
- Realised	-	-
- Unrealised	-	-
<b>Total</b>	-	-

**Note 27: OTHER OPERATING INCOME**

Particulars	As at 31 March, 2026	As at 31 March, 2025
Foreclosure & Other Operating Charges	-	-
Bad Debts Recovery	-	-
Recovery of portfolio acquired	-	-
<b>Total</b>	-	-

**Note 28: OTHER INCOME**

Particulars	As at 31 March, 2026	As at 31 March, 2025
Interest on Income Tax Refund	-	-
Interest on Advance to Trust	4.30	28.64
Interest on Fixed Deposit	1,145.93	999.45
Profit / Loss on sale of property	-	-
Writeback of Security Receipts	137.36	-
Miscellaneous income	0.00	0.33
<b>Total</b>	<b>1,287.59</b>	<b>1,028.42</b>



## INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

**Note 29: FINANCE COST**

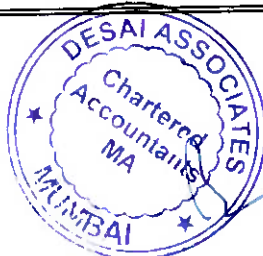
Particulars	As at 31 March, 2026	As at 31 March, 2025
On Financial liabilities measured at Amortised Cost		
Interest on Borrowings	-	-
Interest on subordinated liabilities	-	-
Preference Dividend	-	-
Other Borrowing Cost	-	-
<b>Total</b>	-	-

**Note 30: FEES & COMMISSION EXPENSES**

Particulars	As at 31 March, 2026	As at 31 March, 2025
Credit Cost	-	-
Collection Cost	-	-
<b>Total</b>	-	-

**Note 31: IMPAIRMENT ON FINANCIAL INSTRUMENTS**

Particulars	As at 31 March, 2026	As at 31 March, 2025
<b>On Financial Assets</b>		
Other Receivables/Advances		
(i) Bad Debts Written Off	-	-
(ii) Provision/(Reversal) for Expected Credit Loss	142.64	64.35
(iii) Reversal of Contingent provision against standard assets	-	-
(iv) Shortfall in Credit Enhancement on Securitisation	-	-
(v) ECL on Securitisation Receivable	-	-
(vi) Write off Against Expected Credit Loss already provided	166.96	0.90
<b>Others</b>		
(i) Provision for Expected Credit Loss	-	-
(ii) (Profit)/ Loss on Sale of Repossessed Assets	-	-
<b>Investments</b>		
(i) ECL on Investment - Security Receipt	2,857.26	0.06
(ii) Provision/(Reversal) for Expected Credit Loss- SRs	2,809.92	46.86
<b>Total</b>	<b>71.66</b>	<b>110.25</b>



## INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

### NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

**Note 32: EMPLOYEE BENEFITS**

Particulars	As at 31 March, 2026	As at 31 March, 2025
Salaries and Wages	249.43	302.92
Contribution to Provident and Other Funds	3.40	0.00
Staff welfare expenses	1.78	3.59
<b>Total</b>	<b>254.61</b>	<b>306.51</b>

**Note 33: DEPRECIATION, AMORTIZATION AND IMPAIRMENT**

Particulars	As at 31 March, 2026	As at 31 March, 2025
Depreciation on Property, Plant and Equipment	7.11	5.24
Depreciation on Intangible Assets	-	-
<b>Total</b>	<b>7.11</b>	<b>5.24</b>

**Note 34: OTHER EXPENSES**

Particulars	As at 31 March, 2026	As at 31 March, 2025
Auditors Remuneration (Refer note 34.1)	1.26	1.05
Rent, Taxes and Energy Costs	52.86	91.14
Repair & Maintenance Expenses	3.73	7.14
Communication Costs	3.57	1.95
Printing & Stationery	2.75	1.74
Advertisement Expenses	0.39	0.12
Director Sitting Fees	36.05	22.15
Professional & Consultancy Charges	28.68	90.30
Insurance	0.67	0.47
Donation		
Corporate Social Responsibility Expenses	30.14	14.12
Securities Transaction Tax		
Impairment Expenses		
Other Expenditure	20.09	14.09
<b>Total</b>	<b>180.19</b>	<b>244.27</b>

**34.1 Auditor's Remuneration:**

Particulars	As at 31 March, 2026	As at 31 March, 2025
Auditor's Remuneration excluding Goods and Service Tax (GST):		
Audit Fees	0.70	0.50
Tax Audit Fees	0.21	0.20
Others(Certification Fees/Review )	0.35	0.35



**Details of expenses towards corporate social responsibility as per section 135**

34.2 of the Act, 2013 read with schedule VII there to:

a) Gross amount required to be spent by the Company during the year	30.14	14.12
b) Amount spent	30.14	14.12
Amount provided for on-going projects		
<b>Total</b>	<b>30.14</b>	<b>14.12</b>
c) Short fall at the end of the year	-	-
d) Total Previous years shortfall	-	-
e) Reason for shortfall	-	-
f) Amount contributed to a trust controlled by the Group	-	-
g) Nature of CSR Activities	-	-
(i) Construction / acquisition of any asset		
(ii) On purposes other than (i) above	30.14	14.12
<b>Total</b>	<b>30.14</b>	<b>14.12</b>
Other Services	-	-
<b>Total</b>		

Note 35:

<b>CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)</b>	<b>As at 31 March, 2026</b>	<b>As at 31 March, 2025</b>
Appeal pending before Commissioner of Income Tax (Appeals) for F.Y. 2011-12 (A.Y. 2012-13) (refer Note (i) below)	19.73	19.73
Appeal pending before Commissioner of Income Tax (Appeals) for F.Y. 2014-15 (A.Y. 2015-16) (refer note (ii) below)	40.40	40.40
Appeal pending before Commissioner of Income Tax (Appeals) for F.Y. 2015-16 (A.Y. 2017-18) (refer note (iii) below)	0.20	0.20
Income tax Demand for FY 18-19 ( AY.19-20) (refer note (iv) below)	7.33	-
Deputation Charges ( in Arrears) ( refer note (v) below)	-	Amount not ascertainable
<b>Total</b>	<b>67.66</b>	<b>60.33</b>

Note (i)

The Company has received an income tax demand of Rs 19,73,166/- for FY 2011-12 (P.Y).

Note (ii)

The Company has received an Income Tax Refund of Rs.99,43,121/- during FY 2020-21 for AY 2017-18 after adjusting Income Tax Demand for AY 2011-12 ( Rs. 10), AY 2014-15 (Rs.81,300/-), AY 15-16 (Rs. 5,34,542), AY 16-17 (Rs.1,31,467/-).

The company has received an Income Tax Refund of Rs.12,88,580/- during FY 2019-20 for AY 2010-11 after adjusting Income Tax Demand for AY 2015-16.No provision is considered necessary for this demand as in the Company's view, duly supported by the counsel's opinion and reasoning of the Learned ITAT Mumbai "C" Bench, in the case of Trust's wherein the company is a Trustee, the demand made is not sustainable.

Note (iii)

The Company has received a notice under Section 272A(1)(d) of the Income Tax Act,1961 for AY 2017-18 levying a penalty of Rs 20,000/- against which the company has filed an appeal. No provision is considered necessary as on in the view of the compnay, duly supported by the counsel's opinion, the demand made is not sustainable.

Note (iv)

The Company has received a rectification order under Section 154 of the Income Tax Act,1961 for AY 2019-20 where department has disallowed the loss allowed earlier. No provision is considered necessary as on in the view of the compnay, on account of on-going rectification application, the demand made is not sustainable.



**Note 36:** Company has adopted the Indian Accounting Standards Framework from 1st April 2025 and same Results has prepared by considering the provisions of First Time Adoption of Ind-AS (Ind-AS 101). Accordingly previous years figures have been regrouped

**Note 37:** Deferred Tax Asset (DTA) has not created due to Virtual Uncertainty of Future Profits and/or Deferred Tax Liability(DTL) to set-off against the DTA.

**Note 38:** Accounting for Leases has not been considered during the period due to contract is less than for 12 months and also not considered for Re-statement of Financials for FY 2024-25 and Initial Financial as on 01/04/2024 as management has followed modified approach as per Ind-AS 101.



INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

NOTE 39: RELATED PARTY DISCLOSURE

A Name of Related Parties:

I Directors

Mr. Divy Dangi	Whole-Time Director
Ms. Rachana Dikshit	Director- Independent
Mr. Sandeep Welling	Director- Independent
Mr. Hari Shanker Sharma	Director- Independent
Mr. Mukesh Chand	Director- Independent
Mr. Vijay Tyagi (cease w.e.f 26/03/26)	Nominee Director of Authum
Mr. Haridas Bhat (cease w.e.f 26/03/26)	Nominee Director of Authum

II Key Management Personnel:

Mr. Amitabh Misra (MD & CEO) - (cease w.e.f 17/06/25)
Mr. K. Prakash (Chief Financial Officer) (cease w.e.f 27/05/25)
Ms. Ketki Muzumdar (CS and Compliance Officer) (cease
Mr. Jethanand Chopra (CEO) - w.e.f 21/08/25
Ms. Minal Jain (CS)- w.e.f 17/06/25
Ms. Jayshree Jain (CFO) - w.e.f 24/11/25

III Other Structured Entities

Small Industries Development Bank of India (SIDBI)  
SIDBI Venture Capital Limited  
Punjab National Bank  
Bank of Baroda  
ISARC SIDBI III/2017-18 Trust  
ISARC Dena Bank III/2017-18 Trust  
ISARC ACBL I/2017-18 Trust  
ISARC Syndicate Bank III/2016-17 Trust  
ISARC Axis 5/2015-16 Trust  
ISARC BOI 2/2015-16 Trust  
ISARC SCB 1/2015-16 Trust  
ISARC Dena Bank II/2015-16 Trust  
ISARC SBI 1/2015-16 Trust  
ISARC Axis 4/2015-16 Trust  
ISARC RCPPL/2014-15 Trust  
ISARC GPIL/2014-15 Trust  
ISARC OBC I/2014-15 Trust  
ISARC Canara Bank I/2013-14 Trust  
ISARC IDBI Bank II/2013-14 Trust  
ISARC Allahabad Bank II/2012-13 Trust  
ISARC FA 8 II/2012-13 Trust  
ISARC CBI II/2012-13 Trust  
ISARC Axis 3/2012-13 Trust  
ISARC Yes Bank I/2012-13 Trust  
ISARC Transrail Structures & Towers/2012-13 Trust  
ISARC FA 27 I/2012-13 Trust  
ISARC FA 63 I/2012-13 Trust  
ISARC FA 30 I/2012-13 Trust  
ISARC FA 6 III/2011-12 Trust  
ISARC FA 03 I/2011-12 Trust  
ISARC FA 16 I/2011-12 Trust  
ISARC IU/2011-12 Trust  
ISARC MPPMPL/2011-12 Trust  
ISARC FA 54/002/2011-12 Trust  
ISARC FA 41 I/2011-12 Trust  
ISARC 12/2010-11 Trust  
ISARC 13/2010-11 Trust  
ISARC 14/2010-11 Trust  
ISARC Print 7C/2010-11 Trust  
ISARC CBI 1/2010-11 Trust  
ISARC Axis 2/2010-11 Trust  
ISARC BOI 1/2010-11 Trust



INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

ISARC UCO 1/2010-11 Trust  
ISARC SIDBI 2/2009-10 Trust  
ISARC BOB 1/2009-10 Trust  
ISARC Axis 1/2009-10 Trust  
ISARC UBI 2/2009-10 Trust  
ISARC UBI 3/2009-10 Trust  
ISARC UBI 1/2009-10 Trust  
ISARC SIDBI 1/2009-10 Trust

**IV Structured Entities controlled by the company**

ISARC 2025-26 -1 Trust  
ISARC 2025-26 -2 Trust  
ISARC 2025-26 -3 Trust  
ISARC 2025-26 -4 Trust  
ISARC 2025-26 -5 Trust  
ISARC 2025-26 -6 Trust  
ISARC 2025-26 -7 Trust  
ISARC 2025-26 -8 Trust  
ISARC 2025-26 -9 Trust  
ISARC 2025-26 -10 Trust

**V Sponsor & Holding Company**

Authum Investment & Infrastructure Limited

**VI Private company in which a director or his relative is a member or director**

Authum Asset Management Company Private Limited  
Authum Real Estate Private Limited  
Authum Entertainment Private Limited  
Authum Foundation  
Berix Bearing Private Limited  
Better Real Estate Private Limited  
Sawshy Realty Private Limited  
Star Aerospace Private Limited  
Billion Dream Sports Private Limited  
Rivaara Labs Private Limited  
Kahani Studios Private Limited  
Genei Laboratories Private Limited  
ANT Systemz Private Limited  
Propshare Investment Manager Private Limited  
Arthimpact Digital Loans Private Limited  
KGS Consulting Private Limited  
KP Climate Consulting Private Limited  
Webextensions Private Limited

**VII Any body corporate whose Board of Directors, managing director or manager is accustomed to act**

Altura Capital Advisors LLP  
Authum Realty & Developers LLP  
Authum Realty & Construction LLP  
Victory Park1 LLP  
Victory Park2 LLP  
Victory Park3 LLP  
Victory Park4 LLP  
Victory Park5 LLP  
Victory Park6 LLP  
Victory Park8 LLP  
SKYI Blessed Ventures LLP  
Kirtane & Pandit LLP



**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026**

	Year Ended 31.03.2026	Year Ended 31.03.2025
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**NOTE 39: RELATED PARTY DISCLOSURE (CONTD....)**

**B Related Party Transactions:**

**I Sitting Fees to Directors**

Ms. Rachana Dikshit	6,70,000	5,00,000
Mr. Sandeep Welling	9,80,000	5,50,000
Mr. Hari Shanker Sharma	11,20,000	5,55,000
Mr. Mukesh Chand	6,85,000	1,40,000
Mr. Anup Sankar Bhattacharya	-	2,00,000
Mr. Shyam Sundar Barik	-	2,70,000

**II Payments to Key Managerial Personnel:**

**1) Remuneration:**

a) Mr. Divy Dangi	-	-
b) Mr. Jethanand Chopra	50.49	-
c) Ms. Ketki Muzumdar	3.08	11.33
d) Ms. Minal Jain	8.78	-
e) Ms. Jayshree Jain	4.15	-

<b>66.51</b>	<b>11.33</b>
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**III Transactions with Parties under Other Structured Entities and Structured Entities Controlled by the Company:**

**1) Income:**

**a) Management Fees (Gross) \***

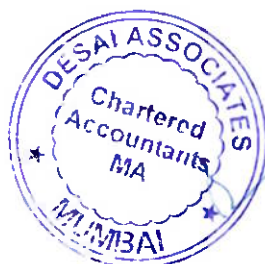
ISARC 12/2010-11 Trust		
ISARC 13/2010-11 Trust		
ISARC 14/2010-11 Trust		
ISARC 2025-26 -1 Trust - Series 1	0.38	-
ISARC 2025-26 -1 Trust - Series 2	0.16	-
ISARC 2025-26 -1 Trust - Series 3	0.35	-
ISARC 2025-26 -1 Trust - Series 4	0.30	-
ISARC 2025-26 -1 Trust - Series 5	0.19	-
ISARC 2025-26 -2 Trust	13.79	-
ISARC 2025-26 -3 Trust	15.98	-
ISARC 2025-26 -4 Trust- Series 1	3.92	-
ISARC 2025-26 -4 Trust- Series 2	2.86	-
ISARC 2025-26 -4 Trust- Series 3	3.16	-
ISARC 2025-26 -4 Trust- Series 4	1.37	-
ISARC 2025-26 -5 Trust	167.90	-
ISARC 2025-26 -6 Trust	0.00	-
ISARC 2025-26 -7 Trust	0.08	-
ISARC 2025-26 -8 Trust	0.01	-
ISARC 2025-26 -9 Trust	0.01	-
ISARC 2025-26 -10 Trust	0.43	-
ISARC ACBL I/2017-18 TRUST	-	0.70
ISARC Allahabad Bank II/2012-13 Trust		
ISARC Axis 1/2009-10 Trust		
ISARC Axis 2/2010-11 TRUST		
ISARC Dena Bank III/2017-18 TRUST	0.17	0.96
ISARC FA 03 I/2011-12 Trust		
ISARC FA 16 I/2011-12 Trust		
ISARC FA 27 I/2012-13 Trust		
ISARC FA 41 I/2011-12 Trust		



**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026**

	Year Ended 31.03.2026	Year Ended 31.03.2025
ISARC FA 54/002/2011-12 Trust		
ISARC FA 6 III/2011-12 Trust		
ISARC FA 8 II/2012-13 Trust		
ISARC GPIL/2014-15 Trust		
ISARC SIDBI III/2017-18 Trust	4.61	38.19
ISARC Transrail Structures & Towers/2012-13 Trust		
ISARC UBI 1/2009-10 Trust		
ISARC UBI 2/2009-10 Trust		
ISARC UBI 3/2009-10 Trust		
ISARC UCO 1/2010-11 Trust		
ISARC Yes Bank I/2012-13 Trust		
	<b>215.66</b>	<b>39.85</b>
* excluding GST amount		
<b>b) Management Fees reversed during the year</b>		
ISARC 2025-26 -1 Trust - Series 1	0.12	-
ISARC 2025-26 -1 Trust - Series 2	0.05	-
ISARC 2025-26 -1 Trust - Series 3	0.09	-
ISARC 2025-26 -1 Trust - Series 4	0.05	-
ISARC 2025-26 -1 Trust - Series 5	0.00	-
ISARC 2025-26 -4 Trust- Series 1	0.13	-
ISARC 2025-26 -4 Trust- Series 2	0.01	-
ISARC ACBL I/2017-18 TRUST	-	0.64
	<b>0.45</b>	<b>0.64</b>
<b>c) Management Fees (Reversals received)</b>		
ISARC FA 27 I/2012-13 Trust	-	47.20
	<b>-</b>	<b>47.20</b>
<b>d) Bad Debts Recovered</b>	-	-
	<b>-</b>	<b>-</b>
<b>e) Yield on Security Receipts</b>	-	-
	<b>-</b>	<b>-</b>
<b>f) Upside Income</b>		
ISARC SIDBI 2/2009-10 Trust	30.00	-
ISARC Allahabad Bank II/2012-13 Trust	5.11	16.03
ISARC Axis 5/2015-16 Trust	121.02	1,787.38
ISARC FA 27 I/2012-13 Trust	-	213.15
	<b>156.13</b>	<b>2,016.56</b>
<b>g) Incentives</b>		
ISARC FA 63 I/2012-13 Trust	-	2.50
ISARC Canara Bank I/2013-14 Trust	-	11.49
	<b>-</b>	<b>13.99</b>



**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026**

	Year Ended 31.03.2026	Year Ended 31.03.2025
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**NOTE 39: RELATED PARTY DISCLOSURE (CONTD....)**

**h) Commission Income**

ISARC 2025-26 -3 Trust	2.83	-
ISARC 2025-26 -5 Trust	61.28	-
ISARC Canara Bank I/2013-14 Trust	8.12	-
ISARC IDBI Bank II/2013-14 Trust	0.20	-
ISARC SIDBI III/2017-18 Trust	11.60	-
ISARC FA 63 I/2012-13 Trust	-	4.74

**84.03**                      **4.74**

**i) Interest on Advances (Gross)**

ISARC 2025-26 -1 Trust - Series 1	0.83	-
ISARC 2025-26 -1 Trust - Series 2	0.00	-
ISARC 2025-26 -1 Trust - Series 3	0.00	-
ISARC 2025-26 -1 Trust - Series 4	0.19	-
ISARC 2025-26 -1 Trust - Series 5	0.18	-
ISARC 2025-26 -2 Trust	0.14	-
ISARC 2025-26 -3 Trust	0.03	-
ISARC 2025-26 -4 Trust- Series 1	1.40	-
ISARC 2025-26 -4 Trust- Series 2	0.01	-
ISARC 2025-26 -4 Trust- Series 3	0.01	-
ISARC 2025-26 -4 Trust- Series 4	0.06	-
ISARC 2025-26 -5 Trust	0.28	-
ISARC 2025-26 -6 Trust	0.01	-
ISARC 2025-26 -7 Trust	0.16	-
ISARC 2025-26 -8 Trust	0.01	-
ISARC 2025-26 -9 Trust	0.01	-
ISARC 2025-26 -10 Trust	0.01	-
ISARC ACBL I/2017-18 TRUST	1.55	1.23
ISARC Allahabad Bank II/2012-13 Trust	0.01	0.00
ISARC Axis 3/2012-13 Trust	2.36	2.05
ISARC CBI II/2012-13 Trust	0.28	0.20
ISARC Dena Bank III/2017-18 TRUST	0.00	0.01
ISARC FA 03 I/2011-12 Trust	0.30	0.04
ISARC FA 16 I/2011-12 Trust	0.03	0.00
ISARC FA 27 I/2012-13 Trust	-	0.85
ISARC FA 63 I/2012-13 Trust	0.91	0.78
ISARC GPIL/2014-15 Trust	1.64	1.58
ISARC IDBI Bank II/2013-14 Trust	-	0.00
ISARC IU/2011-12 Trust	2.71	2.65
ISARC OBC I/2014-15 Trust	0.00	0.00
ISARC SIDBI 1/2009-10 Trust	0.98	0.94
ISARC SIDBI 2/2009-10 Trust	0.00	3.34
ISARC SIDBI III/2017-18 Trust	0.01	0.04

**14.11**                      **13.72**



**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026**

	Year Ended 31.03.2026	Year Ended 31.03.2025
<b>j) Interest on Advances reversed during the year</b>		
ISARC 2025-26 -1 Trust - Series 1	0.12	-
ISARC 2025-26 -1 Trust - Series 2	0.00	-
ISARC 2025-26 -1 Trust - Series 3	0.00	-
ISARC 2025-26 -1 Trust - Series 4	0.00	-
ISARC Allahabad Bank II/2012-13 Trust	0.01	-
ISARC ACBL I/2017-18 TRUST	1.39	1.10
ISARC Axis 3/2012-13 Trust	2.12	1.84
ISARC CBI II/2012-13 Trust	0.25	0.18
ISARC Dena Bank III/2017-18 Trust	0.00	-
ISARC FA 03 I/2011-12 Trust	0.27	0.03
ISARC FA 16 I/2011-12 Trust	0.03	-
ISARC FA 63 I/2012-13 Trust	0.82	0.71
ISARC GPIL/2014-15 Trust	1.47	1.42
ISARC IU/2011-12 Trust	2.44	2.39
ISARC SIDBI I/2009-10 Trust	0.88	0.85
ISARC SIDBI III/2017-18 Trust	0.01	-
	<b>9.82</b>	<b>8.52</b>
<b>k) Interest on Advances Reversal Received</b>		
ISARC FA 27 I/2012-13 Trust	-	23.45
	-	<b>23.45</b>
<b>l) Interest on Fixed Deposit</b>		
Punjab National Bank	-	-
Small Industries Development Bank of India (SIDBI)	-	26.88
Bank of Baroda	478.44	140.89
	<b>478.44</b>	<b>167.77</b>



**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026**

	Year Ended 31.03.2026	Year Ended 31.03.2025
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**NOTE 39: RELATED PARTY DISCLOSURE (CONTD....)**

**2) Expenses:**

**a) Small Industries Development Bank of India (SIDBI):**

Deputation Charges	43.77	165.45
Rent	-	7.82
	<b>43.77</b>	<b>173.26</b>

Note:

Deputation Charges above includes remuneration paid to CEO and CFO for the period upto June 25, afterwards there is no employees on Deputation.

**b) Authum Investment & Infrastructure Limited:**

Rent	4.50	-
	<b>4.50</b>	<b>-</b>

**c) Bad Debts/Written off:**

**i) Incentives:**

	-	-
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**ii) Interest on Advances:**

	-	-
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**iii) Management Fees:**

	-	-
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**iv) Advances to Trusts:**

	-	-
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**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026**

	Year Ended 31.03.2026	Year Ended 31.03.2025
<b>NOTE 39: RELATED PARTY DISCLOSURE (CONTD....)</b>		
<b>3) Balances as at the year end</b>		
<b>a) Outstanding Payables</b>		
Small Industries Development Bank of India (SIDBI)	-	28.81
	<u>-</u>	<u>28.81</u>
<b>b) Outstanding Receivables</b>		
<b>i) Management Fees</b>		
ISARC 2025-26 -1 Trust - Series 1	0.27	-
ISARC 2025-26 -1 Trust - Series 2	0.11	-
ISARC 2025-26 -1 Trust - Series 3	0.27	-
ISARC 2025-26 -1 Trust - Series 4	0.27	-
ISARC 2025-26 -1 Trust - Series 5	0.21	-
ISARC 2025-26 -4 Trust- Series 1	4.07	-
ISARC 2025-26 -4 Trust- Series 2	3.07	-
ISARC 2025-26 -4 Trust- Series 3	3.41	-
ISARC 2025-26 -4 Trust- Series 4	1.48	-
ISARC 2025-26 -6 Trust	0.00	-
ISARC 2025-26 -7 Trust	0.09	-
ISARC 2025-26 -8 Trust	0.01	-
ISARC 2025-26 -9 Trust	0.01	-
ISARC 2025-26 -10 Trust	0.46	-
ISARC Dena Bank III/2017-18 TRUST	-	0.19
ISARC SIDBI III/2017-18 Trust	-	4.93
	<u>13.74</u>	<u>5.11</u>
<b>ii) Interest on Advances</b>		
ISARC 2025-26 -1 Trust - Series 1	0.63	-
ISARC 2025-26 -1 Trust - Series 2	0.00	-
ISARC 2025-26 -1 Trust - Series 3	0.00	-
ISARC 2025-26 -1 Trust - Series 4	0.17	-
ISARC 2025-26 -1 Trust - Series 5	0.16	-
ISARC 2025-26 -2 Trust	0.00	-
ISARC 2025-26 -3 Trust	0.01	-
ISARC 2025-26 -4 Trust- Series 1	1.26	-
ISARC 2025-26 -4 Trust- Series 2	0.01	-
ISARC 2025-26 -4 Trust- Series 3	0.01	-
ISARC 2025-26 -4 Trust- Series 4	0.06	-
ISARC 2025-26 -5 Trust	0.24	-
ISARC 2025-26 -6 Trust	0.01	-
ISARC 2025-26 -7 Trust	0.15	-
ISARC 2025-26 -8 Trust	0.01	-
ISARC 2025-26 -9 Trust	0.01	-
ISARC 2025-26 -10 Trust	0.01	-
	<u>2.72</u>	<u>-</u>



**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026**

**NOTE 39: RELATED PARTY DISCLOSURE (CONTD....)**

	Year Ended 31.03.2026	Year Ended 31.03.2025
<b>iii) Incentives/Commission</b>	-	-
<b>iv) Accrued Interest Receivable</b>		
Punjab National Bank	-	-
Small Industries Development Bank of India (SIDBI)	-	-
Bank of Baroda	-	78.63
	-	<b>78.63</b>
<b>4) Advances to Trusts</b>		
ISARC 2025-26 -1 Trust - Series 1	8.98	-
ISARC 2025-26 -1 Trust - Series 2	0.03	-
ISARC 2025-26 -1 Trust - Series 3	0.04	-
ISARC 2025-26 -1 Trust - Series 4	2.22	-
ISARC 2025-26 -1 Trust - Series 5	2.09	-
ISARC 2025-26 -2 Trust	(0.01)	-
ISARC 2025-26 -3 Trust	0.46	-
ISARC 2025-26 -4 Trust- Series 1	10.35	-
ISARC 2025-26 -4 Trust- Series 2	0.14	-
ISARC 2025-26 -4 Trust- Series 3	0.24	-
ISARC 2025-26 -4 Trust- Series 4	1.37	-
ISARC 2025-26 -5 Trust	4.20	-
ISARC 2025-26 -6 Trust	0.21	-
ISARC 2025-26 -7 Trust	19.42	-
ISARC 2025-26 -8 Trust	0.11	-
ISARC 2025-26 -9 Trust	0.40	-
ISARC 2025-26 -10 Trust	0.89	-
ISARC 12/2010-11 Trust	-	9.17
ISARC 13/2010-11 Trust	-	0.42
ISARC 14/2010-11 Trust	-	1.58
ISARC ACBL 1/2017-18 TRUST	-	11.87
ISARC Axis 2/2010-11 TRUST	-	2.00
ISARC Axis 3/2012-13 Trust	-	17.82
ISARC AXIS 4/2015-16 Trust	-	1.28
ISARC BOB 1/2009-10 Trust	-	15.01
ISARC BOI 1/2010-11 Trust	-	0.36
ISARC BOI 2/2015-16 Trust	-	0.70
ISARC CBI 1/2010-11 Trust	-	9.99
ISARC CBI II/2012-13 Trust	-	1.90
ISARC FA 27 I/2012-13 Trust	-	-0.00
ISARC FA 63 I/2012-13 Trust	-	6.88
ISARC GPIL/2014-15 Trust	-	13.43
ISARC IU/2011-12 Trust	-	22.31
ISARC SBI 1/2015-16 Trust	-	10.35
ISARC SIDBI 1/2009-10 Trust	-	7.97
ISARC UBI 1/2009-10 Trust	-	16.22
ISARC UCO 1/2010-11 Trust	-	4.12
	<b>51.14</b>	<b>153.38</b>



**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026**

	<b>Year Ended 31.03.2026</b>	<b>Year Ended 31.03.2025</b>
<b>5) Provision for Advances to Trusts:</b>		
ISARC 12/2010-11 Trust	-	9.17
ISARC 13/2010-11 Trust	-	0.42
ISARC 14/2010-11 Trust	-	1.58
ISARC ACBL I/2017-18 TRUST	-	1.13
ISARC Axis 2/2010-11 Trust	-	2.00
ISARC Axis 3/2012-13 Trust	-	17.82
ISARC AXIS 4/2015-16 Trust	-	1.28
ISARC BOB 1/2009-10 Trust	-	15.01
ISARC BOI 1/2010-11 Trust	-	0.36
ISARC BOI 2/2015-16 Trust	-	0.70
ISARC CBI 1/2010-11 Trust	-	9.99
ISARC CBI II/2012-13 Trust	-	1.90
ISARC FA 27 I/2012-13 Trust	-	-0.00
ISARC FA 63 I/2012-13 Trust	-	6.88
ISARC GPIL/2014-15 Trust	-	13.43
ISARC IU/2011-12 Trust	-	22.31
ISARC SIDBI 1/2009-10 Trust	-	7.97
ISARC UBI 1/2009-10 Trust	-	16.22
ISARC SBI 1/2015-16 Trust	-	10.35
ISARC UCO 1/2010-11 Trust	-	4.12
	-	<b>142.64</b>
<b>6) Fixed Deposit Placed with Bank</b>		
Punjab National Bank	-	-
Small Industries Development Bank of India (SIDBI)	-	-
Bank of Baroda	-	1,955.00
	-	<b>1,955.00</b>



**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026**

	<b>Year Ended 31.03.2026</b>	<b>Year Ended 31.03.2025</b>
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**NOTE 39: RELATED PARTY DISCLOSURE (CONTD....)**

<b>7) Security Receipts Written off :</b>		
ISARC ACBL I/2017-18 Trust	20.91	-
ISARC Axis 5/2015-16 Trust	0.00	-
ISARC SBI 1/2015-16 Trust	0.00	-
ISARC Axis 4/2015-16 Trust	0.00	-
ISARC GPIL/2014-15 Trust	8.75	-
ISARC OBC I/2014-15 Trust	48.36	-
ISARC Canara Bank I/2013-14 Trust	665.78	-
ISARC IDBI Bank II/2013-14 Trust	14.71	-
ISARC Allahabad Bank II/2012-13 Trust	0.00	-
ISARC CBI II/2012-13 Trust	54.84	-
ISARC Axis 3/2012-13 Trust	349.18	-
ISARC Yes Bank I/2012-13 Trust	0.14	-
ISARC FA 27 I/2012-13 Trust	0.00	-
ISARC FA 63 I/2012-13 Trust	0.00	-
ISARC FA 16 I/2011-12 Trust	145.71	-
ISARC IU/2011-12 Trust	421.00	-
ISARC FA 54/002/2011-12 Trust	0.00	-
ISARC FA 41 I/2011-12 Trust	88.51	-
ISARC 12/2010-11 Trust	69.78	-
ISARC 13/2010-11 Trust	0.11	-
ISARC 14/2010-11 Trust	0.53	-
ISARC CBI 1/2010-11 Trust	31.02	-
ISARC Axis 2/2010-11 Trust	165.31	-
ISARC BOI 1/2010-11 Trust	0.00	-
ISARC UCO 1/2010-11 Trust	182.97	-
ISARC SIDBI 2/2009-10 Trust	0.00	-
ISARC BOB 1/2009-10 Trust	0.55	-
ISARC UBI 3/2009-10 Trust	35.01	-
ISARC UBI 1/2009-10 Trust	41.54	-
ISARC SIDBI 1/2009-10 Trust	1.41	-
ISARC RCPPL/2014-15 Trust	-	0.06
ISARC Dena Bank III/2017-18 TRUST	10.45	-
ISARC SIDBI III/2017-18 Trust	500.71	-
	<b>2,857.26</b>	<b>0.06</b>

<b>8) Advance to Trust written off :</b>		
ISARC 12/2010-11 Trust	9.30	-
ISARC 13/2010-11 Trust	0.85	-
ISARC 14/2010-11 Trust	2.25	-
ISARC-ACBL-I/2017-18 Trust	13.35	-
ISARC Allahabad Bank II/2012-13 Trust	-	-
ISARC Axis 2/2010-11 TRUST	2.28	-
ISARC Axis 3/2012-13 Trust - Series II	1.96	-
ISARC Axis 3/2012-13 Trust - Series III	19.23	-
ISARC AXIS 4/2015-16 Trust	1.52	-
ISARC Axis 5/2015-16 Trust	-	-
ISARC BOB 1/2009-10 Trust	16.63	-
ISARC BOI 1/2010-11 Trust	0.36	-
ISARC BOI 2/2015-16 Trust	0.75	-



**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026**

	<b>Year Ended 31.03.2026</b>	<b>Year Ended 31.03.2025</b>
ISARC Canara Bank I/2013-14 Trust	0.00	-
ISARC CBI 1/2010-11 Trust	10.29	-
ISARC CBI II/2012-13 Trust	2.77	-
ISARC Dena Bank II/2015-16 Trust	-	-
ISARC Dena Bank III/2017-18 Trust	0.00	-
ISARC FA 03 I/2011-12 Trust	0.22	0.54
ISARC FA 16 I/2011-12 Trust	0.34	-
ISARC FA 27 I/2012-13 Trust	-	-
ISARC FA 41 I/2011-12 Trust	-	-
ISARC FA 54/002/2011-12 Trust	-	-
ISARC FA 63 I/2012-13 Trust	7.85	-
ISARC GPIL/2014-15 Trust	13.76	-
ISARC IDBI Bank II/2013-14 Trust	-	-
ISARC IU/2011-12 Trust	22.77	-
ISARC OBC I/2014-15 Trust	-	-
ISARC SBI 1/2015-16 Trust	10.48	-
ISARC SIDBI 1/2009-10 Trust	8.28	-
ISARC SIDBI 2/2009-10 Trust - Scheme A	0.00	-
ISARC SIDBI III/2017-18 Trust	0.00	-
ISARC UBI 1/2009-10 Trust	16.66	-
ISARC UBI 2/2009-10 Trust	0.19	0.36
ISARC UBI 3/2009-10 Trust	0.32	-
ISARC UCO 1/2010-11 Trust	4.37	-
ISARC Yes Bank I/2012-13 Trust	0.16	-
	<b>166.96</b>	<b>0.90</b>

**9) GST on reversed Management Fees Written Off :**

ISARC BOI 1/2010-11 Trust	-	-
ISARC FA 27 I/2012-13 Trust	-	5.78
	-	<b>5.78</b>



**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026**

**Note 40: (A) Capital Management**

The primary objective of the group for its capital management is to ensure that it complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value.

The group manages its capital structure and makes adjustments to its according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the group may adjust the amount of dividend payments to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and process from previous years. However, they are under review by the board.

**Regulatory Capital**

Capital to risk asset ratio (CRAR)	Rs. In Lakhs	
	As at March 31, 2026	As at March 31, 2025
a) Common Equity Tier 1 capital	35,328.56	14,947.44
b) Other Tier 2 capital instruments	-	-
c) Total capital	35,328.56	14,947.44
d) Risk weighted assets	35,165.28	579.35
e) CRAR (%)	100.46%	2580.01%

Regulatory capital: Tier I capital, which comprises share capital, special reserves, retained earnings including current year profit. Certain adjustments are made to Ind AS based results and reserves, as prescribed by the Reserve Bank of India

Particulars	Rs. In Lakhs	
	As at March 31, 2026	As at March 31, 2025
Paid Up Equity Capital	23,000.00	10,000.00
Free Reserves (excluding GST)	12,328.58	4,947.75
Sub- Total	35,328.58	14,947.75
Less : Adjustments		
Debit balance on the profit and loss account	0	0
Miscellaneous expensditure (to the extenet not written off or adjusted)	0	0
Deferred Tax Asset	130.38	130.38
Deffered Fair Value Gain	0	0
Book value of intangible assets and prepaid expenses	0.02	0.31
Under/short provision against NPA/diminiution in value of Investments		
a) SRs less than 8 years in age	0	0
b) SRs more than 8 years in age	0	0
<b>Net Owned fund(Tier I)</b>	<b>35,198.18</b>	<b>14,817.06</b>
Other Tier II capital instruments		
Total Capital	35,328.56	14,947.44
Risk weighted assets	35,165.28	579.35
CRAR %	100.46%	2580.01%

**(B) Dividends**

Particulars	As at March 31, 2026	As at March 31, 2025
Equity shares	Nil	Nil



**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026**

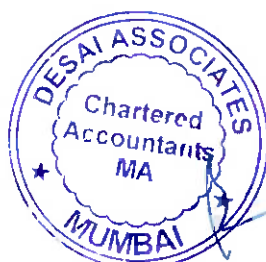
**Note 41: Employee Benefits**

Particulars	As at March 31, 2026 (₹ in Lakh)	As at March 31, 2025 (₹ in Lakh)
<b>(a) Defined Contribution Plan</b>		
Amount recognized as an expense in the Statement of Profit and Loss.		
(i) Employer's contribution to provident fund	4.49	-
(ii) Employer's contribution to pension fund	1.10	-
	<u>5.60</u>	<u>-</u>

**(b) Gratuity**

Disclosures required as per the Ind AS 19, Employee Benefits

Particulars	As at March 31, 2026 (₹ in Lakh)	As at March 31, 2025 (₹ in Lakh)
<b>I. Reconciliation of opening and closing balances of Defined Benefit Obligation</b>		
Obligation at the beginning of the year	2.70	-
Interest cost	-	-
Service cost	-	-
Liability transferred in / acquisition	-	-
Benefit paid	-	-
Actuarial (gains) / losses recognised in OCI:		
- Due to change in demographic assumptions	-	-
- Due to change in financial assumptions	-	-
- Due to experience adjustments	-0.30	-
<b>Obligation at the end of the year</b>	<b>2.39</b>	<b>-</b>
<b>II. Change in Plan Assets</b>		
Fair value of plan assets at the beginning of the year	2.70	-
Expected return on plan assets / Interest income	0.09	-
Contribution	1.46	-
Benefit paid from the fund	-	-
Liability transferred in / acquisition	-	-
Actuarial gains / (losses) on plan assets due to experience	-	-
Interest income (as per standalone)	0.18	-
<b>Fair value of plan assets at the end of the year</b>	<b>4.43</b>	<b>-</b>
<b>III. Reconciliation of Obligation and Fair Value of Plan Assets</b>		
Fair value of plan assets at the end of the year	4.43	-
Present value of the defined benefit obligation at the end of year	-2.39	-
<b>Liability recognized in the Balance Sheet</b>	<b>2.03</b>	<b>-</b>
<b>IV. Expenses recognised in statement of profit or loss</b>		
Service cost	-	-
Interest cost	-0.18	-
<b>Expenses recognised in statement of profit or loss</b>	<b>-0.18</b>	<b>-</b>
<b>V. Amount recognised in the other comprehensive income</b>		
Actuarial (gain)/loss recognised in other comprehensive income	-0.30	-
Expected return on plan assets	-0.09	-
<b>Amount recognised in the other comprehensive income</b>	<b>-0.39</b>	<b>-</b>
<b>VI. Investment details on plan assets</b>		
100% of the plan assets are invested in insurance fund	4.43	-
<b>VII. Actual return on plan assets (as per standalone)</b> (current year Rs.9133 , Previous year Nil )	0.09	-



**VIII. Assumptions**

Interest rate	7.14%	0.00%
Salary growth rate	6.00%	0.00%
Estimated return on plan assets	NA	NA

Employee turnover rate	For service 4 years and below 20% p.a. For service 5 years and above 5% p.a.	NA
------------------------	--	----

IX. Particulars of the amounts for the year and Previous year	2026	2025
Present value of benefit obligation	-2.39	-
Fair value of plan assets	4.43	-
Excess of obligation over plan assets	2.03	-

**X. Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined obligations by the amounts shown below.

Particulars	As at March 31, 2026 (₹ in Lakh)	As at March 31, 2025 (₹ in Lakh)
Discount rate (+1% movement)	-0.16	-
Discount rate (-1% movement)	0.18	-
Future salary growth (+1% movement)	0.18	-
Future salary growth (-1% movement)	-0.16	-
Employee turnover (+1% movement) as per standalone	-0.07	-
Employee turnover (-1% movement) as per standalone	0.07	-

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the balance sheet.

**XI. Maturity analysis of the defined benefit plan (fund)**

Particulars	As at March 31, 2026 (₹ in Lakh)	As at March 31, 2025 (₹ in Lakh)
Projected benefits payable in future from the date of reporting		
1st following year	0.04	-
2nd following year	0.10	-
3rd following year	0.09	-
4th following year	0.11	-
5th following year	0.18	-
Sum of 6 to 10 years	2.68	-
sum of 11 years and above	1.16	-



**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026**

**Note 42: Disclosure pursuant to para 44A to 44E of Ind AS 7 - Statement of cash flows**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Debt Securities</b>		
Opening balance	-	-
Availed during the year	-	-
Impact of Non- cash items	-	-
Repaid during the year	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>Borrowings (other than debt securities)</b>		
Opening balance	-	-
Availed during the year	-	-
Impact of Non- cash items	-	-
Repaid during the year	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>Interest</b>		
Opening balance	-	-
Availed during the year	-	-
Impact of Non- cash items	-	-
Repaid during the year	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>



INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Note 43: Maturity analysis of assets and liabilities

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

Particulars	As at March 31, 2026			As at March 31, 2025		
	Within 12 months	After 12 Months	Total	Within 12 months	After 12 Months	Total
<b>Assets</b>						
<b>Financial Assets</b>						
Cash and Cash equivalents	66.75	-	66.75	14,332.76	-	14,332.76
Trade receivables	16.46	-	16.46	5.12	-	5.12
Loans*	-	-	-	-	-	-
Investments*	-	34,775.06	34,775.06	-	286.65	286.65
Other Financial asset	-	51.24	51.24	-	14.65	14.65
<b>Non - Financial Assets</b>						
Current tax assets (Net)	260.65	-	260.65	172.41	-	172.41
Property, Plant and Equipment	-	25.06	25.06	-	9.48	9.48
Right of use assets	-	-	-	-	-	-
Other Intangible Assets	-	-	-	-	-	-
Intangible asset under development	-	-	-	-	-	-
Other Non-Financial Assets	145.45	-	145.45	187.61	-	187.61
<b>Total Assets (a)</b>	<b>489.31</b>	<b>34,851.35</b>	<b>35,340.66</b>	<b>14,697.90</b>	<b>310.77</b>	<b>15,008.67</b>

Particulars	As at March 31, 2026			As at March 31, 2025		
	Within 12 months	After 12 Months	Total	Within 12 months	After 12 Months	Total
<b>Liabilities</b>						
<b>Financial Liabilities</b>						
<b>Payables</b>						
(1) Trade Payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6.00	-	6.00	55.86	-	55.86
Borrowings (other than debt securities)	-	-	-	-	-	-
Other Financial Liabilities	-	-	-	-	-	-
Debt Securities	-	-	-	-	-	-
<b>Non- Financial Liabilities</b>						
Current tax liability (Net)	-	-	-	-	-	-
Provisions	-	-	-	-	-	-
Deferred tax (net)	-	-	-	-	-	-
Other non-financial liabilities	6.08	-	6.08	5.06	-	5.06
<b>Total Liabilities (b)</b>	<b>12.08</b>	<b>-</b>	<b>12.08</b>	<b>60.91</b>	<b>-</b>	<b>60.91</b>
<b>Net (a-b)</b>	<b>477.23</b>	<b>34,851.35</b>	<b>35,328.58</b>	<b>14,636.98</b>	<b>310.77</b>	<b>14,947.76</b>

\* As expected by management of the group



INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Note 44: Fair value measurements

a) Financial instruments by category

Particulars	Rs. In Lakhs			
	March 31, 2026		March 31, 2025	
	Fair value through profit or loss	Amortised cost	Fair value through profit or loss	Amortised cost
<b>Financial assets</b>				
Cash & cash equivalents	-	66.75	-	14,332.76
Trade receivables	-	16.46	-	5.12
Loans	-	-	-	-
Investments - Unquoted	34,775.06	-	286.65	-
Other Financial asset	-	51.24	-	14.65
<b>Total Financial assets</b>	<b>34,775.06</b>	<b>134.45</b>	<b>286.65</b>	<b>14,352.52</b>
<b>Financial Liabilities</b>				
Payables	-	6.00	-	55.86
Debt Securities	-	-	-	-
Borrowings (other than debt securities)	-	-	-	-
Other Financial Liabilities	-	6.08	-	5.06
<b>Total Financial Liabilities</b>	<b>-</b>	<b>12.08</b>	<b>-</b>	<b>60.91</b>

Fair value hierarchy

This section explains the judgements and estimates made in determining the values of financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. The group has not disclosed the fair values of financial instruments such as trade receivables, trade payable, cash and cash equivalents, fixed deposits, security deposits, etc. as carrying value is reasonable approximation of the fair values. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the India accounting Standards. An explanation of each level follows underneath the table.

b) Fair value hierarchy for assets

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2026	Rs. In Lakhs			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments - Unquoted	-	-	34,775.06	34,775.06
<b>Total</b>	<b>-</b>	<b>-</b>	<b>34,775.06</b>	<b>34,775.06</b>

Financial liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2026	Rs. In Lakhs			
	Level 1	Level 2	Level 3	Total
<b>Financial Liabilities</b>				
Borrowings (other than debt securities)	-	-	-	-
Debt Securities	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2025	Rs. In Lakhs			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments - Unquoted	-	-	286.65	286.65
<b>Total</b>	<b>-</b>	<b>-</b>	<b>286.65</b>	<b>286.65</b>

Financial liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2025	Rs. In Lakhs			
	Level 1	Level 2	Level 3	Total
<b>Financial Liabilities</b>				
Borrowings (other than debt securities)	-	-	-	-
Debt Securities	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Notes:

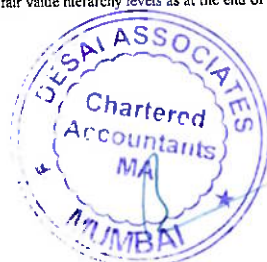
Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active market for identical assets that the entity can access at the measurement date.

Level 2 hierarchy includes the fair value of financial instruments measured using quoted prices for identical or similar assets in markets that are not active.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted compound instruments.

There are no transfers between any of these levels during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.



**c) Valuation techniques used to determine fair value**

Specific valuation techniques used to value investment in security receipt include

The fair value of investment in security receipt is based on Net Asset Value (NAV) calculated using discounted cash flow method and valuation range provided by the rating agencies. This is included in Level 3

**d) Fair value measurements using significant unobservable inputs (level 3)**

The following table presents the changes in level 3 items for the year ended March 31, 2026 and March 31, 2025 (in Lakh)

Particulars	Investment	Debt Securities
As on April 01, 2024	701.66	-
Additions	-	-
Disposals / Repayment / Write off	415.01	-
Gains / (losses) recognised in statement of profit and loss	-	-
Equity adjustments from investments	-	-
As at March 31, 2025	286.65	-
Additions	35,271.95	-
Disposals / Repayment / Write off	783.54	-
Gains / (losses) recognised in statement of profit and loss	-	-
Equity adjustments from investments	-	-
As at March 31, 2026	34,775.06	-

**e) Fair value of financial assets and liabilities measured at amortised cost**

The carrying amount of remaining financial assets and liabilities is considered as fair value

**f) Unobservable inputs used in measuring fair value categorised within Level 3**

Type of Financial Instrument	Valuation technique	Significant unobservable Input	Range of estimates	Fair value measurement sensitivity to unobservable inputs
Investment in Security Receipts	Discounted Cashflows	Net expected cashflows derived from trusts	Varies from trust to trust	Significant increase in net expected cash flows would result in higher fair value

**g) Quantitative analysis of significant unobservable inputs**

**Discount margin/spreads**

Discount margin/spreads represent the discount rates used when calculating the present value of future cash flows. In discounted cash flow models such spreads are added to the benchmark rate when discounting the future expected cash flows. Hence, these spreads reduce the net present value of an asset or increase the value of a liability. They generally reflect the premium an investor expects to achieve over the benchmark interest rate to compensate for the higher risk driven by the uncertainty of the cash flows caused by the credit quality of the asset. They can be implied from market prices and are usually unobservable for illiquid or complex instruments.

**Recovery rates**

Recovery rates reflect the estimated loss that the company will suffer given expected defaults. The recovery rate is given as a percentage and reflects the opposite of loss severity (i.e., 100% recovery reflects 0% loss severity). In line with general market convention, loss severity is applied to asset-backed securities while recovery rate is more often used as pricing input for corporate or government instruments. Higher loss severity levels / lower recovery rates indicate lower expected cash flows upon the default of the instruments. Recovery rates for complex, less liquid instruments are usually unobservable and are estimated based on historical data.



**Note 45: a) Liquidity risk and funding management**

Liquidity risk emanates from the mismatches existing on the balance sheet due to differences in maturity and repayment profile of assets and liabilities

These mismatches could either be forced in nature due to market conditions or created with an interest rate view. Such risk can lead to a possibility of unavailability of funds to meet upcoming obligations arising from liability maturities

To avoid such a scenario the Company has ensured maintenance of a liquidity cushion in the form of fixed deposits, cash, credit lines etc. These assets carry minimal credit risk and can be liquidated in a very short period of time. These would be to take care of immediate obligations while continuing to honour our commitments as a going concern

**b) Analysis of financial assets and liabilities by remaining contractual maturities**

The table below summarises the maturity profile of the undiscounted cash flows of the company's financial assets and liabilities as at March 31. However, the Company expects that the counterparties will not request repayment on the earliest date it could be required to pay

As at March 31, 2026		Rs. In Lakhs				
Contractual maturities of assets and liabilities	Less than 3 months	3 to 12 months	1 to 5 years	over 5 years	Total	
<b>Financial Assets</b>						
Cash & cash equivalents	66.75	-	-	-	66.75	
Trade receivables	-	16.46	-	-	16.46	
Loans	-	-	-	-	-	
Investments	-	-	34,775.06	-	34,775.06	
Other Financial asset	-	51.24	-	-	51.24	
<b>Total Financial assets (a)</b>	<b>66.75</b>	<b>67.70</b>	<b>34,775.06</b>	<b>-</b>	<b>34,909.52</b>	
<b>Financial Liabilities</b>						
Trade Payables	-	-	-	-	-	
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	6.00	-	-	6.00	
Borrowings (other than debt securities)	-	-	-	-	-	
Debt Securities	-	-	-	-	-	
Other Financial Liabilities	6.08	-	-	-	6.08	
<b>Total Financial Liabilities (b)</b>	<b>6.08</b>	<b>6.00</b>	<b>-</b>	<b>-</b>	<b>12.08</b>	
<b>Net (a-b)</b>	<b>60.67</b>	<b>61.70</b>	<b>34,775.06</b>	<b>-</b>	<b>34,897.43</b>	

As at March 31, 2025

Contractual maturities of assets and liabilities	Less than 3 months	3 to 12 months	1 to 5 years	over 5 years	Total
<b>Financial Assets</b>					
Cash & cash equivalents	14,332.76	-	-	-	14,332.76
Trade receivables	-	5.12	-	-	5.12
Loans	-	-	-	-	-
Investments	-	-	286.65	-	286.65
Other Financial asset	-	14.65	-	-	14.65
<b>Total Financial assets (a)</b>	<b>14,332.76</b>	<b>19.77</b>	<b>286.65</b>	<b>-</b>	<b>14,639.17</b>
<b>Financial Liabilities</b>					
Trade Payables	-	-	-	-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	55.86	-	-	55.86
Borrowings (other than debt securities)	-	-	-	-	-
Debt Securities	-	-	-	-	-
Other Financial Liabilities	5.06	-	-	-	5.06
<b>Total Financial Liabilities (b)</b>	<b>5.06</b>	<b>55.86</b>	<b>-</b>	<b>-</b>	<b>60.91</b>
<b>Net (a-b)</b>	<b>14,327.70</b>	<b>-36.10</b>	<b>286.65</b>	<b>-</b>	<b>14,578.26</b>

\* As expected by Management of the Company



**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026**

**Note 46: Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the group's statement of profit and loss. The sensitivity of the statement of profit and loss is the effect of the assumed changes in the interest rates on the profit or loss for a year.

Currency of borrowing/advances	2025-26			
	Increase In basis points	effect on profit before tax (Rs. In Lakhs)	Decrease In basis points	effect on profit before tax (Rs. In Lakhs)
INR	Nil	Nil	Nil	Nil

Currency of borrowing/advances	2024-25			
	Increase In basis points	effect on profit before tax (Rs. In Lakhs)	Decrease In basis points	effect on profit before tax (Rs. In Lakhs)
INR	Nil	Nil	Nil	Nil

**Note 47: Earnings Per Equity Share**

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
<b>Basic and Diluted earning per equity share</b>		
Net Profit after tax attributable to equity shareholders (Rs. In Lakhs) (A)	1,214.83	1,979.47
Weighted average number of Equity Shares (Nos) (B)	2,300.00	1,000.00
Nominal Value of equity shares (Rs.)	10.00	10.00
<b>Basic and Diluted Earnings Per Share (Rs.) (A/B)</b>	<b>0.53</b>	<b>1.98</b>



INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

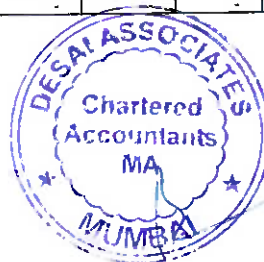
Note 48: Comparison between provisions required under Income Recognition, Asset Classification and Provisioning (IRACP) Norms and impairment allowances made under Ind AS 109 pursuant to RBI circular no. DOR

As at year ended March 31, 2026

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying amount as per Ind AS	Loss allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between IND AS109 provisions and IRACP norms
		(1)	(2)	(3) = (1) - (2)	(4)	(5) = (2) - (4)
<b>Performing Assets</b>						
Standard	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
<b>Subtotal Performing Assets (A)</b>						
<b>Non Performing Assets (NPA)</b>						
Substandard	Stage 3	-	-	-	-	-
Doubtful - upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Subtotal for doubtful</b>						
Loss	Stage 3	-	-	-	-	-
<b>Subtotal Non performing Assets (NPA) (B)</b>						
<b>Other Items</b>						
Advances to trust and other financials assets ( C )	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Trade Receivable (D)</b>						
	N A	-	-	-	-	-
Purchased or Originated credit impaired ( E)	Purchased or Originated credit impaired	-	-	-	-	-
<b>Subtotal (F) = (C) + (D) + ( E)</b>						
Total Assets (a)	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Others	-	-	-	-	-
	Total	-	-	-	-	-

As at year ended March 31, 2025

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying amount as per Ind AS	Loss allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between IND AS109 provisions and IRACP norms
		(1)	(2)	(3) = (1) - (2)	(4)	(5) = (2) - (4)
<b>Performing Assets</b>						
Standard	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
<b>Subtotal Performing Assets (A)</b>						
<b>Non Performing Assets (NPA)</b>						
Substandard	Stage 3	-	-	-	-	-
Doubtful - upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Subtotal for doubtful</b>						
Loss	Stage 3	-	-	-	-	-
<b>Subtotal Non performing Assets (NPA) (B)</b>						
<b>Other Items</b>						
Advances to trust and other financials assets ( C )	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Trade Receivable (D)</b>						
	N A	-	-	-	-	-
Purchased or Originated credit impaired ( E)	Purchased or Originated credit impaired	-	-	-	-	-
<b>Subtotal (F) = (C) + (D) + ( E)</b>						
Total Assets (a)	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Others	-	-	-	-	-
	Total	-	-	-	-	-



**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026**

**Note 49 : Ratios**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Debt- Equity Ratio (No. of times)	NA	NA
Debt Service Coverage Ratio (No. of times)	NA	NA
Capital to risk asset ratio (CRAR) (%)	100.46%	2580.01%
Liquidity Coverage Ratio	NA	NA

Formula for Debt Equity Ratio = Total Debt / Total Equity

Formula for Debt Service Coverage Ratio = (Earnings after Tax and before Interest, Depreciation, Fair Value and Exceptional Items) / (Interest Expense + Principal Repayments of long term debts made during the year)

Formula for Capital to risk asset ratio = (Tier I Capital + Tier II Capital) / Risk Weighted Assets

**Note 50: Information about assets acquired under IBC including the type, value of assets acquired and sector-wise distribution:**

Name of Asset	Type and Sector of Asset	Value of Asset (Rs. In Lakhs)
Wind World (India) Limited & Wind World (India) Infrastructure Private Limited	Power Sector (Windmill)	10500

**Note 51: Other Additional Regulatory Information**

**a) Title deeds of Immovable Properties**

The Company do not have any immovable properties where title deeds are not held in the name of the Company.

**b) Loans and Advances**

There are no loans and advances in the nature of loans which are granted to promoters, directors, key managerial persons and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are:

- (i) repayable on demand or
- (ii) without specifying any terms or period of repayment

**c) Details of Benami Property Held**

The Company does not have benami property, where any proceedings has been initiated or pending against the Company for holding any Benami Property.

**d) Security of current assets against borrowings**

The Company has no borrowings from bank or financials institutions on the basis of security of current assets.

**e) Wilful Defaulter**

The Company is not declared as wilful defaulter by any bank or financials institution or other lender.

**f) Relationship with Struckoff Companies**

The Company does not have any transactions with Struckoff Companies.

**g) Registration of charges or satisfaction of charges with Registrar of Companies (ROC)**

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

**h) Utilisation of Borrowed funds and share premium**

(A) During the year, the company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

- (i) 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)

(B) During the year, 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:

- (i) directly or indirectly lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries).
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

**i) Undisclosed Income**

The Company has no such transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961.



j) **Details of Crypto Currency or Virtual Currency**

The Company has not traded or invested in crypto currency or virtual currency during the current financial year or any previous financial year.

✓✓✓

h) **Segment Reporting**

The Company operates in a segment of distressed credit business and all other activities are incidental to its main business activities as per requirement of Ind AS- 108 on Operating Segment. The reportable business segment is in line with the segment wise information which is being presented to the Chief Operating Decision Maker.

The Company has one geographical segment identified based on its location of customers which is within India.

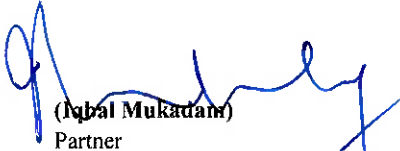
i) The figures of the previous year have been reclassified and regrouped wherever necessary.


The accompanying notes are integral part of the financials statements.

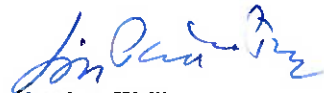
As per our report of even date  
For **Desai Associates**  
Chartered Accountants  
Firm Reg. No.: 102286W

For and on behalf of Board of Directors


**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**


  
(**Abal Mukadam**)  
Partner  
M. No.: 016865  
UDIN:  
Mumbai, May 12, 2026

  
**Divy Dangi**  
Whole Time Director  
DIN : 08323807

  
**Sandeep Welling**  
Independent Director  
DIN: 00072457

  
**Jethanand Chopra**  
Chief Executive Officer

  
**Jayshree Jain**  
Chief Financial Officer

  
**Minak Jain**  
Company Secretary  
Mumbai, May 12, 2026



**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**

**Note 52: ADDITIONAL DISCLOSURE**

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

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

Sr. No.	Name of the Bank	Address	Acquisition Value		
			As at 31.03.2025	During the year	As at 31.03.2026
<b>Sponsors</b>					
1	N.A.	N.A.	-	-	-
<b>Total (A)</b>					
<b>Non-Sponsors</b>					
1	OXYZO Financial Services Limited	1st Floor, Tower-A, Global Business Park, Mehrauli-Gurgaon Road, Sector 26, Gurugram, Haryana 122002	-	800.00	800.00
2	Western Capital Advisors Pvt Ltd.	Business Square, C-402, A.K. Road, Chakala, Andheri East, Mumbai, Maharashtra 400093	-	210.00	210.00
3	Usha Financial Services Ltd	Plot No. 73, First Floor, Patparganj Industrial Area, East Delhi, Delhi - 110092	-	546.00	546.00
4	Poonawala Fincorp Ltd.	201 and 202, 2nd Floor, AP81, Koregaon Park Annexe, Mundhwa, Pune, Maharashtra 411036	-	2,272.37	2,272.37
5	Cholamandam Investment and Finance Co. Ltd	"Chola Crest", C54-55 & Super B-4, Thiru-Vi-Ka Industrial Estate, Guindy, Chennai - 600032	-	384.20	384.20
6	CFM Assets Reconstruction Pvt Ltd	Block No. A/1003, West Gate, Near YMCA Club, Survey No. 835/13, S.G. Highway, Makarba, Ahmedabad, Gujarat 380051	-	5,200.00	5,200.00
7	Federal Bank Financial Services Ltd.	Unit no. 1101, 11th Floor, Cignus Plot No. 71A, Powai, Paspoli Mumbai - 400087	-	3,257.47	3,257.47
8	Mahindra and Mahindra Financial Services Limited	Gateway Building, Apollo Bunder, Mumbai, Maharashtra - 400001	-	1,513.07	1,513.07
9	Manapuram Finance Ltd.	IV/470A (Old), W638A (New) Manappuram House Valapad, Thrissur Kerala - 680567	-	1,140.00	1,140.00
10	Utkarsh Small Finance Bank	S-24/1-2, First Floor, Mahavir Nagar Orderly Bazar, Varanasi, Uttar Pradesh - 221002	-	1,280.00	1,280.00
11	Maanaveeya Development and Finance Pvt Ltd	Prashanthi Towers, 4th Floor, H. No. 8-2-293/82/564 A 43, Road No. 92, Jubilee Hills, Banjara Hills, Khairatabad, Hyderabad, Telangana 500034	-	946.14	946.14
12	Samman Capital Limited	1st Floor, Tower 3A, DLF Corporate Greens, Sector - 74A, Gurgaon, Narsinghpur, Haryana, India, 122004	-	12,767.34	12,767.34
13	HDFC Bank Limited	HDFC Bank House, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra, 400013	-	2,800.00	2,800.00
14	Edelweiss Assets Reconstruction Ltd.	Edelweiss House, Off C.S.T. Road, Kalina, Mumbai, Maharashtra, India - 400 098	-	10,500.00	10,500.00
15	J C Flowers Assets Reconstruction Pvt Ltd.	203-206, 2nd Floor, Wing A, Inspire BKC, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra 400051	-	16,000.00	16,000.00
16	Invent Assets Securitization and Reconstruction Pvt Ltd	Bakhtawar, Suite B, Ground Floor Backbay Reclamation, Scheme Block III 229, Nariman Point Mumbai - 400 021	-	9,300.00	9,300.00
17	JM Financial Assets Reconstruction Company Ltd.	7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai, Maharashtra, India - 400025	-	1,556.00	1,556.00
<b>Total (B)</b>			-	<b>70,472.59</b>	<b>70,472.59</b>
<b>Grand Total (A + B)</b>			-	<b>70,472.59</b>	<b>70,472.59</b>

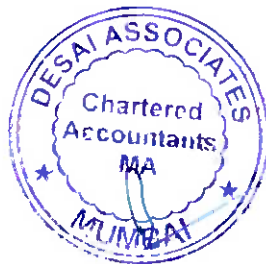


(Amount in Lakhs)

Sr. No.	Name of the Bank	Address	Acquisition Value		
			As at 31.03.2024	During the year	As at 31.03.2025
<b>Sponsors</b>					
1	Bank of Baroda	Plot - C-26, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	565.57	-	565.57
2	Bank of Baroda (Erstwhile "Dena Bank" before Merger)	Plot - C-26, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	1,685.00	-	1,685.00
3	Punjab National Bank (Erstwhile "United Bank of India" before Merger)	Bhikhaji Cama Place, New Delhi	2,007.70	-	2,007.70
4	Punjab National Bank	Bhikhaji Cama Place, New Delhi	2,792.04	-	2,792.04
5	Punjab National Bank (Erstwhile "Oriental Bank of Commerce" before Merger)	Bhikhaji Cama Place, New Delhi	1,000.11	-	1,000.11
6	SIDBI	MSME Development Centre, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	9,297.35	-	9,297.35
<b>Total (A)</b>			<b>17,348</b>	<b>-</b>	<b>17,347.77</b>
<b>Non-Sponsors</b>					
7	UCO Bank	10, B T M Sarani, Kolkata - 700 001	1,633.75	-	1,633.75
8	Axis Bank	Maker Tower-F, 13 <sup>th</sup> Cuffe Parade, Mumbai - 400 005	2,674.95	-	2,674.95
9	Bank of India	Star house, BKC, Plot no. C-5, G - Block, Mumbai - 400 051	761.38	-	761.38
10	Central Bank of India	Chander Mukhi, Nariman Point, Mumbai - 400 021	164.17	-	164.17
11	Standard Chartered Bank	23-25, Mahatma Gandhi Road, Fort, Mumbai - 400 001	560.00	-	560.00
12	HDFC Bank	HDFC Bank House, Lower Parel, Mumbai - 400 013	575.00	-	575.00
13	Canara Bank (Erstwhile "Syndicate Bank" Before Merger)	Recovery Wing, Head Office, 112 J C Road, Bangalore - 560 002	1,468.00	-	1,468.00
14	Canara Bank	Recovery Wing, Head Office, 112 J C Road, Bangalore - 560 002	20,936.27	-	20,936.27
15	Indian Bank (Erstwhile "Allahabad Bank" Before Merger)	254-260, Avvai Shanmugam Salai, Royapettah, Chennai 600014, Tamil-Nadu, India	1,021.84	-	1,021.84
16	City Union Bank	149, TSR Big Street, Kumbakonam - 612 001	253.85	-	253.85
17	ICICI Bank	ICICI Bank Towers, Bandra Kurla Complex, Bandra East, Mumbai - 400 054	202.00	-	202.00
18	Indian Overseas Bank	Central Office, 763, Anna Salai, Chennai - 600 002	670.00	-	670.00
19	IDBI Bank Ltd	IDBI Tower, World Trade Center Complex, Cuffe Parade, Colaba, Mumbai - 400 005	4,835.88	-	4,835.88
20	Yes Bank Ltd.	Discovery of India, Nehru Center, 9 <sup>th</sup> floor, Dr. Ambedkar Road, Worli, Mumbai - 400 018	285.00	-	285.00
21	Karnataka Bank Ltd	Corporate Office, Mahaveera Circle, Kankandy, Mangalore - 575 002	194.25	-	194.25
22	State Bank of India	The Arcade, World Trade Centre Complex, Cuffe Parade, Mumbai - 400 005	1,078.00	-	1,078.00
23	Abhyudaya Co-operative Bank Limited	K K Tower, Abhyudaya Bank Lane, Off. G D Ambekar Marg, Parel Village, Mumbai - 400 012	230.00	-	230.00
<b>Total (B)</b>			<b>37,544.34</b>	<b>-</b>	<b>37,544.34</b>
<b>Grand Total (A + B)</b>			<b>54,892.11</b>	<b>-</b>	<b>54,892.11</b>

**Note:**

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



**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**

**b) Dispersion of various Financial Assets Industry-wise and Sponsor-wise as on 31.03.2026**

(Amount in Lakhs)

Sr. No	Sector	Sponsor / Non - Sponsor	No. of Cases		Acquisition Value (Amount in Rs.)		% of Total Acquisition Value	
			CY	PY	CY	PY	CY	PY
1	Chemical & Chemical Products	Sponsor	-	18	-	248.89	-	4.55
2	Electrical/ Electronic Equipment	Sponsor	-	10	-	129.93	-	2.38
3	Food & Food Products	Sponsor	-	22	-	418.87	-	7.67
4	Hotels	Sponsor	-	1	-	115.50	-	2.11
5	Hospital	Sponsor	-	2	-	32.23	-	0.59
6	Textiles/Leather/footwear	Sponsor	-	27	-	650.84	-	11.91
7	Wood & Wood Products	Sponsor	-	1	-	-	-	-
8	Other Services	Sponsor	-	20	-	151.77	-	2.78
9	Pharmaceutical products	Sponsor	-	16	-	223.83	-	4.10
10	Industrial products	Sponsor	-	44	-	1,465.68	-	26.83
11	Machinery	Sponsor	-	1	-	-	-	-
12	Agro based products	Sponsor	-	3	-	521.97	-	9.55
13	Entertainment	Sponsor	-	7	-	787.24	-	14.41
14	Trading	Sponsor	-	7	-	246.72	-	4.52
15	Construction/Real estate	Sponsor	-	4	-	235.41	-	4.31
16	Consumer Products	Sponsor	-	7	-	109.81	-	2.01
17	Others	Sponsor	-	12	-	124.93	-	2.29
	<b>Sub Total (A)</b>		-	<b>202</b>	-	<b>5,463.62</b>	-	<b>100.00</b>
1	Chemical & Chemical Products	Non-Sponsor	-	10	-	1,713.07	-	3.47
2	Electrical Electronic Equipment	Non-Sponsor	-	6	-	19.81	-	0.04
3	Food & Food Products	Non-Sponsor	-	22	-	7,994.88	-	16.17
4	Hotels	Non-Sponsor	-	3	-	2,779.41	-	5.62
5	Hospital	Non-Sponsor	-	4	-	784.00	-	1.59
6	Textiles/Leather/Footwear	Non-Sponsor	-	45	-	8,628.67	-	17.46
7	Wood & Wood Products	Non-Sponsor	-	4	-	144.62	-	0.29
8	Other Services	Non-Sponsor	-	22	-	3,771.46	-	7.63
9	Pharmaceutical products	Non-Sponsor	-	9	-	7,529.41	-	15.23
10	Industrial products	Non-Sponsor	-	46	-	2,555.36	-	5.17
11	Machinery	Non-Sponsor	-	2	-	37.59	-	0.08
12	Agro based products	Non-Sponsor	-	15	-	915.02	-	1.85
13	Entertainment	Non-Sponsor	-	2	-	167.10	-	0.34
14	Trading	Non-Sponsor	-	39	-	1,235.38	-	2.50
15	Construction/Real estate	Non-Sponsor	-	16	-	4,168.88	-	8.43
16	Consumer Products	Non-Sponsor	-	11	-	382.49	-	0.77
17	NBFC	Non-Sponsor	9	-	9,091.78	-	12.90	-
18	Power	Non-Sponsor	2	-	15,700.00	-	22.28	-
19	Housing / LAP	Non-Sponsor	1,214	-	16,024.81	-	22.74	-
20	Automobile	Non-Sponsor	4	-	2,800.00	-	3.97	-
21	Real Estate	Non-Sponsor	3	-	26,856.00	-	38.11	-
22	Others	Non-Sponsor	-	54	-	6,601.34	-	13.36
	<b>Sub Total (B)</b>		<b>1,232.00</b>	<b>310</b>	<b>70,472.59</b>	<b>49,428.49</b>	<b>100.00</b>	<b>100.00</b>
	<b>Grand Total (A+B)</b>		<b>1,232.00</b>	<b>512</b>	<b>70,472.59</b>	<b>54,892.11</b>		

**Note:**

- 81 accounts with an aggregate loan outstanding of Rs. 198 crores (approx.) acquired from Industrial Investment Bank of India ('IIBI') for Rs. 81/- have not been included, as the same have been assigned to ISARC on a nominal value, on the direction of Ministry of Finance, Government of India for recovery on commission basis.
- The above table has been prepared by management based on the information and relevant documents available with the Company which has been relied upon by the auditors.
- The acquisition price in the table above includes financial assets acquired till March 31, 2026 including financial assets resolved till date.
- The Company has put in place internal audit system scope of which provides for periodical checks and review of the assets acquisition procedures and asset reconstruction measures and the matters related thereto.



**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**

- c) Details of the related parties as per Accounting Standard and Guidance Note issued by The Institute of Chartered Accountants of India (ICAI) and the amounts due to and from them are same as Note 25.
- d) Migration of Financial Assets from Standard to Non Performing: Nil
- e) Value of Financial Assets acquired during the financial year 2025-26 either on its own or in the books of the Trusts:

(Amount in Lakhs)

Sr. No.	Acquisition in the books of	F.Y. 2025-26	F.Y. 2024-25
1	ISARC	-	-
2	Trusts	70,472.59	-
	<b>Total</b>	<b>70,472.59</b>	<b>-</b>

- f) Value of Financial Assets realized during the financial year 2025-26:

(Amount in Lakhs)

Sr. No.	Acquisition in the books of	F.Y. 2025-26	F.Y. 2024-25
1	ISARC	-	-
2	Trusts*	5,161.91	4,191.25
	<b>Total</b>	<b>5,161.91</b>	<b>4,191.25</b>

\* Amount aggregating to Rs 94 88 Lakhs (previous year Rs. Nil/-) realized from Financial Assets acquired from Industrial Investment Bank of India ('IIBI') is not considered above as the same has been assigned to ISARC on the direction of Ministry of Finance, Government of India for recovery on commission basis.

- g) Value of Financial Assets outstanding for realization as at the end of financial year 2025-26:

(Amount in Lakhs)

Particulars	F.Y. 2025-26	F.Y. 2024-25
Total value (cumulative) of Financial Assets acquired **	1,25,364.70	54,892.11
Less: Value (cumulative) of Financial Assets realised ***	49,539.06	44,377.15
<b>Total value of Financial Assets outstanding for realisation</b>	<b>75,825.64</b>	<b>10,514.96</b>

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

\*\*\* Total amount aggregating to Rs. 2,773.03 (previous year Rs. 2,726.59) Lakhs realized from Financial Assets acquired from Industrial Investment Bank of India ('IIBI') is not considered above as the same have been assigned to ISARC on the direction of Ministry of Finance, Government of India for recovery on commission basis.

- h) Value of Security Receipts redeemed partially and fully during the financial year 2025-26 :

(Amount in Lakhs)

Sr. No.	Particulars	F.Y. 2025-26	F.Y. 2024-25
1	Value of Security Receipts redeemed partially	4,086.18	992.66
2	Value of Security Receipts redeemed fully	-	568.69
	<b>Total</b>	<b>4,086.18</b>	<b>1,561.35</b>




**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**

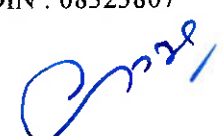
- i) Value of Security Receipts pending for redemption as at the end of financial year 2025-26: Rs. 69255.39 - (previous year: Rs. 26,640.42 ) Lakhs
- j) Value of Security Receipts which could not be redeemed as a result of non-realization of the financial assets as per the policy formulated by the securitization company or reconstruction company under paragraph 7(6)(ii) or 7(6)(iii) of Notification No. DNBS.2/CGM(CSM) – 2003 dtd. April 23, 2003 issued by Reserve Bank of India. : Rs. NIL (Previous Year :Rs. 21,498.01) Lakhs
- k) Value of land and /or building acquired on ordinary course of business of reconstruction of assets: **NIL**
- l) Basis of valuation of assets if the acquisition value of the assets is more than the Book Value (the value of the assets as declared by the seller bank in the auction): **NIL**
- m) The details of the assets disposed off (either by write off or by realisation) during the year at discount of more than 20% of valuation as on the previous year end and the reasons thereof: **NIL**
- n) The details of the assets where the value of the SRs has declined more than 20% below the acquisition value.: **Refer Annexure A**
- o) As per Reserve Bank of India Guidelines, the Capital Adequacy Ratio of the Company as at March 31, 2026 works out to 100%, (Previous Year: 2580%) Refer note 40A


For and on behalf of Board of Directors


**INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED**

  
**Divy Dangi**  
Whole Time Director  
DIN : 08323807

  
**Sandeep Welling**  
Independent Director  
DIN: 00072457

  
**Jethanand Chopra**  
Chief Executive Officer

  
**Jayshree Jain**  
Chief Financial Officer

  
**Minal Jain**  
Company Secretary  
Mumbai, May 12, 2026



INDIA SME ASSET RECONSTRUCTION COMPANY LIMITED

Annexure A: Details of the assets where the value of the SRs has declined substantially (i.e. more than 20%) below the acquisition value.

(Amount in Lakhs)

Sr. No.	Name of the Trust	Acquisition Value	Outstanding Value	Current Value
1	N.A	-	-	-
	<b>Total</b>	-	-	-

