

ANNUAL REPORT 2024-25



Alchemist
Asset Reconstruction Company Ltd.

CORPORATE OVERVIEW
BOARD'S REPORT
FINANCIAL STATEMENTS



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CORPORATE OVERVIEW

31st March 2025

BOARD OF DIRECTORS

| | |
|------------------------------|------------------------------------------------|
| Shri Alok Dhir | Director |
| Shri Sanjiv Gupta | Director |
| Dr. Parvez Hayat | Independent Director |
| Shri Pawan Kumar Agrawal | Independent Director |
| Shri Sudhir Dayal | Independent Director |
| Shri Rajeev Rajinder Chhabra | Managing Director & Chief Executive Officer |

MANAGEMENT TEAM

| | |
|----------------------|----------------------------------------|
| Ms. Meenakshi Sharma | President & Chief Financial Officer |
|----------------------|----------------------------------------|

COMPANY SECRETARY

| | |
|-----------------|-------------------------------------------------|
| Priyanka Munjal | Company Secretary & Chief Compliance Officer |
|-----------------|-------------------------------------------------|

BANKERS

| |
|---------------------|
| Union Bank of India |
|---------------------|

AUDITORS

| |
|----------------------------------------------------------------------------------------|
| RAY & RAY Chartered Accountants 205, Ansal Bhawan, 16, KG Marg, New Delhi-110001 |
|----------------------------------------------------------------------------------------|

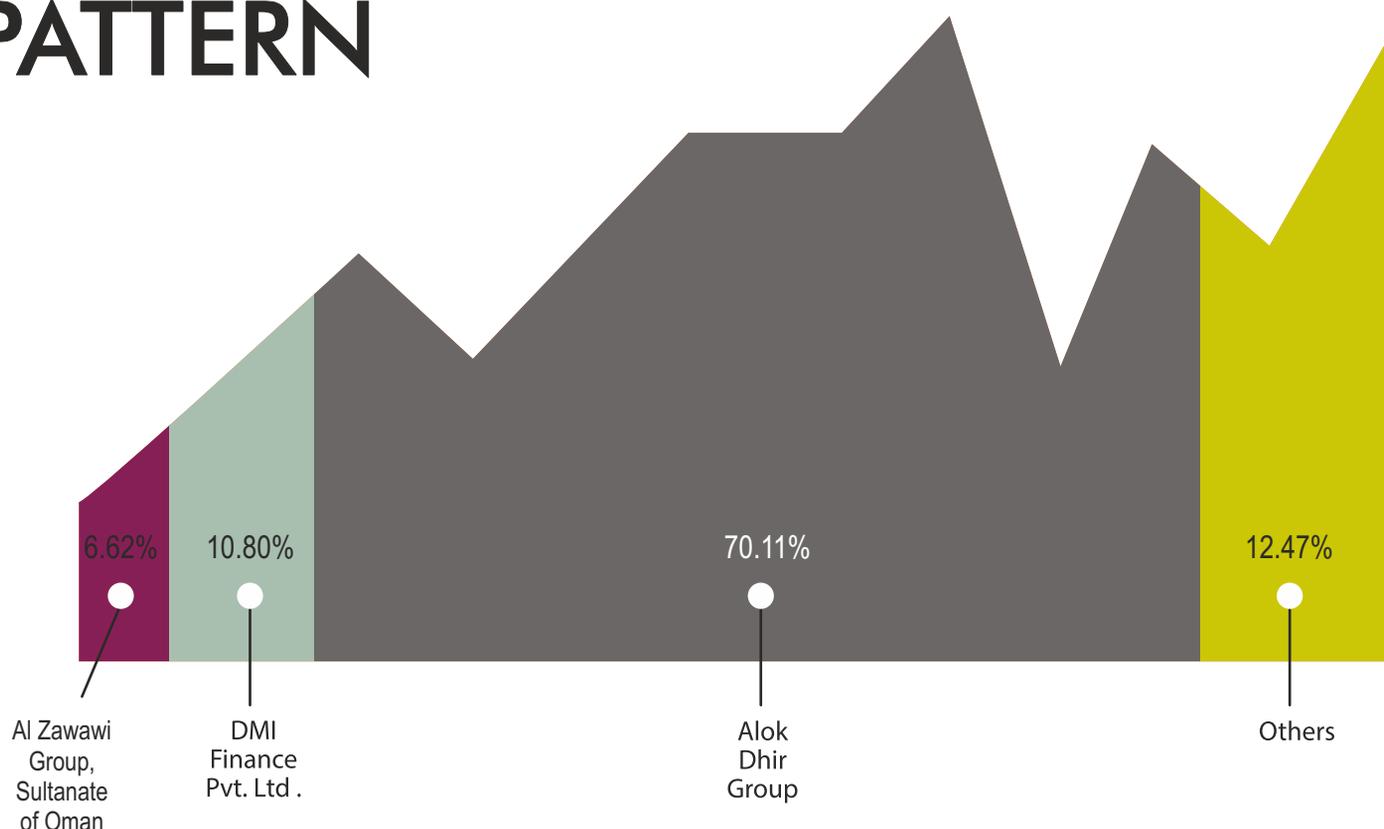
REGISTERED OFFICE

| |
|--------------------------------------------------------------------------------------------------------------------------------|
| A-270, First & Second Floor, Defence Colony, New Delhi-110024 T:+911146562580-83 Fax: +911146562584 www.alchemistarc.com |
|--------------------------------------------------------------------------------------------------------------------------------|

REGISTRAR & TRANSFER AGENTS

| |
|------------------------------------------------------------------------------------------------------------------------------------------------------|
| Skyline Financial Services Private Limited D-153A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 Email: Info@skylinerta.com |
|------------------------------------------------------------------------------------------------------------------------------------------------------|

SHARE HOLDING PATTERN



KEY DIFFERENTIATORS

- Distinguished Board and Management: A board and management of seasoned specialists, each with decades of precision cuts in restructuring and revival.
- Pioneering Private-Sector ARC in India: Among the first to operate in this space
- Proven Value-Unlocking Track Record: Consistently delivering results across complex resolutions
- Comprehensive Resolution Expertise: Management excels in turnaround strategies, M&A, foreclosure, asset sales, and management buy-outs
- Innovative & Adaptive Approach: Flexible, dynamic strategies tailored to resolve NPAs effectively
- Robust Financial Backing: Supported by a prominent consortium of domestic and international investors
- Profitable Since Inception: Generating net income since inception and consistent EBITDA margins through every rate cycle

HIGHLIGHTS

- Transactions since inception: 188
- Acquisition from 59 leading banks and FIs.
- Completely Resolved: 77 accounts
- Recovery Rating: Approx 45% of rated SRs have top rating of 100% or above 100%
- AUM: Rs 1148.24 cr (on the basis of total outstanding balance of debts acquired)
- Recovery of Rs. 249.65 cr in FY 24-25
- Gross Revenue: Rs. 60.35 cr (FY 24-25)
- PBT: Rs. 1.34 cr (FY 24-25)

BOARD OF DIRECTORS



ALOK DHIR

Alok Dhir, a Chartered Accountant & a renowned lawyer has extensive experience of four decades in Corporate, Commercial and Civil law with special focus on Corporate and Financial Restructuring, Insolvency Laws, Takeovers, M&A, Banking Law, Real Estate, PE transactions, turning around of financially stressed entities in the country and issues related to Asset Reconstruction & Securitization. He has been bestowed with many awards and has received various accolades for his myriad contribution across the field of insolvency laws. He has been consistently recognized as the leading lawyer for 'Restructuring & Insolvency' in the country by most credited ranking for legal services globally including being featured as an exceptional lawyer in 'The A-List: India's top 100 lawyers' by India Business Law Journal.

SANJIV GUPTA

Sanjiv Gupta is a practicing Chartered Accountant. He has been working in this field for more than 30 years and also has vast exposure in the field of finance. He is the advisor to number of Indian and other multinational companies operating in India. He also has a vast experience of audits and consultancy assignments in various banking institutions. Some of the major clients handled by him include SBI, Canara Bank, Union Bank of India, Kwality Restaurant, Hindustan Times Ltd., Punjab Kesari and Exide Industries. He is a partner at S.P. Chopra and company which ranks amongst the top Chartered Accountants and Audit firms in India.



DR. PARVEZ HAYAT

Dr. Parvez Hayat is an Indian Police Service (All India Services), 1984 batch, Jharkhand cadre. He holds Ph.D. in Disaster Management, Jamia Millia Islamia (JMI), a Central University, New Delhi and is a Law Graduate (LLB) from Delhi University, New Delhi.

PAWAN KUMAR AGRAWAL

Pawan Kumar Agrawal, a practicing Chartered Accountant, Insolvency Professional and Registered Valuer having more than 16 years of professional experience is providing consistent, customized and workable solutions. He approaches the work diligently and strives to support its clients with the highest level of professionalism, efficiency and value addition. His area of specialization ranges from taxation, audit, compliances, investigation of corporate frauds, corporate resolution & restructuring as well as valuation in securities and Financial Assets. He has also appeared and coordinated with SFIO, EOW, IT/GST Investigation Wing, other investigation agencies in different matters of preferably in Insolvency cases.



SUDHIR DAYAL

Sudhir Dayal is an accomplished banker with three and half decades of experience in a premier public sector bank especially in high value Credit Appraisal & Monitoring, Credit Rating, Corporate debt Restructuring, resolution of Stressed Assets / Non Performing Assets & Recovery. During 2014-2017, he was also member of various Credit Committees which sanctioned / approved large value credit proposals.

He also has extensive experience in framing policies / SOPs in several important areas such as the Sale to ARCs/ Banks/NBFCs/ FIs & Sale of assets through Private Treaty / Engagement of Resolution Agents / CDR / Other Restructuring to facilitate the operating staff adhere to the Bank's laid down instructions. He has also been Chief Executive Officer in Prudent ARC Ltd. for a period of 3 years.

MR. RAJEEV CHHABRA

Rajeev Chhabra has extensive experience in the BFSI Sector, specializing in Credit & Deal Structuring as well as business strategy. He has worked with several prominent institutions and global banks, including Bank Muscat, Emirates Bank, AUB Group and National Bank of Oman, where he was heading the Project Finance & Syndication Desk. Rajeev has held various leadership roles, notably heading the Corporate & SME Resolution Group at ARCIL prior to joining Alchemist. He is a seasoned professional with strong business acumen and a solution focused approach. Rajeev holds an Engineering Degree from Bombay University and an MBA from the International Management Institute, New Delhi.



NOTICE

Notice is hereby given that the 23rd Annual General Meeting (AGM) of the Members of **Alchemist Asset Reconstruction Company Limited** will be held on Tuesday, September 16, 2025 at 12:00 noon, at the Registered Office of the Company i.e. A-270, Second Floor, Defence Colony, New Delhi - 110 024 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company along with the Reports of the Board of Directors and Auditors thereon, as on March 31, 2025.
2. To declare dividend on 0.01% Compulsorily Convertible Preference Shares ("CCPSs") for the Financial Year ended March 31, 2025.
3. To appoint Shri Sanjiv Gupta (DIN: 00004032), Non-Executive Director who is liable to retire by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

4. **Appointment of Mr. Rajeev Rajinder Chhabra (DIN: 06628421) as the Director of the Company.**

To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Rajeev Rajinder Chhabra (DIN: 06628421) was appointed as an Additional Director of the company, by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee in their meeting held on February 15, 2025, and subsequent approval of Reserve Bank of India vide letter dated April 16, 2025, w.e.f. his date of joining, i.e., July 16, 2025, and who holds office upto the date of this Annual General Meeting of the Company pursuant to the provisions of Section 152, 160 and 161 of the Companies Act, 2013 ('Act') and any other applicable provisions [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and applicable provisions of the Articles of Association of the Company and who is eligible for appointment and shall be counted in determining the number of retiring director(s) but shall not be subjected to retirement by rotation till the time he holds the office of Managing Director & Chief Executive Officer of the Company, and in respect of whom the Company has received a notice in writing, signifying the intention to propose his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT the Board of Directors and Key Managerial Personnel(s) of the Company be and are hereby severally authorized to perform all acts, deeds and things, execute documents and fill necessary documents under applicable laws as may be necessary to give effect to the above resolution."

5. **Appointment and approval for the remuneration of Mr. Rajeev Rajinder Chhabra, Managing Director and Chief Executive Officer of the Company.**

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203, and any other applicable provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modifications or re-enactments thereof), and pursuant to the approval of the Reserve Bank of India as per the letter dated April 16, 2025, Mr. Rajeev Rajinder Chhabra (DIN: 06628421) be and is hereby appointed as the Managing Director & Chief Executive Officer of the Company for a period of three (3) years from the date of his joining, i.e., July 16, 2025 and further extendable upon mutual consent between Mr. Rajeev Rajinder Chhabra and the Company and in accordance with the applicable laws/guidelines at that stage.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, and 198, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modifications or re-enactments thereof), and the Articles of Association of the Company, the approval of members be and is hereby accorded for fixing the remuneration of Mr. Rajeev Rajinder Chhabra, Managing Director and Chief Executive Director of the Company as follows:

- a) Fixed Salary: Rs. 1.08 Crores per annum (inclusive of Provident Fund Contribution)
- b) Variable Pay as approved/ as may be approved by the Board of the Company, including Guaranteed Variable Pay.
- c) Other perquisites/benefits as may be payable as per the HR policy of the Company and in accordance with the Offer Letter as approved by the Board of Directors.

RESOLVED FURTHER THAT where in any Financial Year during his tenure, the Company has no profits or inadequate profits, the aforesaid remuneration or remunerations as may be approved by the Board of Directors from time to time shall be paid as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors and Key Managerial Personnel(s) of the Company be and are hereby severally authorized to perform all acts, deeds and things, execute documents and fill necessary documents under applicable laws as may be necessary to give effect to the above resolution."

6. **Approval for the re-appointment of Dr. Parvez Hayat (DIN:08202451) as the Independent Director of the Company.**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, read along with Schedule IV to the Companies Act, 2013 ('the Act'), the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and, as amended from time to time, and in accordance with the Articles of Association of the Company, Dr. Parvez Hayat (DIN: 08202451), who being eligible for re-appointment as an Independent Director has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and the Rules framed thereunder and based on the performance evaluation, recommendation of the Nomination and

Remuneration Committee and the Board of Directors of the Company in the meeting dated March 28, 2025, and upon the approval for the said re-appointment as communicated by the Reserve Bank of India vide its letter dated July 09, 2025, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of three (3) years commencing from September 6, 2025 upto September 5, 2028.

RESOLVED FURTHER THAT the Board of Directors and Key Managerial Personnel(s) of the Company be and are hereby severally authorized to perform all acts, deeds and things, execute documents and fill necessary documents under applicable laws as may be necessary to give effect to the above resolution.”

Date: August 25, 2025
Place: New Delhi

By Order of the Board
Sd/-
Priyanka Munjal
Company Secretary

Registered Office:

A-270, First & Second Floor, Defence Colony,
New Delhi 110 024, India
CIN: U74999DL2002PLC117052
Website: www.alchemistarc.com; Email: admin@alchemistarc.com
T: +911146562580-83 Fax: +911146562584

NOTE:

1. The relevant Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013, in respect of Special Business at the meeting, is annexed hereto and forms part of this notice.
2. The members who are entitled to attend and vote at the meeting are entitled to appoint a proxy to attend and vote on their behalf and such a proxy need not be a member of the Company.
3. Proxies in order to be valid and effective must be delivered at the registered office of the Company not later than 48 hours before the commencement of the meeting.
4. Bodies Corporate can be represented at the meeting by such persons as are authorized. Copies of resolution under Section 113 of the Companies Act, 2013, authorizing such person(s) to attend the meeting should be forwarded to the Company prior to the meeting.
5. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements will be kept open for inspection by the Members during the Meeting.
6. The members are requested to intimate to the Company for changes, if any in their registered address along with the Pin Code number.
7. The Route Map of the AGM is annexed herewith.



EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

The following Explanatory Statements, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the special business under Item Nos. 4, 5 & 6 of the accompanying Notice dated August 25, 2025.

ITEM NO. 4 & 5

As per Section 161 of the Companies Act, 2013, Mr. Rajeev Rajinder Chhabra was appointed as an Additional Director w.e.f. July 16, 2025, i.e., the date of joining of the Company to hold office till the date of ensuing Annual General Meeting. Mr. Chhabra, being eligible, has proposed his candidature to be appointed as the Director of the Company.

That as per the provisions of Section 152(6) of the Companies Act, 2013, and as per the Articles of Association of the Company, Mr. Rajeev Rajinder Chhabra shall be counted in determining the number of retiring director(s) but shall not be subjected to retire by rotation till the time he holds the position of the Managing Director & Chief Executive Officer of the Company.

The Board of Directors of the Company based on the recommendation of Nomination & Remuneration Committee had approved the appointment of Mr. Rajeev Rajinder Chhabra as Managing Director and Chief Executive Director of the Company at a remuneration as follows:

- a) Fixed Salary: Rs. 1.08 Crores per annum (inclusive of Provident Fund Contribution)
- b) Variable Pay as approved/ as may be approved by the Board of the Company, including Guaranteed Variable Pay.
- c) Other perquisites/benefits as may be payable as per the HR policy of the Company and as per the Offer Letter approved by the Board of Directors.

In the situation of no profits or inadequate profits, the aforesaid remuneration or remunerations as may be approved by the Board of Directors from time to time shall be paid as minimum remuneration.

Mr. Rajeev Chhabra is an experienced BFSI Leader with 30 years in the field of lending, financial strategies, credit & deal structuring and financial optimization. With the proficiency in financial planning and analysis, strategic financial management, mergers and acquisitions, risk management and leadership, he's well equipped to lead cross-functional teams and navigate complex business challenges with agility and precision.

The Appointment as well as payment of remuneration was approved by the Board based on the industry standards, his vast experience in this sector and responsibilities to be handled by Mr. Chhabra. However, due to inadequacy of profits as per the current audited financials of the Financial Year 2024-25 and permissible limits, the managerial remuneration payable to Mr. Chhabra is proposed to be approved by way of Special Resolution, notwithstanding such inadequacy of profits.

The Board of Directors recommends the resolution for his appointment as Director as an Ordinary Resolution and his appointment as Managing Director and Chief Executive Officer and fixing his remuneration as Special Resolution, for your kind consideration.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

ITEM NO. 6

Dr. Parvez Hayat (DIN: 08202451) is currently an Independent Director of the Company, Chairman of Board, and Member of Asset Acquisition and Resolution Committee, Corporate Social Responsibility Committee, and Nomination & Remuneration Committee of the Company. Dr. Parvez was appointed as an Independent Director of the Company by the Members at the 20th Annual General Meeting of the Company held on September 30, 2022 for a period of three (3) consecutive years commencing from September 6, 2022 upto September 5, 2025 (both days inclusive) and is eligible for re-appointment for a second term on the Board of the Company.

The NRC, taking into consideration the skills, expertise and competencies required for the Board in the context of the business and sectors of the Company and based on the performance evaluation has recommended to the Board that Dr. Parvez's qualifications and the rich experience meets the skills and capabilities required for the role of Independent Director of the Company. Based on the recommendation of the NRC, the Board of Directors at its Meeting held on March 28, 2025, has proposed the re-appointment of Dr. Parvez as an Independent Director of the Company for a second term commencing from September 6, 2025 upto September 5, 2028, not liable to retire by rotation, for the approval of the Members by way of a Special Resolution.

The Board is of the opinion that Dr. Parvez continues to possess the identified core skills, expertise and competencies fundamental for effective functioning in his role as an Independent Director of the Company and his continued association would be of immense benefit to the Company. Dr. Parvez Hayat is Indian Police Service (All India Services), 1984 batch, Jharkhand cadre. He holds Ph.D. in Disaster Management, Jamia Millia Islamia (JMI), Central University, New Delhi (2017) and is a Law Graduate (LLB) from Dehi University, New Delhi (2005-2008).

The Company has received the approval from the Reserve Bank of India vide the letter dated June 09, 2025 for Dr. Parvez's appointment. The Company has received a declaration from Dr. Parvez confirming that he continues to meet the criteria of independence as prescribed under Section 149(6) of the Act, read with the rules framed thereunder.

Further, Dr. Parvez has confirmed that he is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director in terms of Section 152 of the Act, subject to re-appointment by the Members. In the opinion of the Board, Dr. Parvez fulfils the conditions specified in the Act, rules thereunder for re-appointment as an Independent Director and is independent of the Management. The re-appointment of Dr. Parvez as an Independent Director is now placed for the approval of the Members by a Special Resolution.

The Board commends the Special Resolution set out in Item No. 6 of the accompanying Notice for approval of the Members. None of the Directors or Key Managerial Personnel of the Company or their respective relatives, except Dr. Parvez and his relatives, are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice. Disclosures as required under revised Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India are annexed to this Notice.

Additional Information of Directors seeking appointment/re-appointment at the 23rd Annual General Meeting pursuant to clause 1.2.5 of secretarial standards on general meetings (information as on 31st March 2025)

| | |
|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of the Director | Shri Sanjiv Gupta |
| DIN | 00004032 |
| Age | 65 years |
| Date of Original appointment on the Board | May 15, 2006 |
| Qualifications | Chartered Accountant |
| Experience | <p>Mr. Sanjiv Gupta is a practicing Chartered Accountant. He has been working in this field for more than 35 years and also has vast exposure in the field of finance.</p> <p>He is the advisor to number of Indian and other multinational companies operating in India.</p> <p>He also has a vast experience of audit and consultancy assignments in various banking institutions. Some of the major clients handled by him include SBI, Canara Bank, Union Bank of India, Hindustan Times Ltd. and Exide Industries. He is a partner at S.P. Chopra and company which ranks amongst the top Chartered Accountants and Audit firms in India.</p> |
| Terms and conditions of appointment | As per the resolution at item no. 3 of the Notice convening Annual General Meeting on September 16, 2025 read with explanatory statement thereto. |
| Shareholding in the Company | Shri Sanjiv Gupta holds 3,13,044 equity shares of the Company as on March 31, 2025. |
| Relationship with other Directors, Manager or KMPs | None. |
| No. of meetings of the Board attended during the year | Shri Sanjiv Gupta has attended twelve (12) out of fourteen (14) Board meetings held during the Financial Year 2024-25. |
| Directorships in other companies | None. |
| Membership of Committees in other companies | None. |

| | |
|--------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of the Director | Mr. Rajeev Rajinder Chhabra |
| DIN | 06628421 |
| Age | 56 years |
| Date of Original appointment on the Board | July 16, 2025 |
| Qualifications | B.E.(Electronics), Bombay, India, 1991 Post Graduate Diploma in Management, International Management Institute, New Delhi, 1995 |
| Experience | Mr. Rajeev Chhabra is an experienced BFSI Leader with 30 years in the field of lending, financial strategies, credit & deal structuring and financial optimization. With the proficiency in financial planning and analysis, strategic financial management, mergers and acquisitions, risk management and leadership, he's well equipped to lead cross-functional teams and navigate complex business challenges with agility and precision. |
| Terms and conditions of appointment | As per the resolution at item no. 4 & 5 of the Notice convening Annual General Meeting on September 16, 2025 read with explanatory statement thereto. |
| Shareholding in the Company | NIL |
| Relationship with other Directors, Manager or KMPs | None. |
| No. of meetings of the Board attended during the year | Mr. Rajeev Rajinder Chhabra was not eligible to attend any Board Meeting held during the Financial Year 2024-25, since he joined w.e.f. July 16, 2025 |
| Directorships in other companies | None. |
| Membership of Committees in other companies | None. |

| | |
|--------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of the Director | Dr. Parvez Hayat |
| DIN | 08202451 |
| Age | 66 years |
| Date of Original appointment on the Board | September 6, 2022 |
| Qualifications | <ul style="list-style-type: none"> Indian Police Service (All India Services), 1984 batch, Jharkhand cadre. Masters, Modern History, Gorakhpur University (1979-80). Law Graduate (LLB) from Dehi University, New Delhi (2005-2008). Ph.D. in Disaster Management, Jamia Millia Islamia (JMI), a Central University, New Delhi (2017). |
| Experience | <p>Dr. Hayat, Indian Police Service (IPS), 1984 Batch, held various key positions including Director General of Police DGP (Training), State Police Headquarters, Government of Jharkhand, Ranchi.</p> <p>Dr. Parvez Hayat has experience as Advisor cum part-time faculty in Centre for Disaster Management at Jamia Milia Islamia, part-time Advisor at the centre for Sustainable Development and Disaster Studies, Bennett University, promoted by Times Group. Also acted as an Independent External Monitor upon recommendation by the Central Vigilance Commission, Government of India.</p> <p>He's been an Ex-Editor in Chief of the Indian Police Journal, published by Bureau of Police Research & Developments, Ministry of Home Affairs and also been the Member of the National Committee of CII on 'Integrity & Transparency in Governance'.</p> |
| Terms and conditions of appointment | As per the resolution at item no. 6 of the Notice convening Annual General Meeting on September 16, 2025 read with explanatory statement thereto. |
| Shareholding in the Company | NIL |
| Relationship with other Directors, Manager or KMPs | None. |
| No. of meetings of the Board attended during the year | Dr. Parvez Hayat attended fourteen (14) Board Meetings held during the Financial Year 2024-25. |
| Directorships in other companies | None. |
| Membership of Committees in other companies | None. |

ALCHEMIST ASSET RECONSTRUCTION COMPANY LIMITED

CIN: U74999DL2002PLC117052

Registered Office: A-270, First & Second Floor, Defence Colony, New Delhi-110024

Email Id.: www.admin@alchemistarc.cm, <http://www.alchemistarc.com> Ph. No.: 011 46562580

ATTENDANCE SLIP

Venue of the meeting : A-270 (Second Floor), Defence Colony, New Delhi - 110024
Date & Time : Thursday, September 16, 2025 at 12:00 noon

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

| | |
|---------------------------|--|
| Name | |
| Address | |
| Folio No. | |
| No. of shares held | |

I hereby certify that I am the registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the 23rd Annual General Meeting of the Company held on Thursday, September 16, 2025 at 12:00 noon, at the Registered Office of the Company at A-270, Second Floor, Defence Colony, New Delhi-110024.

Signature of the Member/Proxy

Note:

Physical copy of the Annual Report for FY 2024-25 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members.

ALCHEMIST ASSET RECONSTRUCTION COMPANY LIMITED

CIN: U74999DL2002PLC117052

Registered Office: A-270, First & Second Floor, Defence Colony, New Delhi-110024

Email Id.: www.admin@alchemistarc.com http://www.alchemistarc.com Ph. No.: 011 46562580

FORM NO. MGT-11

PROXY FORM

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

| | |
|----------------------------------------|--|
| Name of the member (s): | |
| Registered address: | |
| E-mail Id: | |
| DP ID and Client Id / Folio No. | |

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

- 1. Name: Address:
E-mail Id: Signature:..... or failing him
- 2. Name: Address:
E-mail Id: Signature:..... or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Thursday, September 16, 2025 at 12:00 noon, at the Registered Office of the Company at A-270, Second Floor, Defence Colony, New Delhi - 110024 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Ordinary Business | For | Against |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------|
| 1. | To receive, consider and adopt the Financial Statement of the Company along with the Reports of Directors and Auditors thereon, as on 31st March 2025. | | |
| 2. | To declare dividend on 0.01% Compulsorily Convertible Preference Shares ("CCPSs") for the Financial Year ended 31st March, 2025. | | |
| 3. | To appoint Shri Sanjiv Gupta (DIN: 00004032) who is liable to retire by rotation and being eligible offers himself for re-appointment. | | |
| 4. | Appointment of Mr. Rajeev Rajinder Chhabra (DIN: 06628421) as Director of the Company. | | |
| 5. | Appointment and approval for the remuneration of Mr. Rajeev Rajinder Chhabra, Managing Director and Chief Executive Officer of the Company. | | |
| 6. | Approval for the re-appointment of Dr. Parvez Hayat (DIN:08202451) as the Independent Director of the Company | | |

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

Signature of shareholder

Signature of Proxy holder(s)

Affix the revenue stamp of Rs. 1/-

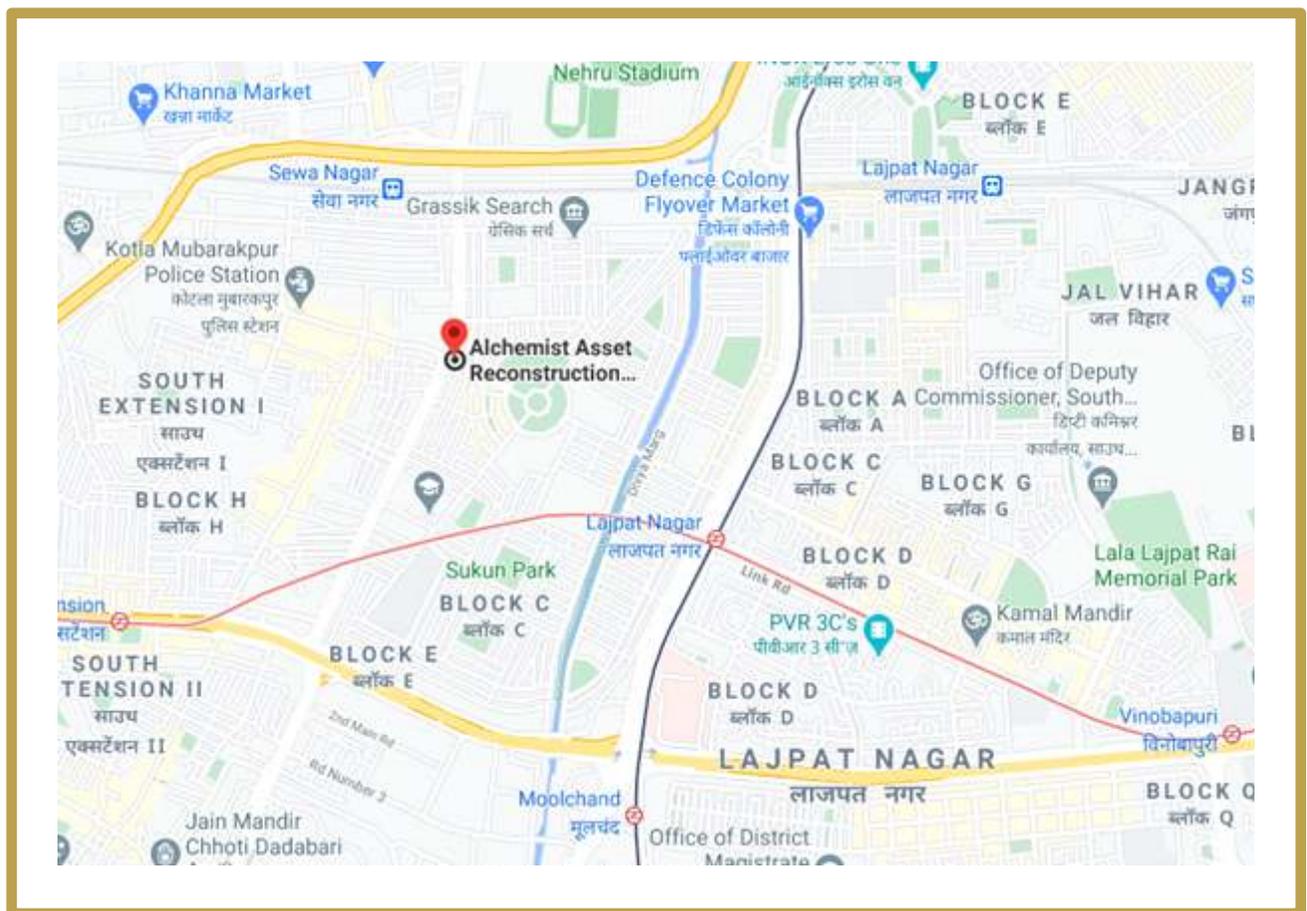
Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statements and notes, please refer to the notice of the Annual General Meeting of the Company.
3. It is optional to put "x" in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including detail of member(s) in above box before submission.



ROUTE MAP

**Route Map for Annual General Meeting (AGM) Venue.
A-270, First & Second Floor, Defence Colony, New Delhi-110024**



BOARD'S REPORT

To
The Members,
Alchemist Asset Reconstruction Company Limited

Your Directors are pleased to present the 23rd Annual Report together with the Audited Financial Statement and the report of the Statutory Auditors of the Company for the Financial Year ended 31st March 2025.

1. Financial Performance

The financial performance of the Company for the Financial Year ended 31st March 2025 is summarized below:

(Rs. In Cr.)

| Particulars | 2024-25 | 2023-24 |
|--------------------------------------------------------------------------------------|-------------|--------------|
| Income from Operations | 52.84 | 102.51 |
| Other Income | 7.51 | 0.45 |
| Total Income | 60.35 | 102.96 |
| Total Expenses | 59.02 | 88.74 |
| Profit Before Tax (PBT) | 1.33 | 14.22 |
| Provision for Tax | 0.89 | 3.64 |
| Profit After Tax (PAT) and after Extraordinary and Prior Period Items | 0.44 | 10.58 |

2. Change in the Nature of Business

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

3. Summary of Economic and Financial Landscape: FY 2024-25 and Outlook

The Financial Year 2024-25 was marked by a challenging global economic environment, characterized by geopolitical tensions, geoeconomic fragmentation, and persistent uncertainties. Despite these global headwinds, the Indian economy demonstrated significant resilience, supported by robust macroeconomic fundamentals and proactive policy measures. The Reserve Bank of India (RBI) continued its efforts to ensure financial stability and promote economic growth through various regulatory and operational initiatives.

3.1 Global Economic Landscape

3.1.1 Performance in 2024-25: The global economic expansion continued steadily in 2024, albeit unevenly. Global GDP grew by 3.3 per cent in 2024, a deceleration from 3.5 per cent in the previous year, and remained below its historical average of 3.7 per cent (2000-19). This moderation was attributed to structural challenges such as weak investment, slow productivity growth, high debt levels, and protracted geopolitical tensions.

3.1.2 Outlook for 2025-26: The global economy is projected to grow by 2.8 per cent in 2025 and 3.0 per cent in 2026, falling below its historical average due to heightened trade protectionism, rising policy uncertainty, and ongoing geopolitical tensions.

3.2 Domestic Economic Performance and Outlook

3.2.1 Performance in 2024-25: In 2024-25, the Indian economy showcased remarkable resilience, supported by robust macroeconomic fundamentals, proactive policy measures, and sustained structural reforms. Real Gross Domestic Product (GDP) growth moderated to 6.5% from 9.2% in 2023-24, reflecting a natural normalization following the post-pandemic recovery. Despite this slowdown, India continued to rank among the fastest-growing major economies, driven by strong domestic demand and strategic interventions. The following table summarizes India's real GDP growth over recent years:

| Year | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|------------|-------------|------------|------------|------------|------------|
| GDP | -5.8 | 9.7 | 7.6 | 9.2 | 6.5 |

Source: RBI – Financial Stability Report – June 2025, RBI – Annual Report FY 2024-25 and RBI Report on trend and progress of Banking in India for FY 2023-24.

3.2.2 Outlook for 2025-26: The Indian economy is poised to sustain its position as the fastest-growing major economy during 2025-26. This growth is expected to be supported by a pick-up in private consumption, healthy balance sheets of banks and corporates, easing financial conditions, and the government's continued thrust on capital expenditure.

3.2.3 However, the outlook faces downside risks from uncertainty about global trade post-protectionist measures, protracted geopolitical tensions, and global financial market volatility. The export sector is expected to encounter some headwinds, but India's participation in various free trade agreements (FTAs) and preferential trade agreements (PTAs), along with new trade deals under negotiation, may support trade growth.

3.3 Asset Quality: Gross and Net Non-Performing Assets (NPA):

The Indian financial sector continued to show significant improvement in asset quality, reaching multi-decadal lows for both Gross and Net NPAs. Scheduled Commercial Banks (SCBs) witnessed a further improvement in their asset quality, with the Gross Non-Performing Asset (GNPA) ratio declining to 2.3 per cent in March 2025 (a multi-decadal low). The Net Non-Performing Asset (NNPA) ratio also declined to 0.5 per cent in March 2025 (also a multi-decadal low).



Source: RBI – Financial Stability Report – June 2025, RBI – Annual Report FY 2024-25 and RBI Report on trend and progress of Banking in India for FY 2023-24

3.4 Recovery of Non-Performing Assets (NPAs) by Scheduled Commercial Banks (SCBs) in 2023-24:

3.4.1 In 2023-24, SCBs navigated diverse trends in NPA recovery, with the Insolvency and Bankruptcy Code (IBC) remaining the most effective channel, contributing 48.1% of total recoveries. Despite a decline in overall case referrals, referrals under the SARFAESI Act surged 23.5% to INR 2,31,407 crore, rebounding from a 24.6% drop in 2022-23 due to a low base.

3.4.2 Banks continued selling NPAs to Asset Reconstruction Companies (ARCs), though at a slower pace than the previous year. Referrals to Lok Adalats and Debt Recovery Tribunals (DRTs) fell, reflecting a strategic shift. Total recoveries decreased to INR 96,325 crore from INR 1,28,676 crore in 2022-23, driven by fewer referred cases.

3.4.3 The following table summarizes the recovery performance across channels:

| NPAs of SCBs recovered through Various Channels (Amount in INR Crore) | | | | | | |
|-----------------------------------------------------------------------|-----------------------|-----------------|------------------|-----------------------|-----------------|------------------|
| Recovery Channel | FY 2022 -23 | | | FY 2023 -24 | | |
| | No. of cases referred | Amount involved | Amount recovered | No. of cases referred | Amount involved | Amount recovered |
| Lok Adalats | 1,37,72,958 | 1,88,135 | 3,774 | 1,26,84,694 | 1,89,694 | 3,322 |
| DRTs | 56,198 | 4,02,753 | 39,785 | 31,414 | 1,06,887 | 16,202 |
| SARFAESI Act | 1,87,340 | 1,11,359 | 30,957 | 2,31,407 | 1,23,363 | 30,460 |
| IBC | 1,262 | 1,38,715 | 54,161 | 1,004 | 1,63,943 | 46,340 |
| Total | 1,40,17,758 | 8,40,962 | 1,28,676 | 1,29,48,640 | 5,83,887 | 96,325 |

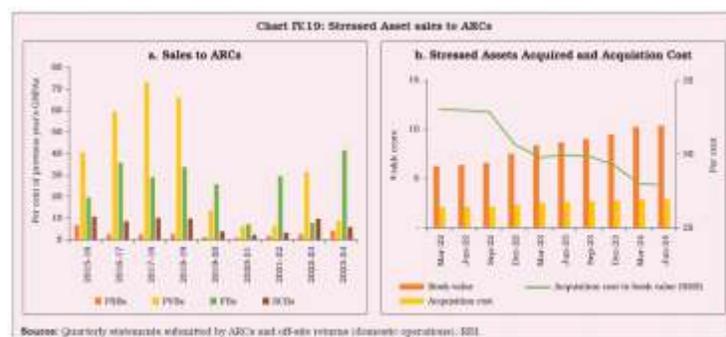
Source: RBI – Financial Stability Report – June 2025, RBI – Annual Report FY 2024-25 and RBI Report on trend and progress of Banking in India for FY 2023-24

3.5 Sale of NPAs to Asset Reconstruction Companies (ARCs)

3.5.1 Banks continued to offload NPAs to ARCs to improve their balance sheets. This trend varied across bank groups wherein Public Sector Banks (PSBs) and Foreign Banks (FBs) saw an increase in the ratio due to higher sales to ARCs and Private Sector Banks (PVBs) experienced a decline in the ratio.

3.5.2 The acquisition cost of ARCs as a proportion of the book value of acquired assets fell for the second consecutive year, suggesting a lower realizable value of stressed assets. This trend highlights challenges in the secondary market for NPAs.

3.5.3 The following table details the sale of distress assets to ARCs



3.6 Details of Financial Assets Securitised by ARCs

3.6.1 ARCs played a critical role in absorbing NPAs, with the book value of assets acquired rising to INR 10,25,429 crore by March 2024, up from INR 8,39,126 crore a year earlier. The issuance of Security Receipts (SRs) also increased, reflecting growing ARC activity. Notably, the investor base for SRs diversified, with Qualified Buyers (QBs) and Financial Institutional Investors (FIIs) subscribing to 20.70% of SRs in March 2024, up from 19.29% in March 2023 and 17.32% in March 2022.

3.6.2 The ratio of SRs issued to the book value of assets acquired declined to 27.6% in 2023-24 from 29.4% in 2022-23, indicating more conservative valuations. Meanwhile, the redemption of SRs improved, with 37.5% of previous years' outstanding SRs fully redeemed in 2023-24, up from 32.8% in 2022-23, signalling better recovery outcomes through ARCs.

3.6.3 The following table details the financial assets securitised by ARCs:

(Fig. In Crores)

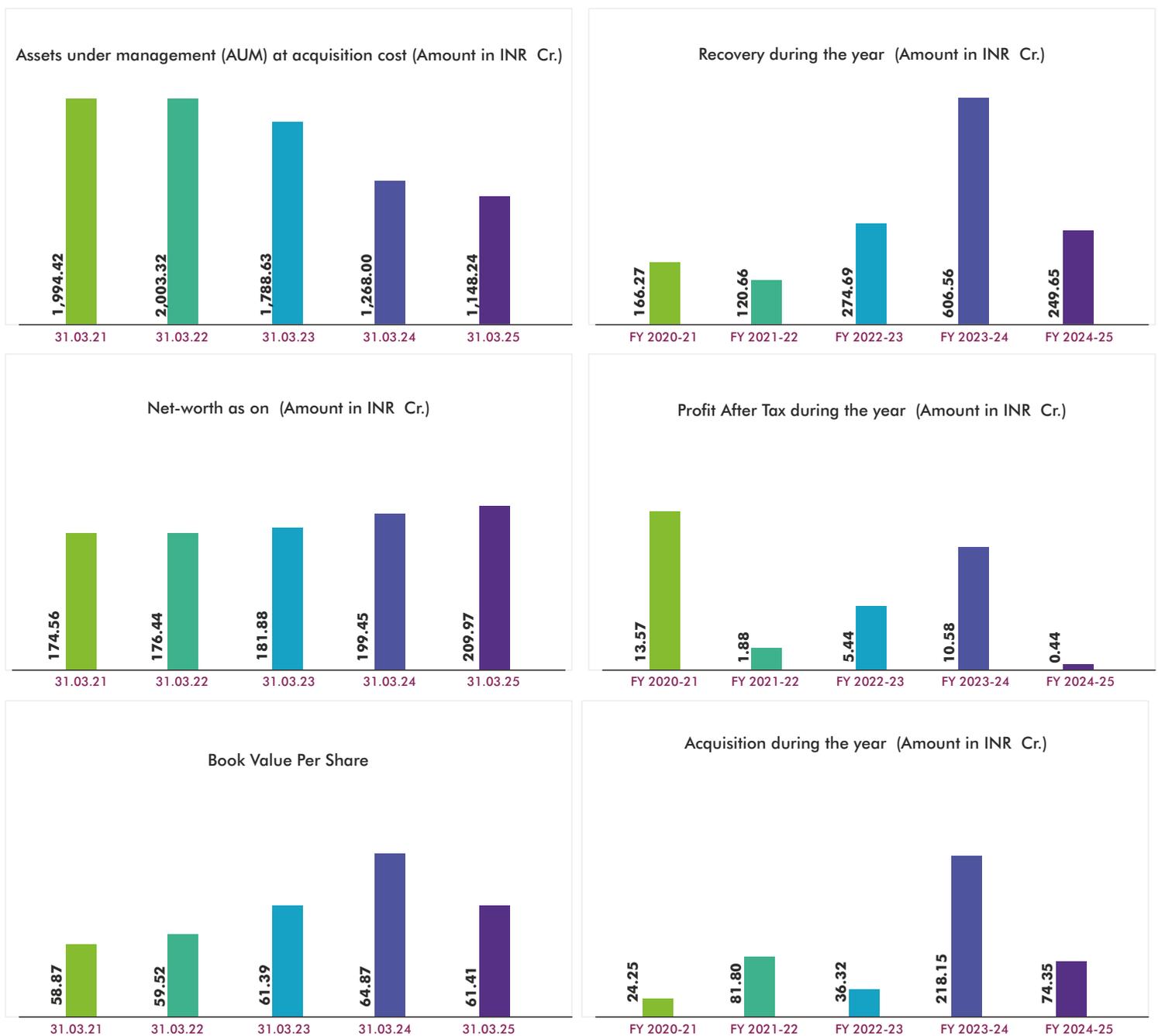
| Particulars | Mar'22 | Mar'23 | Mar'24 |
|------------------------------------------|----------|----------|-----------|
| No. of Reporting ARCs | 29 | 28 | 27 |
| Book Value of Assets Acquired | 6,29,314 | 8,39,126 | 10,25,429 |
| Security Receipt (SRs) issued by SCs/RCS | 2,04,841 | 2,46,290 | 2,83,330 |
| Security Receipts Subscribed to by | - | - | - |
| Banks | 1,28,007 | 1,49,253 | 1,67,483 |
| SCs/RCS | 41,350 | 49,519 | 57,201 |
| FIs | 15,069 | 19,383 | 21,518 |
| Others (Qualified Institutional Buyers) | 20,415 | 28,135 | 37,128 |
| Amount of SRs Completely Redeemed | 31,331 | 41,078 | 52,332 |
| Security Receipts Outstanding | 1,25,359 | 1,39,422 | 1,48,070 |

Source: RBI – Financial Stability Report – June 2025, RBI – Annual Report FY 2024-25 and RBI Report on trend and progress of Banking in India for FY 2023-24

Conclusion

In 2023-24, SCBs navigated a complex landscape of NPA resolution, with the IBC remaining the cornerstone of recovery efforts. The uptick in SARFAESI cases and stable ARC activity highlight ongoing efforts to manage stressed assets. However, declining recovery amounts and slower asset sales to ARCs underscore the need for sustained reforms to enhance resolution efficiency. The growing diversification of SR investors and improved redemption rates offer positive signals for the ARC ecosystem, but challenges in asset valuation persist.

3. Performance Overview of the Company



5. Business Operations Review

5.1 Financial Performance: Your company delivered consistent performance in FY 2024-25, managing Assets under Management (AUM) valued at INR 1,148.24 Crore (acquisition cost), This reflects the company's strategic focus on prudent asset selection and maximizing recovery potential.

5.2 Strategic Acquisitions: In the Financial Year 2024-25, your company pursued a disciplined acquisition strategy, acquiring INR 74.35 Crore of financial assets while identifying high-potential investment opportunities with a reasonable likelihood of sustainable debt recovery. The focus remained on aggregating related accounts and acquiring controlling stakes in group accounts to accelerate resolution processes. However, challenges in price discovery and competitive bank auctions continued to hinder the acquisition of financial assets from banks. Investments were structured using a mix of 100% cash transactions and hybrid cash plus Security Receipts (SR) models to optimize capital allocation and manage risk effectively.

| Particulars | During FY 2023-24 | During FY 2024-25 |
|----------------------------------------|-------------------|-------------------|
| Number of Selling Banks | 07 | 8.00 |
| Number of Financial Assets | 10 | 10.00 |
| Acquisition Cost (Fig. In Cr.) | 218.15 | 74.35 |
| Total Outstanding Amount (Fig. In Cr.) | 511.23 | 2,348.96 |

5.3 Resolution Strategies: Your company successfully executed targeted resolution strategies during FY 2024-25, achieving substantial recoveries amounting to INR 249.65 crore through asset sales, restructuring, and settlements out of which INR 194.11 crore were utilised to redeem Security Receipts. The Company maintain a robust, transparent, and time-bound resolution framework, fully compliant with regulatory guidelines. Recognizing the unique nature of each case, our resolution strategies are tailored, leveraging following primary mechanisms:

5.3.1 Settlement and Restructuring: Customized agreements to maximize recovery.

5.3.2 Enforcement (SARFAESI): Legal action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act.

5.3.3 Insolvency and Bankruptcy Code (IBC): Preferred for its efficiency in achieving timely resolutions.

5.3.4 Others / Assignment of Debt: Assignment of debt to other ARCs on 100% upfront payment.

5.3.5 DRT: For taking legal action under the Debts Recovery Tribunal for cases against the Borrowers/Guarantors.

6. Transfer to Reserves

During the Financial Year ended on March 31, 2025, your Company transferred an amount of INR 0.44 Crore to Reserves and Surplus.

7. Dividend

Your Directors are of the strong opinion that it is prudent to plough back the profits for future growth of the Company and not to recommend dividend on equity shares for the year ended 31st March 2025 given in view of the growth targeted by the Company.

However, your Directors have recommended a dividend of INR 0.001 on 0.01% Non-Cumulative Compulsorily Convertible Preference Shares of INR 10 each of the Company for Financial Year 2024-25 for your approval.

8. Share Capital

The Issued, Subscribed and Paid-up Share Capital of your Company as on 31st March 2025, stood at 37,07,79,060 comprising of 3,36,27,906 Equity shares of INR 10/- each and 34,50,000 0.01% Non-Cumulative Compulsorily Convertible Preference Shares (CCPSs) of INR10/- each.

The Issued, Subscribed and Paid-up Share Capital of your Company as on 31st March 2024, stood at 3,36,62,550 comprising of 3,02,12,550 Equity shares of INR 10/- each and 34,50,000 0.01% Non-Cumulative Compulsorily Convertible Preference Shares (CCPSs) of INR10/- each.

9. Fund Raising

The Company during the year, issued and allotted 20,14,180 Equity Shares of INR 10.00 (Indian Rupee Ten Only) each on Rights Issue basis, at a price of INR 50.00 (Indian Rupee Fifty Only) (including a premium of INR 40.00 (Indian Rupee Forty Only) per Equity Share aggregating to INR 10,07,09,000.00 (Indian Rupee Ten Crores Seven Lakhs Nine Thousand Only).

Furthermore, the Company during the year, issued and allotted 14,01,176 Equity Shares of INR 10.00 (Indian Rupee Ten Only) each as fully paid-up Bonus Shares to its existing shareholders in the ratio of 1:23 (fraction rounded off as one) by capitalization of a sum of INR 1,40,11,760.00 (Indian Rupee One Crore Forty Lakh Eleven Thousand Seven Hundred and Sixty Only); comprising of INR 1,40,00,000 (Indian Rupee One Crore Forty Lakhs Only) standing to the credit of Capital Redemption Reserve and balance INR 11,760 (Indian Rupee Eleven Thousand Seven Hundred and Sixty Only) from Securities Premium Account. The bonus shares rank pari passu in all respects with the existing equity shares of the Company.

10. Credit Rating

In the Financial Year 2024-25, your company maintained its stable credit profile, with Infomeric Valuation and Rating Private Limited reaffirming an 'A-' rating for bank loan facilities of INR 100.00 Crore and Non-Convertible Debentures (NCDs) of INR 100.00 Crore. Similarly, Acuité Ratings & Research Limited assigned an 'A-' rating to bank loan facilities of INR 100.00 Crore during the same period. These consistent ratings reflect the company's sustained financial discipline and creditworthiness, reinforcing its ability to effectively access capital markets.

11. Extract of Annual Return

Pursuant to Section 92(3) of the Companies Act, 2013 ('the Act') and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of Annual Return as on March 31, 2025 is available on Company's website on following link: <https://www.alchemistarc.com/annual-return/>

12. Subsidiaries/ Joint Venture/ Associate

Your Company does not have any subsidiary/ joint venture/ associate company.

| S.No. | Name of Director | Salary (Rs.) per annum | Total sitting fees paid (In Rs.) |
|-------|----------------------------------------------------------------------------------------------------|------------------------|----------------------------------|
| 1 | Shri Alok Dhir | Nil | 7,20,000.00 |
| 2 | Shri Sanjiv Gupta | Nil | 9,90,000.00 |
| 3 | Dr. Parvez Hayat | Nil | 13,40,000.00 |
| 4 | Shri Pawan K. Agrawal | Nil | 13,10,000.00 |
| 5 | Shri Sudhir Dayal | Nil | 14,90,000.00 |
| 6 | Shri Satpal Kumar Arora (ceased to be MD & CEO w.e.f. 16th November 2024 upon retirement) | 38,38,531/- | Nil |

13. Board of Directors and Committees of the Board

(a) Composition of the Board of Directors

The Board of Directors comprised of 5 directors as on 31st March 2025, including 3 Independent Directors who are in no way associated with any of the Sponsors of your Company or any subsidiary of any of the Sponsors. The Independent Directors bring with them expertise in the fields of banking, finance, law, accountancy, taxation, industry and management and play an important role in deliberations at Board meetings and meetings of committees.

(b) Meetings of the Board

Fourteen (14) meetings of the Board of Directors of the Company were held during the Financial Year 2024-25 on 30th April 2024, 26th June 2024, 23rd August 2024, 28th August 2024, 30th September 2024, 05th October 2024, 15th October 2024, 16th November 2024, 27th November 2024, 06th January 2025, 30th January 2025, 15th February 2025, 20th February 2025, and 28th March 2025. Details of which are given below:

| S.No. | Name of Director | Total No. of Board Meetings held | No. of meetings entitled to attend | No. of Meetings Attended |
|-------|----------------------------------------------------------------------------------------------------|----------------------------------|------------------------------------|--------------------------|
| 1 | Shri Alok Dhir | 14 | 14 | 9 |
| 2 | Shri Sanjiv Gupta | 14 | 14 | 12 |
| 3 | Dr. Parvez Hayat | 14 | 14 | 14 |
| 4 | Shri Pawan K. Agrawal | 14 | 14 | 14 |
| 5 | Shri Sudhir Dayal | 14 | 14 | 14 |
| 6 | Shri Satpal Kumar Arora (ceased to be MD & CEO w.e.f. 16th November 2024 upon retirement) | 14 | 8 | 7 |

C) Remuneration details of Directors for Board Meetings and its Committees held during the Financial Year 2024-25.

14. Committees of Directors

Pursuant to the provisions of the Companies Act, 2013 and in line with the international best practices of Corporate Governance, the Board of Directors has constituted the following Committees:

(a) Audit Committee

The Audit Committee is in charge of overseeing financial reporting, the audit process and maintaining the system of internal controls. It also monitors related party transactions of the Company. The members of the Audit Committee as on March 31, 2025 are as follows:

| | | | |
|-------|--------------------------|---|----------|
| (i) | Shri Pawan Kumar Agrawal | - | Chairman |
| (ii) | Shri Sanjiv Gupta | - | Member |
| (iii) | Shri Sudhir Dayal | - | Member |

During the Financial Year 2024-25, five Audit Committee Meetings were held on 26th June 2024, 28th August 2024, 16th November 2024, 20th February 2025 and 28th March 2025.

(b) Asset Acquisition and Resolution Committee

The Committee has been empowered to examine and sanction proposals relating to acquisition and reconstruction / resolution of financial assets, investments / trade in security receipts and other matters related thereto. The members of the Asset Acquisition and Resolution Committee as on March 31, 2025 are as follows:

| | | | |
|-------|--------------------------|---|----------|
| (i) | Shri Sanjiv Gupta | - | Chairman |
| (ii) | Dr. Parvez Hayat. | - | Member |
| (iii) | Shri Pawan Kumar Agrawal | - | Member |
| (iv) | Shri Sudhir Dayal | - | Member |

During the Financial Year 2024-25, sixteen (16) meetings of Asset Acquisition and Resolution Committee were held on 30th April 2024, 02nd August 2024, 28th August 2024, 05th September 2024, 16th September 2024, 25th October 2024, 14th November 2024, 20th November 2024, 04th December 2024, 16th January 2025, 12th February 2025, 20th February 2025, 26th February 2025, 11th March 2025, 24th March 2025, 28th March 2025.

(c) Nomination and Remuneration Committee

The Nomination and Remuneration Committee considers and determines the remuneration of Whole Time/Executive Directors and the Key Managerial Personnel. The responsibilities of the Nomination and Remuneration Committee encompass the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

The members of the Nomination and Remuneration Committee as on March 31, 2025 are as follows:

| | | | |
|-------|-------------------|---|----------|
| (i) | Shri Sudhir Dayal | - | Chairman |
| (iii) | Shri Alok Dhir | - | Member |
| (iv) | Dr. Parvez Hayat | - | Member |

During the Financial Year 2024-25, eight (8) Nomination and Remuneration Committee Meeting were held on 26th June 2024, 23rd August 2024, 30th September 2024, 28th October 2024, 16th November 2024, 30th January 2025, 04th February 2025, 15th February 2025.

(d) Corporate Social Responsibility:

In terms of Section 135 of the Companies Act, 2013 (the Act), the Board of Directors of the Company has constituted the Corporate Social Responsibility Committee ("the CSR Committee"). The members of the CSR Committee as on March 31, 2025 are as follow:-

| | | | |
|----|-------------------|---|----------|
| 1. | Shri Alok Dhir | - | Chairman |
| 2. | Dr. Parvez Hayat | - | Member |
| 3. | Shri Sanjiv Gupta | - | Member |

During the Financial Year 2024-25, two CSR Committee Meetings were held on 23rd August 2024 and 28th March 2025.

The Company has adopted a CSR Policy in accordance with Section 135 of the Act and an annual report on CSR containing the particulars is annexed as **Annexure A**.

(e) Meeting of Independent Directors

Your Company has three Independent Directors on its Board. As per the provisions of the Companies Act, 2013 there should be a separate meeting of Independent Directors at least once in a Financial Year without attendance of other executive and non-executive Directors. During the Financial Year 2024-25, Independent

Directors met once on 23rd August 2024. The three Independent Directors in the Company as on March 31, 2025 are:

| | | | |
|----|--------------------------|---|----------------------|
| 1. | Dr. Parvez Hayat | - | Independent Director |
| 2. | Shri Pawan Kumar Agrawal | - | Independent Director |
| 3. | Shri Sudhir Dayal | - | Independent Director |

(f) Share Transfer Committee

The Share Transfer Committee assesses, reviews the share transfers of the Company. The members of the Share Transfer Committee as on March 31, 2025 are as follows:

| | | | |
|----|-------------------|---|-------------|
| 1. | Shri Sanjiv Gupta | - | Chairperson |
| 2. | Shri Sudhir Dayal | - | Member |

During the Financial Year 2024-25, one Share Transfer Committee Meeting was held on 28th March 2025.

15. MEETINGS OF THE MEMBERS

Two (2) meetings of the Members of the Company were held during the Financial Year 2024-25, i.e., its 22nd Annual general meeting on 27th September 2024, and Extra Ordinary General Meeting on 30th January 2025. Details of which are given below:

I. 22nd Annual General Meeting held on 27th September 2024:

| S.No. | Name of Director | Entitled to attend | Meeting Attended |
|-------|-------------------------|--------------------|------------------|
| 1 | Shri Alok Dhir | Yes | Yes |
| 2 | Shri Sanjiv Gupta | Yes | No |
| 3 | Dr. Parvez Hayat | Yes | Yes |
| 4 | Shri Pawan K. Agrawal | Yes | Yes |
| 5 | Shri Sudhir Dayal | Yes | Yes |
| 6 | Shri Satpal Kumar Arora | Yes | Yes |

ii. Extra Ordinary General Meeting held on 30th January 2025:

| S.No. | Name of Director | No. of meetings entitled to attend | No. of meetings Meeting Attended |
|-------|-----------------------|------------------------------------|----------------------------------|
| 1 | Shri Alok Dhir | 1 | 1 |
| 2 | Shri Sanjiv Gupta | 1 | 0 |
| 3 | Dr. Parvez Hayat | 1 | 1 |
| 4 | Shri Pawan K. Agrawal | 1 | 1 |
| 5 | Shri Sudhir Dayal | 1 | 1 |

16. Independent Advisory Committee

In line with the RBI guidelines, regarding review of regulatory framework for Asset Reconstruction companies dated October 11, 2022, the company expanded the Scope of the committee, wherein, the committee shall examine the proposal for change in takeover of the management of the business of the Borrower and shall also examine the proposal for settlement of dues with the borrower.

17. Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Companies Act, 2013.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning etc.

The Board of Directors of the Company in their meeting held on 27th June 2025 had carried out the annual evaluation of its own performance, the Individual Directors (Including the Independent and Non-Independent Directors) as well as of its committees for the Financial Year 2024-25. The structured questionnaires were duly filled and submitted to the Company. Through these questionnaires, they gave their evaluation of their peers.

The feedback received from the Directors has been compiled and the outcome has been summarized. The Independent Directors of the Company in their separate meeting held on 06th August 2025 reviewed the performance of the Non-Independent Directors and the Board as a whole for the Financial Year 2024-25.

It was concluded that the performance of the Board, its Committees, and the Directors were found satisfactory.

18. Statutory Auditors

M/s Ray & Ray, Chartered Accountants were re-appointed as the Statutory Auditors of the Company at the 22nd Annual General Meeting held on September 27, 2024 till the conclusion of 25th Annual General Meeting of the Company.

The report of the Statutory Auditors along with Notes on Financial Statement is enclosed with this Report. There is no qualification, observation or adverse remarks or disclaimer in the Auditors' Report.

19. Instances Of Fraud, If Any Reported By The Auditors

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Act.

20. Particulars of loans given, investments made, guarantees given and securities provided

During the year there is no loan given, investments made, guarantees given and securities provided by the Company, other than in the normal course of its business.

21. Contracts and Arrangements with related parties.

All contracts, arrangements and transactions entered by the Company during the Financial Year with related parties were in the ordinary course of business and on an arm's length basis.

Details of Related Party Transactions as per Indian Accounting Standard (Ind AS) 24 are given under Note 27 forming part of the Notes to Accounts of the Financial Statements to this report.

22. Prevention of Sexual Harassment at Workplace

Your Company has zero tolerance for sexual harassment at workplace and has put in place the policy on prevention, prohibition and redressal of sexual harassment at workplace in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. Internal Complaint Committee (ICC) has been setup to redress complaints received regarding sexual harassment as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During FY 2024-25, no complaints on sexual harassment were received. The details are as follows:

| Particulars | No. of Cases |
|---------------------------------------------------------------------|--------------|
| (a) Number of complaints of sexual harassment received in the year; | 0 |
| (b) Number of complaints disposed off during the year; | 0 |
| (c) Number of cases pending for more than ninety (90) days | 0 |

23. COMPLIANCE TO THE PROVISIONS RELATING TO THE MATERNITY BENEFIT ACT, 1961

Your Company respects the compliance in relation to the provisions relating to the Maternity Benefit Act, 1961 and the same has been duly recorded in the Human Resources Policy. The Company remains committed to fostering a workplace environment that upholds the rights, dignity, and well-being of all employees, in particular women employees, in accordance with the law.

24. Policies of the Company

- i. Financial Asset Acquisition Policy
- ii. Financial Asset Resolution Policy
- iii. Security Receipts Policy
- iv. Policy for change in or takeover of the management of the business of the Borrower
- v. Human Resource Policy
- vi. Nomination and Remuneration Policy
- vii. Policy For Treatment of Wilful Defaulter & Large Defaulter
- viii. Income (Revenue & Expenditure) Recognition Policy
- ix. Deployment of Funds Policy
- x. Conversion of Debt into Equity Share Policy
- xi. Corporate Social Responsibility Policy
- xii. Grievance Redressal Policy
- xiii. Policy for Outsourcing of Services & Activities
- xiv. Business Continuity Plan
- xv. Information Technology Policy
- xvi. Know Your Borrower & Anti-Money Laundering Policy
- xvii. Policy Guidelines on Fair Practice Code
- xviii. Asset Liability Management Policy
- xix. Vigil Mechanism Policy / Whistle Blower Policy
- xx. Director Selection Policy
- xxi. Model Code of Conduct for Recovery Agents
- xxii. Internal Audit Policy
- xxiii. MIS Policy
- xxiv. Risk Management Policy
- xxv. Compliance Policy
- xxvi. Policy on Succession Planning for Board and Senior Management

25. Capital Adequacy Ratio

The Company has achieved a Capital Adequacy Ratio of 108.50% as on March 31, 2025.

26. Material Changes and Commitments

There were no material changes and commitments during the Financial Year 2024-25 having an impact on the financial position of the Company.

27. Significant and Material Orders passed by the Regulators

No significant and material orders were passed by the regulators or courts or tribunal impacting the Company's going concern status and the Company's operations in the future.

28. Directors and Key Managerial Personnel

The Composition of the Board of Directors of Company is in accordance with the provisions of the SARFAESI Act, RBI Guidelines and the Companies Act.

Mr. Manish Nihalani resigned from the position of Chief Financial Officer of the Company w.e.f. September 30, 2024 and Ms. Deepanshi Jain was appointed as the Chief Financial Officer of the Company, w.e.f. February 17, 2025, though she resigned w.e.f. May 31, 2025.

Mr. Satpal Kumar Arora, upon retirement, vacated the position of the Managing Director & Chief Executive Officer of the Company, w.e.f. November 16, 2024.

Mr. Rajeev Rajinder Chhabra was appointed as the Additional Director and Managing Director & Chief Executive Officer of the Company in the Board Meeting held on February 15, 2025, w.e.f. the date of joining, subject to the approval of the Reserve Bank of India and subject to the Shareholders approval in the General Meeting. RBI subsequently conveyed the approval on his appointment vide their letter dated April 16, 2025. Thereafter, Mr. Chhabra joined the Company w.e.f. July 16, 2025.

The Company has received the declaration from the Independent Director of the Company confirming that the criteria of Independence as prescribed under the Companies Act, 2013.

The Company has devised a mechanism for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the Non-Executive Directors and Executive Directors and formal annual evaluation of the Board and the committees has been carried out as per the policy of the Company.

The Company has also devised a Nomination and Remuneration policy and the same has been approved by the Board of Directors in the meeting dated May 01, 2014 and is periodically reviewed.

The Nomination and Remuneration Policy of the Company is annexed herewith marked as **Annexure B**.

The Policy for the selection and appointment of Directors to the

Board is annexed herewith marked as **Annexure C**.

Retirement by rotation and subsequent re-appointment:

As per the provisions of the Companies Act, 2013, Shri Sanjiv Gupta, retires by rotation at the ensuing Annual General Meeting and being eligible, seeks reappointment. The Board recommends his re-appointment.

29. Internal Control Systems and controls

The Company has in place adequate internal control systems to ensure:

- operational effectiveness and efficiency
- prevention and detection of frauds and errors
- accuracy and completeness of the accounting records
- reliable financial reporting and
- Compliance with regulations and policies.

30. Corporate Governance

Your Company is committed to adopt the best practices in Corporate Governance which is guided by the principles of conducting the business in a responsible, transparent and ethical manner so as to protect the interest of all stakeholders. The Corporate Governance framework of your Company recognizes the accountability of the Board and the importance of making the Board transparent to all its constituents, including employees, investors and the regulatory authorities, and to demonstrate that the shareholders are the ultimate beneficiaries of our economic activities.

Your Company's Corporate Governance framework is based on an effective independent Board, the separation of the Board's supervisory role from the executive management and the constitution of Board Committees, generally comprising a majority of Independent Directors of the Company, to oversee critical areas and functions and continuously review the performance and recommend corrective actions to Executive Management.

Your Company's Corporate Governance philosophy encompasses not only regulatory and legal requirements, but also several voluntary practices aimed at a high level of business ethics, effective supervision and enhancement of value for all shareholders.

The Board of Directors role, functions, responsibility and accountability are clearly defined. In addition to its primary role of monitoring corporate performance, the functions of the Board include:

- approving corporate philosophy and mission
- formulation of strategic and business plans
- reviewing and approving financial plans and budgets
- reviewing corporate performance against strategic and business plans
- ensuring ethical behavior and compliance with laws and regulations
- Keeping shareholders informed regarding plans, strategies and performance.

31 Public Deposits

Your Company has not accepted any deposit from the public and as such, no amount on account of principal or interest on deposit from public was outstanding as on the date of the balance sheet.

32. There is no application or any proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the year.

33. There was no instance of one-time settlement with any other Bank or Financial Institution during the year under review.

34. There has been no instance of valuation discrepancies either at the time of one time settlement or at the time of availing loan from the Banks or Financial Institutions.

35. Particulars of Employees & Related Disclosures

The Company regards its employees as a great asset and appreciates their contribution to the growth of the Company. The number of employees as on March 31, 2025 was 19 (Nineteen).

The provisions of Section 197(12) of the Companies Act 2013, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, does not apply.

36. Directors' Responsibility Statement

Pursuant to the requirements under section 134(5) of the Act with respect to Director Responsibility Statement. Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2025, the applicable Accounting Standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2025 and profit earned by the Company for the year ended on that date
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- d) the Directors have prepared the annual accounts on a 'going concern' basis
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating.

37. Whistle Blower/vigil Mechanism

Your Company has in place a Whistle Blower Policy, in compliance with the provisions of Companies Act, 2013, which is to put in place an effective Vigil Mechanism in the organization. During the Financial Year under review, no instance of the disclosure has been made to the Designated Authority or to the Chairman of the Audit Committee of Directors. The details of the Vigil Mechanism Policy are posted on the website of the Company.

38. Maintenance Of Cost Records

As your Company is engaged in acquisition and resolution of financial assets acquired from Banks and Financial Institutions, therefore maintenance of cost records under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable to your Company.

39. Risk Management

As part of its business activities, the company is exposed to certain kinds of financial and non-financial risks. Your company has put in place a detailed policy to address risk management in an efficient manner.

40. Energy Conservation, Technology Absorption, Foreign Exchange Earnings And Outgo

As the Company is engaged in Asset Reconstruction and Securitisation activities, the particulars relating to Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo as required under section 134 (3) (m) of the Companies Act, 2013 are not applicable to the Company. However, the information as applicable has been given in table below:

| (A) Conservation of Energy: | |
|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The steps taken or impact on conservation of energy: | The Company requires energy for its operations and the Company is making all efforts to conserve energy by monitoring energy costs and periodically reviews the consumption through efficiency in usage and timely maintenance/installation/upgradation of energy saving devices. |
| The steps taken by the Company for utilizing alternative sources of energy. | |
| The Capital investment on energy conservation equipment. | |

CORPORATE SOCIAL RESPONSIBILITY
ANNEXURE A
ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

<https://alchemistarc.com/wp-content/uploads/2025/08/CSR-Policy-Aug.-2024.pdf>

2. Composition of CSR Committee:

| S. No. | Name of Director | Designation /Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|--------|-------------------|-------------------------------------|----------------------------------------------------------|--------------------------------------------------------------|
| 1. | Shri Alok Dhir | Chairman | 2 | 2 |
| 2. | Shri Sanjiv Gupta | Director | 2 | 2 |
| 3. | Dr. Parvez Hayat | Director | 2 | 2 |

3. Provide the web-link where

| | |
|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i) Composition of CSR Committee, | http://www.alchemistarc.com/corporate-governance.html |
| ii) CSR Policy and | https://alchemistarc.com/wp-content/uploads/2025/08/CSR-Policy-Aug.-2024.pdf |
| iii) CSR projects approved by the Board are disclosed on the website of the company. | https://alchemistarc.com/wp-content/uploads/2025/08/CSR-Projects-approved-by-the-Board-2024-25-1.pdf |

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). | NA |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for the Financial year, if any | NA |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|

| S. No. | Financial Year | Amount available for set-off from preceding financial years (in Rs) | Amount required to be set-off for the financial year, if any (in Rs) |
|--------|----------------|---------------------------------------------------------------------|----------------------------------------------------------------------|
| 1. | NA | - | - |
| | TOTAL | - | - |

6. Average net profit of the company as per section 135(5).

Rs. 18,98,36,587/-

7.

| | |
|----------------------------------------------------------------------------------------------------------|-----------------|
| (a) Two percent of average net profit of the company as per section 135(5) | Rs. 37,96,732/- |
| (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. | NA |
| (c) Amount required to be set off for the financial year, if any | NA |
| (d) Total CSR obligation for the financial year (7a+7b- 7c). | Rs. 37,96,732/- |

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year (in Rs.) | Amount Unspent (in Rs.) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
|----------------------------------------------------|------------------------------------------------------------------------|------------------|------------------------------------------------------------------------------------------------------|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Name of the Fund | Amount | Date of transfer |
| | Amount | Date of transfer | | | |
| 34.00 Lakh | - | - | Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) | 4 lakh | 29th March, 2025 |

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

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | (10) | (11) | |
|---------|----------------------|--------------------------------------------------------------|----------------------|--------------------------|-----------|-------------------|-------------------------------------------|------------------------------------------------------|-------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------------------|-------------------------|
| Sl. No. | Name of the Project. | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No). | Location of the project. | | Project duration. | Amount allocated for the project (in Rs.) | Amount spent in the current financial Year (in Rs.). | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.). | Mode of Implementation– Direct (Yes/No). | Mode of Implementation – Through Implementing Agency | |
| | | | | State. | District. | | | | | | Name | CSR Registration number |
| 1 | NIL | | | | | | | | | | | |
| | TOTAL | | | | | | | | | | | |

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

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---------|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|--------------------------|-----------------|----------------------------------------|------------------------------------------|------------------------------------------------------|-------------------------|
| Sl. No. | Name of the Project. | Item from the list of activities in schedule VII to the Act. | Local area (Yes/No). | Location of the project. | | Amount spent for the project (in Rs.). | Mode of implementation– Direct (Yes/No). | Mode of Implementation – Through Implementing Agency | |
| | | | | State. | District. | | | Name | CSR Registration number |
| 1. | Badlo Re | Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups. | No | UP | Firozabad (Eka) | 20 lakh | No | Badlo Re | CSR000 16631 |
| 2. | Gyan Daanam Gurukul | Promoting education, including special education and employment enhancing vocation skills especially among children, woman, elderly and the differently abled and livelihood enhancement projects. | No | UP | Firozabad (Eka) | 14 lakh | No | Gyan Daanam Gurukul | CSR0003 2808 |
| 3. | Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) | Transfer of Unspent Amount | | | | 4 lakh | | | |
| | TOTAL | | | | | 38.00 Lakh | | | |

| | |
|-------------------------------------------------------------|------------|
| (d) Amount spent in Administrative Overheads | NIL |
| (e) Amount spent on Impact Assessment, if applicable | NIL |
| (f) Total amount spent for the Financial Year (8b+8c+8d+8e) | 38.00 Lakh |

8 (g) Excess amount for set off, if any

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

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

| Sl.No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.) | Amount spent in the Reporting Financial Year (in Rs.). | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in succeeding financial years. (in Rs.) |
|--------|---------------------------|--------------------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------------------------|----------------|----------------------|----------------------------------------------------------------------|
| | | | | Name of the Fund | Amount (in Rs) | Date of transfer | |
| 2. | 2021-22 | - | 40.06 Lakh | Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund | 0.06 Lakh | 02nd September, 2022 | - |
| 3. | 2022-23 | - | 24.52 Lakh | Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund | 0.02 Lakh | 30th March, 2022 | - |
| 3. | 2023-24 | - | 31.72 Lakh | Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund | 6.72 Lakh | 30th March, 2024 | 0.17 |
| | TOTAL | | | | | | |

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

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

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). | NA |
| a. Date of creation or acquisition of the capital asset(s). | NA |
| b. Amount of CSR spent for creation or acquisition of capital asset. | NA |
| c. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. | NA |
| d. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | NA |
| 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). | NA |
| Rajiv Rajinder Chhabra Managing Director & Chief Executive Officer DIN: 06628421 | Alok Dhir Chairman of CSR Committee DIN:00034335 |



ANNEXURE B

NOMINATION AND REMUNERATION POLICY

In line with the Master Direction dated April 24, 2024 ARCs shall constitute a Nomination and Remuneration Committee in accordance with the provisions of the Companies Act, 2013 ('the Act') read with the Rules framed there under. The said Committee shall have the same powers, functions and duties as laid down in Section 178 of the Companies Act, 2013. In addition, the Committee shall ensure 'fit and proper' status of proposed / existing directors and sponsors. Accordingly, the Company has framed a policy for laying down the criteria for appointment of Directors, Key Managerial Personnel and senior management as well determining the remuneration payable to them. The Policy shall be in compliance of Companies Act 2013, RBI guidelines / directions read along into the applicable rules there, as amended from time to time.

The term “**Key Managerial Personnel (KMP)**” means – the key managerial personnel as defined under the Companies Act, 2013.

The term “**Senior Management**” means -

All personnel of the Company who are members of its core management team excluding members of the Board of Directors, comprising all members of management one level below the Executive Directors, including the functional heads.

1. Purpose

The primary objective of the Policy is to provide a framework and set standards for the nomination, and remuneration of Directors, Key Managerial Personnel and other employee comprising the senior management. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

2. Accountabilities

2.1 The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel.

2.2 The Board had delegated responsibility for assessing and selecting the candidates for the enrolment of Directors, Key Managerial Personnel and the Senior Management of the Company to the Nomination and Remuneration Committee which makes recommendations & nominations to the Board.

3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for:

- 3.1 Identifying individuals suitably qualified to be appointed as the Director and KMPs or as the Senior Management of the Company;
- 3.2 Recommending to the Board on the selection of individuals nominated for directorship;
- 3.3 Making recommendations to the Board on the remuneration payable to the Directors/ KMPs/Senior Officials so appointed/reappointed;
- 3.4 Assessing the independence of Independent Directors;
- 3.5 Such other key issues/matters as may be referred by the Board or as may be necessary in view of the provisions of the Companies Act 2013 and Rules there under.
- 3.6 To make recommendations to the Board concerning any matters relating to the continuation in office of any Director, KMPs and Senior Management at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- 3.7 Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

The Nomination and Remuneration Committee comprises of the following:

- a) The Committee shall consist of a minimum 3 or more non-executive directors, majority of them being independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee and Nomination and Remuneration policy shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

Chairman

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

Committee Members' Interests

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

Voting

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

4. Appointment of Directors/KMPs/Senior Officials

- 4.1 Enhancing the competencies of the Board and attracting as well as retaining talented employees for role of KMP/a level below KMP are the basis for the Nomination and Remuneration Committee to select a candidate for appointment to the Board. When recommending a candidate for appointment, the Nomination and Remuneration Committee has regard to:
 - Assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits from diversifying the Board;
 - The extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company;
 - The skills and experience that the appointee brings to the role of KMP/Senior Official and how an appointee will enhance the skill sets and experience of the Board as a whole;
 - The nature of existing positions held by the appointee including directorships or other relationships and
 - The impact they may have on the appointee's ability to exercise independent judgment;
- 4.2 Personal specifications:
 - Degree holder in relevant disciplines;
 - Experience of management in a diverse organization;
 - Excellent interpersonal, communication and representational skills;
 - Demonstrable leadership skills;
 - Commitment to high standards of ethics, personal integrity and probity;
 - Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;

- Having continuous professional development to refresh knowledge and skills. For details of the personal specifications refer to the **Annexure - A.**

5. Letters of Appointment

Each Director/KMP/Senior Officials is required to sign the letter of appointment with the Company containing the terms of appointment and the role assigned in the Company.

6. Remuneration of Directors, Key Managerial Personnel and Senior Management

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Management Personnel and other senior officials. The Directors, Key Management Personnel and other senior official's salary shall be based & determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

The Nomination and Remuneration Committee determines individual remuneration packages for Directors, KMPs and Senior Officials of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines. The Committee consults with the Chairman of the Board as it deems appropriate. Remuneration of the Chairman is recommended by the Committee to the Board of the Company.

I) Remuneration:

a) Base Compensation (fixed salaries)

Must be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities, usually reviewed on an annual basis; (includes salary, allowances and other statutory/non-statutory benefits which are normal part of remuneration package in line with market practices).

b) Variable salary:

The Nomination and Remuneration Committee may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfilment of specified improvement targets or the attainment of certain financial or other objectives set by the Board. The amount payable is determined by the Committee, based on performance against pre-determined financial and non-financial metrics.

- 6.1 The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members. The sitting fee to the Independent Directors shall not be less than the sitting fee payable to other directors.
- 6.2 The remuneration payable to the Directors shall be as per the Company's policy and shall be valued as per the Income Tax Rules.
- 6.3 The remuneration payable to the Key Managerial Personnel and the Senior Management shall be as may be decided by the Board having regard to their experience, leadership abilities, initiative taking abilities and knowledge base.

7. Evaluation / Assessment of Directors / KMPs / Senior Officials of the Company –

The evaluation/assessment of the Directors, KMPs and the senior officials of the Company is to be conducted on an annual basis. The following criteria may assist in determining how effective the performances of the Directors/KMPs/Senior officials have been:

- Leadership & Stewardship abilities.
- Contributing to clearly define corporate objectives & plans.
- Communication of expectations & concerns clearly with subordinates.
- Obtain adequate, relevant & timely information from external sources.
- Review & approval achievement of strategic and operational plans, objectives, budgets.
- Regular monitoring of corporate results against projections.
- Identify, monitor & mitigate significant corporate risks.
- Assess policies, structures & procedures.
- Direct, monitor & evaluate KMPs, senior officials.
- Review management's succession plan.
- Effective meetings.
- Assuring appropriate board size, composition, independence, structure.
- Clearly defining roles & monitoring activities of committees.
- Review of corporation's ethical conduct.

Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors. The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/assess each of the Independent Directors on the aforesaid parameters. The Independent Director being evaluated will not participate in the said evaluation discussion.

Annexure-A

Personal Specification for Directors

1. Qualification:

- Degree holder in relevant disciplines (e.g. management, accountancy, legal, Banking (CIIB) etc);
- Recognised Specialist

2. Experience:

- Experience of management in a diverse organisation
- Experience in accounting and finance, administration, corporate and strategic planning or fund management
- Experience in Economics, Banking Industry, Law, Industrial Finance, Industrial Management, Industrial reconstruction
- Demonstrable ability to work effectively with a Board of Directors

3. Skills:

- Good Leadership skills
- Monitoring if Team and employees
- Excellent interpersonal, communication and representational skills
- Demonstrable leadership skills
- Extensive team building and management skills
- Strong influencing and negotiating skills
- Having continuous professional development to refresh knowledge and skills

4. Abilities and Attributes

- Commitment to high standards of ethics, personal integrity and probity
- Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace.



ANNEXURE C

POLICY FOR THE SELECTION AND APPOINTMENT OF DIRECTORS TO THE BOARD

Policy

The company's primary concern in relation to the composition of the Board is to have a well-balanced group with a variety of backgrounds, skills and experience. The priority in the nomination of a proposed board member is to identify his/her respective skills that will add value to the company and which may not exist in the present composition of board members.

Procedure as per companies Act

Any Board member may recommend a candidate for a Board position to the Nomination & Remuneration Committee which shall examine whether the proposed candidate meets the criteria, is suitable and whether a position exists.

If considered acceptable by the Nomination & Remuneration Committee the candidate is introduced to the other directors and a vote is to be taken at a Board meeting as to the appointment of the candidate to the Board.

In terms of the Constitution, a person appointed as a director by the Board, retires at the next Annual General Meeting and is eligible for election as a director by the Shareholders.

RBI Guidelines

In terms of Section 3(6) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and RBI/DOR/2024-25/116 DoR.FIN.REC.16/26.03.001/2024-25 dated April 24, 2024', ARCs are required to obtain prior approval of the Reserve Bank for appointment/re-appointment of a Director, Managing Director or Chief Executive Officer.

Criteria

- Board members are to be considered only if they meet the following criteria:
- Honesty and integrity
- Strategic capability with business vision and track record of achievement
- Entrepreneurial spirit
- Ability to be independent and capable of lateral thinking
- People skills
- Public company corporate experience
- Reasonable financial expertise
- Have a reasonable network of contacts relevant to the business

Criteria for Independence

For the purpose of this clause, the expression 'independent director' shall mean a director, other than a Managing Director or a whole time Director or nominee director of the company:

- who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
- (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;

- who has or had no pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten per cent of his total income or such amount as may be prescribed, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

- none of whose relatives —

- is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year;

- Provided that the relative may hold security or interest in the company of face value not exceeding fifty lakh rupees or two per cent of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed;

- is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of an amount fifty lakhs rupees during the two immediately preceding financial years or during the current financial year;

- has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for an amount fifty lakhs rupees during the two immediately preceding financial years or during the current financial year; or

- has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);]

- who, neither himself nor any of his relatives —

- holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

Provided that in case of a relative who is an employee, the restriction under this clause shall not apply for his employment during preceding three financial years.

- is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

- a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

- any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent or more of the total voting power of the company; or
(iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;

(ii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company,

for an amount of fifty lakhs rupees, at any time during the two immediately preceding financial years or during the current financial year.

Qualifications of Independent Director

(1) An independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.

(2) None of the relatives of an independent director, for the purposes of sub-clauses (ii) and (iii) of clause (d) of sub-section (6) of [section 149 of Companies Act, 2013-](#)

(i) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors; or

Other directorships / committee memberships

The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance.

Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The Nomination & Remuneration Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

A Director shall not serve as a Director beyond the number of companies prescribed in the Companies Act, 2013, RBI guidelines or any other law/rules/regulations as may be applicable.



INDEPENDENT AUDITOR'S REPORT

To the Members of Alchemist Asset Reconstruction Company Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Alchemist Asset Reconstruction Company Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2025, the Statement of Profit and Loss and the Cash Flows Statement for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standard prescribed under Section 133 of the Act read with the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit, and cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report but does not include the financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

To the Members of Alchemist Asset Reconstruction Company Limited

Report on the Audit of the Financial Statements

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the statement of Profit and Loss and Cash Flows Statement dealt with by this Report are in agreement with the books of account;

- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors of the Company as on 31st March, 2025 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with 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 remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts.
- iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company and as such, the question of delay does not arise.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend to its equity shareholders during the year. However, the company has paid dividend to its preference shareholders during the year according to the terms of the issue.
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the period ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in Annexure "B", a statement on the matters specified in paragraphs 3 and 4 of the Order.

For RAY & RAY
Chartered Accountants
Firm's Registration no. 301072E

Anil P. Verma
Partner

Place: New Delhi
Date: 20 August 2025

Membership no. 090408
UDIN-25090408BMUOPA2289

Annexure A

TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements section or our report to the members of Alchemist Asset Reconstruction Company Limited).

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 **Alchemist Asset Reconstruction Company Limited** ("the Company") as at 31st March, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's 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 standard on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2025, 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 RAY & RAY
Chartered Accountants
Firm's Registration no. 301072E

Anil P. Verma
Partner

Place: New Delhi
Date : 20 August 2025

Membership no. 090408
UDIN-25090408BMUOPA2289

Annexure B

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Alchemist Asset Reconstruction Company Limited).

- (i) In respect of the Company's property, plant & equipment and intangible Assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company has maintained proper records showing full particulars of Intangible assets.
- (b) The Property, Plant & Equipment of the Company have been physically verified by the management during the year which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records, the Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) and accordingly reporting under this clause is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not revalued its Property, Plant & Equipment and intangible assets during the year. Accordingly, reporting under this clause is not applicable.
- (e) According to the information and explanations given to us and on the basis of our checking of records etc., proceedings have not been initiated or are pending against the company as at March 31, 2025 for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) (a) of the Order are not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned term loans against Trade receivable in excess of five crore rupees, in aggregate, from banks or financial institutions. In our opinion, the monthly/quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records, the Company has made investments in the trusts in accordance with Master circular applicable to Asset Reconstruction Companies issued by RBI dated 1st July 2015, revised on 1st April 2022. Other than this the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnership or any other parties during the year.
- (a) Reporting under clause 3(iii)(a) of the Order is not applicable as the Company is a NBFC- Securitisation and reconstruction company.
- (b) In our opinion, the investments so made in the trusts, during the year are prima facia, not prejudicial to the Company's interest. Besides this, Company has not provided any guarantee, security and loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties.
- (c) The Company has not provided any loans and advances in the nature of Loans. Accordingly, the provisions of clauses 33(iii) (c), 33(iii)(d), 33(iii)(e) and 33(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has investment in the trusts in accordance with Master circular applicable to Asset Reconstruction Companies issued by RBI dated 1st July 2015, revised on 1st April 2022.
- The Company has not granted any loan or provided any guarantee or security in connection with any loan taken by parties covered under the provisions of Section 185 and 186 of the Companies Act, 2013. Accordingly, reporting under clause 3 (iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits. Accordingly, reporting under clause 3 (v) of the Order is not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records by the Company under Section 148 (1) of the Companies Act, 2013. Accordingly, clause 3 (vi) of the Order is not applicable to the Company.
- (vii) According to the information and explanations given to us and on the basis of our examination of the records of the Company and based on the representation given by the management, in our opinion:
- (a) The Company is regular in depositing undisputed statutory dues in respect of Goods and Services Tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as applicable, with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of above were outstanding, as at 31.03.2025 for a period of more than six months from the date they became payable.
- (b) According to the records of the company, there are no dues referred in (a) above which have not been deposited on account of any dispute.

- (viii) According to information and explanations given to us and on the basis of our checking of records etc., there is no transaction which is not recorded in the books of account and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowings or in the payment of interest there on to any lender.
 (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government authority.
 (c) According to the information and explanations given to us by the management, the Company has obtained term loans during the year. Terms loans were applied for the purpose for which the loans were obtained.
 (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
 (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, clause 3 (ix) (e) is not applicable.
 (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, clause 3 (ix) (f) is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.
 (b) The Company has made preferential allotment of equity shares during the year. The requirements of section 62 of the Companies Act, 2013 and Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 have been complied with and the funds raised have been used for the purposes for which the funds were raised.
- (xi) (a) According to the information and explanations given to us, no fraud by the company or on the Company has been noticed or reported during the year.
 (b) In view of this, the reporting under clause 2 (xi) (b) is not applicable to the company.
 (c) On the basis of our checking of records and information and explanations provided to us, no whistle-blower complaint has been received during the year by the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3 (xii) & clauses (a) to (c) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are generally in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
 (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3 (xv) of the Order is not applicable to the Company.
- (xvi) The Company is Securitisation and Reconstruction Company ('SC/RC') under SARFAESI Act, 2002. According to the 'The Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003' dated 1 July 2015 issued by Reserve Bank of India ('RBI'), provision of section 45-IA of the RBI Act, 1934 do not apply to a Non-Banking Financial Company which is SC/RC registered with the RBI. Accordingly, provisions of clause 3(xvi) of the Order are not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year.
- (xix) 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, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is 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.
- (xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
 (b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

For RAY & RAY
 Chartered Accountants
 Firm's Registration no. 301072E

Anil P. Verma
 Partner

Place: New Delhi
Date : 20 August 2025

Membership no. 090408
 UDIN-25090408BMUOPA2289

Alchemist Asset Reconstruction Company Limited

BALANCE SHEET AS AT 31 MARCH 2025
(ALL AMOUNT IN ₹ '000, UNLESS OTHERWISE STATED)

| Particulars | Notes | As at 31 March 2025 | As at 31 March 2024 |
|----------------------------------------------------------------------------------------|-------|------------------------|------------------------|
| Equity and liabilities | | | |
| Shareholders' funds | | | |
| Share capital | 3 | 3,70,779 | 336,626 |
| Reserves and surplus | 4 | 17,28,931 | 1,657,909 |
| | | 20,99,710 | 1,994,535 |
| Non-current liabilities | | | |
| Long-term borrowings | 5 | 40,625 | 73,125 |
| Other long-term liabilities | 6 | 2,403 | 2,641 |
| Long-term provisions | 7 | 2,585 | 2,223 |
| | | 45,613 | 77,989 |
| Current liabilities | | | |
| Short-term borrowings | 8 | 97,500 | 32,500 |
| Trade payables | 9 | | |
| Total outstanding dues of micro enterprises and small enterprises | | 27 | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 426 | 70 |
| Other current liabilities | 10 | 60,771 | 158,319 |
| Short-term provisions | 11 | 1,093 | 969 |
| | | 1,59,817 | 191,857 |
| Total | | 23,05,140 | 2,264,382 |
| Assets | | | |
| Non-current assets | | | |
| Property, Plant and Equipment and Intangible assets | | | |
| Property, plant and equipment | 12A | 870 | 917 |
| Intangible assets | 12B | 6,916 | - |
| Non-current investments | 13 | 44 | 44 |
| Deferred tax assets (net) | 14 | 13,511 | 22,420 |
| Other non-current assets | 15 | 2,260 | 2,110 |
| | | 23,601 | 25,492 |
| Current assets | | | |
| Current investments | 16 | 17,81,262 | 2,012,678 |
| Trade receivables | 17 | 1,544 | 5,924 |
| Cash and bank balances | 18 | 3,89,489 | 32,498 |
| Short-term loans and advances | 19 | 1,06,919 | 185,814 |
| Other current assets | 20 | 2,325 | 1,976 |
| | | 22,81,539 | 2,238,890 |
| Total | | 23,05,140 | 2,264,382 |

Significant accounting policies and the accompanying notes form an integral part of these financial statements.

This is the Balance Sheet referred to in our report of even date.

For **Ray & Ray**
Chartered Accountants
Firm's Registration No.: 301072E

Anil P. Verma
Partner
Membership No.: 090408

Place : New Delhi
Date : 20 August 2025

For and on behalf of the Board of Directors of
Alchemist Asset Reconstruction Company Limited

Pawan Kumar Agrawal
Director
DIN No.'02979030

Meenakshi Sharma
President &
Chief Financial Officer

Place : New Delhi
Date : 20 August 2025

Rajeev Rajinder Chhabra
Managing Director & Chief Executive Officer
DIN No. 06628421

Priyanka Munjal
Company Secretary &
Chief Compliance officer

Alchemist Asset Reconstruction Company Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2025

(ALL AMOUNT IN ₹000, UNLESS OTHERWISE STATED)

| Particulars | Note | For the year ended 31 March 2025 | For the year ended 31 March 2024 |
|---------------------------------------|---------|-------------------------------------|-------------------------------------|
| Income | | | |
| Revenue from operations | 21 | 5,28,365 | 10,25,068 |
| Other income | 22 | 75,119 | 4,521 |
| Total Income | | 6,03,484 | 10,29,589 |
| Expenses | | | |
| Employee benefits expense | 23 | 42,519 | 42,599 |
| Finance costs | 24 | 13,218 | 34,232 |
| Depreciation and amortisation expense | 12A & B | 906 | 486 |
| Other expenses | 25 | 5,33,462 | 8,10,119 |
| Total expenses | | 5,90,105 | 8,87,436 |
| Profit before tax | | 13,379 | 1,42,153 |
| Tax expense | | | |
| Current tax | | - | 42,165 |
| Deferred tax | | 8,909 | (5,683) |
| Tax for earlier years | | - | (88) |
| Total tax expense | | 8,909 | 36,394 |
| Profit for the period | | 4,470 | 1,05,759 |
| Earnings per equity share | 26 | | |
| Basic | | 0.14 | 3.64 |
| Diluted | | 0.14 | 3.60 |

The face value per equity share is Rs. 10/- per share

Significant accounting policies and the accompanying notes form an integral part of these financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For **Ray & Ray**
Chartered Accountants
Firm's Registration No.: 301072E

Anil P. Verma
Partner
Membership No.: 090408

Place : New Delhi
Date : 20 August 2025

For and on behalf of the Board of Directors of
Alchemist Asset Reconstruction Company Limited

Pawan Kumar Agrawal
Director
DIN No.: 02979030

Meenakshi Sharma
President &
Chief Financial Officer

Place : New Delhi
Date : 20 August 2025

Rajeev Rajinder Chhabra
Managing Director & Chief Executive Officer
DIN No. 06628421

Priyanka Munjal
Company Secretary &
Chief Compliance officer

Alchemist Asset Reconstruction Company Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

(ALL AMOUNT IN ₹ 000, UNLESS OTHERWISE STATED)

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|-----------------------------------------------------------------------|-----------------------------|-----------------------------|
| A. Cash flow from operating activities : | | |
| Profit before tax | 13,379 | 1,42,153 |
| Adjustments for : | | |
| Depreciation and amortisation expense | 906 | 486 |
| Impairment of security receipts | 4,12,194 | 6,34,943 |
| Management fee written off | 1,795 | 1,436 |
| Reversal of expenses incurred on behalf of trusts | 70,062 | 1,33,660 |
| Interest on income tax and other taxes | - | 29 |
| Interest income on fixed deposits | (3,809) | (4,508) |
| Lease equalization reserve | (238) | 32 |
| Operating profit before working capital changes | 4,94,289 | 9,08,231 |
| Adjustments for: | | |
| (Increase) in loans and advances and other assets | 8,683 | (1,57,016) |
| Decrease in trade receivables | 2,585 | (5,078) |
| Increase / (decrease) in trade payables and other liabilities | (96,678) | (1,85,687) |
| Cash generated from operations | 4,08,879 | 5,60,450 |
| Income taxes paid (net of refunds) | - | (42,107) |
| Net cash generated from operating activities | 4,08,879 | 5,18,343 |
| B. Cash flow from investing activities : | | |
| Purchase of property, plant and equipment and intangible | (7,775) | (489) |
| Interest received | 3,460 | 9,184 |
| Investment in security receipts and initial trust fund | (4,60,103) | (7,93,289) |
| Proceed from redemption of security receipts | 2,79,322 | 9,87,613 |
| Movement in fixed deposit | 3,425 | 1,200 |
| Net cash (used in) / generated from investing activities | (1,81,671) | 2,04,219 |
| C. Cash flow from financing activities : | | |
| Repayment of short-term borrowings (net) | - | (2,78,370) |
| Repayment of long-term borrowings | (32,500) | (7,38,375) |
| Proceed from long-term borrowings | 65,000 | 2,52,500 |
| Payment of dividend on preference shares | (3) | (3) |
| Proceed from Share Application money | 1,00,709 | 70,001 |
| Net cash generated from / (used in) financing activities | 1,33,206 | (6,94,247) |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | 3,60,415 | 28,315 |
| Cash and cash equivalents as at beginning of the year | 29,073 | 759 |
| Cash and cash equivalents as at end of the year | 3,89,488 | 29,073 |
| Notes : | | |
| 1. Cash and cash equivalents consists of : (refer note 18) | | |
| i) Cash in hand | 6 | 13 |
| ii) Bank Overdraft and current accounts | 2,47,558 | 29,060 |
| iii) Fixed deposits | 1,41,925 | - |
| | 3,89,489 | 29,073 |

2. The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 (AS-3) on "Cash flow statements" as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

This is the Cash Flow Statement referred to in our report of even date.

For **Ray & Ray**
Chartered Accountants
Firm's Registration No.: 301072E

Anil P. Verma
Partner
Membership No.: 090408

Place : New Delhi
Date : 20 August 2025

For and on behalf of the Board of Directors of
Alchemist Asset Reconstruction Company Limited

Pawan Kumar Agrawal
Director
DIN No.'02979030

Meenakshi Sharma
President &
Chief Financial Officer

Place : New Delhi
Date : 20 August 2025

Rajeev Rajinder Chhabra
Managing Director & Chief Executive Officer
DIN No. 06628421

Priyanka Munjal
Company Secretary &
Chief Compliance officer

Alchemist Asset Reconstruction Company Limited

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES

TO THE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED 31 MARCH 2025

(ALL AMOUNT IN INR, UNLESS OTHERWISE STATED)

1. Nature of operations

Alchemist Asset Reconstruction Company Limited is registered with the Reserve Bank of India ("RBI") as a securitisation company and reconstruction company under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. The Company was incorporated on 19 September 2002 and has received a certificate of registration from the RBI on 15 March 2007. The Company received the certificate to commence / carry on the business of reconstruction and securitisation of financial assets on 18 June 2007. Pursuant to change in name of the Company, the RBI has issued fresh certificate of registration dated 16 December 2009.

2. (A) Basis of preparation

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") which includes mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, (as amended) the provisions of the Act and the relevant RBI Guidelines circulars/ notifications issued from time to time. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies applied by the Company are consistent with those used in the previous year as modified in terms of RBI guidelines / circulars and notifications issued from time to time.

(B) Significant accounting policies

a) Use of estimates

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

b) Property, plant and equipment and Intangible assets

Property, plant and equipment (PPE)

PPE are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price and any other directly attributable costs of bringing the asset to its working condition for its intended use.

Intangible assets

Intangible assets include computer software, which are acquired, capitalized and amortized on a straight-line basis over the estimated useful life of Six years.

Depreciation

The company depreciates property, plant and equipment over the estimated useful lives using the written down value method from the date, the assets are available for use as per the revised Schedule-II of the Act after keeping residual value of the asset of not more than 5%.

PPE and intangible assets costing Rs 5,000 or less individually are fully depreciated / amortized in the year of purchase.

Impairment

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

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

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

c) Leases

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

d) Investments

Investment in security receipts are classified as current assets, as it is available for sale, realizable, liquid, transferable. The classification of such investments considers the realization period prescribed under the guidelines issued by the Reserve Bank of India, as well as the resolution plan formulated by the management.

Investments that are realizable, liquid, transferable are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried at lower of cost or net asset value (NAV) determined on an individual investment basis. The NAV of investments in security receipts classified as current investments is determined based on the recovery ratings given by an independent rating agency. Recovery ratings are given for each individual security receipts and indicate a range of possible recovery for the security receipt. The NAV is based on management's estimate of most likely recovery outcome from the range given.

Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

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

e) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, subject to RBI guidelines/ circular/ notifications issued from time to time.

The Security receipts (Srs), trustee/management fee and expenses written off in the earlier year's in compliance of Reserve Bank of India guidelines for SC/RC are recognized as income in the year of recovery received.

Sale of secured / financial asset

Revenue from sale of secured / financial asset and gain on security receipts is recorded in accordance with the arrangements/sale deed entered into with the parties to whom such secured/financial assets are sold and distribution letter received from the trusts on an accrual basis.

Interest income

Interest income is recorded on a time proportion accrual basis, however, interest on advances given to Trust is booked on the said advances at the time of recovery appropriation.

Trusteeship fees/ management incentive

Trusteeship fees are recognized as per the provisions of the relevant Trust deed / offer document on accrual basis. Trusteeship fees have been calculated and charged as a percentage of Net Asset Value (NAV) of the Srs.

Income from sale bid documents

Income from sale of bid documents is recognized when it is reliably measurable and there exist no uncertainty about its collectivity.

Yield and upside income

Yield on SRs is recognized only after the full redemption of the entire principal amount of Security receipts. Also, upside income is recognized only after full redemption of Srs.

Reversal of management fee, expenses and advances recoverable from Trusts

The management fee recognized during the planning period (not exceeding six months) of not realized within 180 days of the planning period, is reversed thereafter. Further, any unrealized management fee is reversed, if before the prescribed time for realization, NAV of the SRs fall below 50% of face value.

Expenses incurred at pre-acquisition stage for performing due diligence etc. is reversed immediately by recognizing the same in the statement of profit and loss for the period in which such costs are incurred. Expenses incurred after acquisition of assets on the formation of the Trusts, stamp duty, registration, etc. which are recoverable from Trusts, are reversed, if these expenses are not realized with 180 days from the planning period or downgrading of SRs i.e. NAV is less than 50% of face of SRs, whichever is earlier.

Write off of Security Receipts

Pursuant to the RBI's master directions, "the date of redemption of underlying Security Receipts (SRs) and the total period for realization must not exceed eight years from the date the financial asset was first acquired by ARC." Consequently, after eight years from the commencement of the Resolution Period, any investment held by AARC in SRs is written off in the books of the AARC, with appropriate accounting entries made in accordance with applicable accounting standards.

If the Board of Directors does not extend the Resolution Period beyond five years, the investment in such SRs is written off in the books of the AARC upon the expiry of the fifth year. Also, in cases where the acquisition is made from other ARCs and the first ARC has already completed a Resolution Period of eight years, the investment is immediately written off in the books of AARC on the date of acquisition.

Additionally, if all underlying security interests (mortgaged / hypothecated / pledged) related to a financial asset are realized before the expiration of the resolution period, the AARC writes off any remaining unredeemed investment in the security receipts issued for that asset with the approval of the Board.

f) Borrowing Cost

Borrowing costs are interest incurred in connection with the borrowing of funds. Other borrowing costs are recognized as an expense in the period in which they are incurred.

g) Taxation

Income tax comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Deferred tax assets reflect the impact of timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income statement in the period of enactment of the change. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situation where the Company has unabsorbed depreciation and carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each balance sheet date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

h) Cash and cash equivalents

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

i) Employee benefits

Salaries, bonuses and paid annual leave are accrued in the year in which the associated services are rendered by employees of the Company. The Company also provides benefit of compensated absences under which un-availed leaves are allowed to be accumulated and can be availed in future. The Company has gratuity as a post-employment benefit plans in operation.

(a) Gratuity

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

(b) Compensated absences

The Company also provides benefit of compensated absences to its employees which are in the nature of other long term benefit plan. The compensated absences comprise of vesting as well as non-vesting benefit. Liability in respect of compensated absences becoming due and expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefits expected to be availed by the employees. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the Statement of Profit and Loss in the year in which such gains or losses arise.

j) Provisions and contingencies

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources. Disclosure is also made in respect of a present obligation that probably requires an outflow of resources, where it is not possible to make a reliable estimate of the related outflow. Where there is a

present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

k) Earnings per equity share

Basic earnings per equity share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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



Alchemist Asset Reconstruction Company Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY
INFORMATION FOR THE YEAR ENDED 31 MARCH 2025
(ALL AMOUNT IN ₹000, UNLESS OTHERWISE STATED)

3. Share capital

| | As at 31 March 2025 | As at 31 March 2024 |
|------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Authorized capital | | |
| 4,00,00,000 (previous year: 4,00,00,000) equity shares of ₹ 10 each | 4,00,000 | 4,00,000 |
| 35,00,000 (previous year: 35,00,000) compulsorily convertible preference shares of ₹ 10 each | 35,000 | 35,000 |
| | 4,35,000 | 4,35,000 |
| Issued, subscribed and paid-up capital | | |
| 3,36,27,906 (previous year: 3,02,12,550) equity shares of ₹ 10 each fully paid up | 3,36,279 | 3,02,126 |
| 34,50,000 (previous year: 34,50,000) compulsorily convertible preference shares of ₹ 10 each fully paid up | 34,500 | 34,500 |
| | 3,70,779 | 3,36,626 |

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the year.

| Equity Shares | As at 31 March 2025 | | As at 31 March 2024 | |
|------------------------------------------|---------------------|-----------------|---------------------|-----------------|
| | No. of shares | Amount | No. of shares | Amount |
| Balance at the beginning of the year | 3,02,12,550 | 3,02,126 | 2,90,65,000 | 2,90,650 |
| Add: Right shares issued during the year | 20,14,180 | 20,141 | 11,47,550 | 11,476 |
| Add: Bonus shares issued during the year | 14,01,176 | 14,012 | - | - |
| Balance at the end of the year | 3,36,27,906 | 3,36,279 | 3,02,12,550 | 3,02,126 |

Right issue:-

During the year, the Company issued 20,14,180 equity shares of Rs. 10 each at a price of Rs. 50 per share (including a premium of Rs. 40 per share) to the existing shareholders on rights basis. The rights issue opened on 23.09.2024 for Share application Money and closed on 04.10.2024. The shares were allotted on 05.10.2024 and further the first, second and final call money was called between 07.10.2024 and 14.10.2024 and appropriated on 15.10.2024, resulting in an increase in the paid-up share capital from ₹ 30,21,25,500 to ₹32,22,67,300. The total amount raised was ₹ 10,07,09,000/- inclusive of Securities premium of Rs. 8,05,67,200. The proceeds were not utilised till end of March 2025 and lying in the form of fixed deposits. The rights issue was undertaken in compliance with Section 62(1)(a) of the Companies Act, 2013.

Bonus issue:-

During the year, the Company issued 14,01,176 equity shares of Rs. 10 each as fully paid-up bonus shares to the existing shareholders in the ratio of 1:23 (fraction rounded off as one), by capitalization of a sum of ₹1,40,11,760; comprising of ₹1,40,00,000 standing to the credit of Capital Redemption Reserve and balance ₹11,760 from Securities Premium Account and allotted in the Board Meeting held on 30.01.2025. The bonus shares rank pari passu in all respects with the existing equity shares of the Company.

| Preference Shares | As at 31 March 2025 | | As at 31 March 2024 | |
|---------------------------------------|---------------------|---------------|---------------------|---------------|
| | Number of shares | Amount | Number of shares | Amount |
| Balance at the beginning of the year | 34,50,000 | 34,500 | 34,50,000 | 34,500 |
| Issued during the year | - | - | - | - |
| Balance at the end of the year | 34,50,000 | 34,500 | 34,50,000 | 34,500 |

b. Terms/ rights attached to equity shares

The Company has two classes of shares namely, equity shares and compulsorily convertible preference shares (CCPS) having a par value of ₹10 per share. The rights, powers and preferences relating to each class of share capital and the qualifications, limitations and restrictions thereof are as follows:

Equity shares:-

Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company. 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.

Preference shares:-

The preference shares have voting rights on an as-converted basis. Each holder of the preference shares is entitled to a non-cumulative preferred annual per share dividend equal to 0.01%, which shall be payable when declared by the Company. The dividend payable on preference shares shall be non-cumulative and payable prior to payment of any dividend on the equity shares of the Company. Preference shares holders have rights of voluntary conversion of preference shares into equity shares after 5 (26.01.2025) years which may be extendable for further 3 years by mutual consent, which has been mutually extended by a period of 1 (one) year, and, while the terms of CCPS are to remain unchanged.

The number of equity shares to be issued upon conversion will be arrived at by dividing the aggregate face value of all of the CCPS with the higher of:

(a) 2x of the book value of each equity share as on the conversion date, or

(b) the fair market value of each equity share as on the conversion date determined by an independent valuer calculated as per applicable laws. The conversion price shall not be less than the fair price value of each equity share on the record date.

c. The Company does not have a holding company or ultimate holding company, and no shares are held by any holding company, ultimate holding company, or their subsidiaries or associates.

d. Aggregate number and classes of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares for the period of 5 years immediately preceding the Balance Sheet date.

| Particulars- Aggregate number of shares | As at 31 March 2025 | As at 31 March 2024 |
|-----------------------------------------|---------------------|---------------------|
| Equity shares with voting rights:- | | |
| Fully paid up by way of bonus shares | 14,01,176 | - |

e. Details of shareholders holding more than 5% equity shares of the Company

Name of shareholders

| Equity shares | As at 31 March 2025 | | As at 31 March 2024 | |
|---------------------------------|---------------------|-----------|---------------------|-----------|
| | Number of shares | % Holding | Number of shares | % Holding |
| Alok Dhir | 78,49,566 | 23.34% | 77,52,500 | 25.66% |
| DMI Finance Private Limited | 36,31,305 | 10.80% | 34,80,000 | 11.52% |
| Srishti Dhir | - | - | 28,42,100 | 9.41% |
| Cygnat Projects Private Ltd | 30,26,087 | 9.00% | 28,10,000 | 9.30% |
| Shiva Consultants Private Ltd. | 26,25,340 | 7.81% | 19,20,950 | 6.36% |
| Triton Projects Pvt. Ltd | 22,43,479 | 6.67% | - | - |
| Dhir Hotels & Resorts Pvt. Ltd. | 18,56,535 | 5.52% | - | - |
| Preference shares | | | | |
| DMI Capital Private Limited | 34,50,000 | 100.00% | 34,50,000 | 100.00% |

Alchemist Asset Reconstruction Company Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2025
(ALL AMOUNT IN ₹000, UNLESS OTHERWISE STATED)

f. Details of Shareholding of Promoter/ Sponsor

| Shares held by Promoter/ Sponsor at the end of the year | As at March 31, 2025 | | % Change during the year |
|---------------------------------------------------------|-------------------------|-------------------|-----------------------------|
| | Number of shares | % of total shares | |
| Promoter / Sponsor | | | |
| Alok Dhir | 78,49,566 | 23.34% | -2.32% |
| DMI Finance Private Limited | 36,31,305 | 10.80% | -0.72% |

| Shares held by Promoter/ Sponsor at the end of the year | As at March 31, 2024 | | % Change during the year |
|---------------------------------------------------------|-------------------------|-------------------|-----------------------------|
| | Number of shares | % of total shares | |
| Promoter / Sponsor | | | |
| Alok Dhir | 7,752,500 | 25.66% | -1.01% |
| DMI Finance Private Limited | 3,480,000 | 11.52% | -0.45% |

4. Reserves and surplus

| | As at 31 March 2025 | As at 31 March 2024 |
|-------------------------------------------------------------------|------------------------|------------------------|
| A. Capital redemption reserve | | |
| Opening balance | - | - |
| Add: Transferred from surplus in the statement of profit and loss | 14,000 | - |
| Less: Transferred to bonus share | 14,000 | - |
| Closing balance | - | - |
| B. Securities premium | | |
| Opening balance | 7,72,224 | 7,13,700 |
| Add: Received during the year | 80,567 | 58,524 |
| Less: Utilised for issue of bonus shares | 12 | - |
| Closing balance | 8,52,779 | 7,72,224 |
| C. Surplus in the statement of profit and loss | | |
| Opening balance | 8,85,685 | 7,65,929 |
| Add: Transferred from capital redemption reserve | - | 14,000 |
| Add: Profit for the year | 4,470 | 1,05,759 |
| Less: Dividend on preference shares | 3 | 3 |
| Less: Capital redemption reserve transferred to bonus share | 14,000 | - |
| Closing balance | 8,76,152 | 8,85,685 |
| Total reserves and surplus (A+B+C) | 17,28,931 | 16,57,909 |

5. Long-term borrowings

| | As at 31 March 2025 | As at 31 March 2024 |
|--------------------------------------|------------------------|------------------------|
| Secured | | |
| Term loan from bank (refer note 5.1) | 40,625 | 73,125 |
| | 40,625 | 73,125 |

5.1- The term loan carries an interest rate of 1 year MCLR +2.95% p.a. and is secured by way of an exclusive charge over the security receipts (only those which are rated as RR1) of the company to the extent of 1.35 times of the credit limit. The term loan is repayable in 16 quarterly installments of ₹81,25,000/- per quarter beginning from September 2023 and ending in June 2027. The loan is additionally secured by way of equitable mortgage of certain commercial and residential property owned by Mr. Alok Dhir.

Alchemist Asset Reconstruction Company Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2025

(ALL AMOUNT IN ₹000 ,UNLESS OTHERWISE STATED)

6. Other long-term liabilities

| | As at 31 March 2025 | As at 31 March 2024 |
|----------------------------|------------------------|------------------------|
| Lease equalization reserve | 2,403 | 2,641 |
| | 2,403 | 2,641 |

7. Long-term provisions

| | As at 31 March 2025 | As at 31 March 2024 |
|-------------------------------------------------|------------------------|------------------------|
| Provision for employee benefits (refer note 33) | | |
| Compensated absences | 2,545 | 2,223 |
| Provision for Gratuity | 40 | - |
| | 2,585 | 2,223 |

8. Short-term borrowings

| | As at 31 March 2025 | As at 31 March 2024 |
|------------------------------------------------------------|------------------------|------------------------|
| Unsecured | | |
| Inter corporate loan from body corporates (refer note 8.1) | 65,000 | - |
| Secured | | |
| Current maturity of term loan (refer note 5.1) | 32,500 | 32,500 |
| | 97,500 | 32,500 |

8.1- The inter corporate loans are unsecured carrying an interest rate of 11% per annum.



Alchemist Asset Reconstruction Company Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2025
(ALL AMOUNT IN ₹000, UNLESS OTHERWISE STATED)

9. Trade payables

| | As at 31 March 2025 | As at 31 March 2024 |
|--------------------------------------------------------------------------|------------------------|------------------------|
| Outstanding dues of micro and small enterprise (refer note 32) | 27 | - |
| Outstanding dues of Trade Payables other than micro and small enterprise | 426 | 70 |
| | 453 | 70 |

| As on March 31, 2025 | Not Due | Outstanding for following periods from due date of payment | | | | Total |
|----------------------------|------------|------------------------------------------------------------|-----------|-----------|-------------------|------------|
| Particulars | | Less Than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (a) MSME Dues | 27 | - | - | - | - | 27 |
| (b) Others Dues | 426 | - | - | - | - | 426 |
| (c) Disputed Dues - MSME | - | - | - | - | - | - |
| (d) Disputer Dues - Others | - | - | - | - | - | - |
| Total | 453 | - | - | - | - | 453 |
| | - | - | - | - | - | - |
| Not due | - | - | - | - | - | - |
| Unbilled Dues | - | - | - | - | - | - |
| | | | | | | |
| As on March 31, 2024 | Not Due | Outstanding for following periods from due date of payment | | | | Total |
| Particulars | | Less Than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (a) MSME | - | - | - | - | - | - |
| (b) Others | 70 | - | - | - | - | 70 |
| (c) Disputed Dues - MSME | - | - | - | - | - | - |
| (d) Disputed Dues - Others | - | - | - | - | - | - |
| Total | 70 | - | - | - | - | 70 |
| | - | - | - | - | - | - |
| Not due | - | - | - | - | - | - |
| Unbilled Dues | - | - | - | - | - | - |

10. Other current liabilities

| | As at 31 March 2025 | As at 31 March 2024 |
|--------------------------------------------|------------------------|------------------------|
| Statutory dues | 10,416 | 56,234 |
| Employees related payables | 2,486 | 2,589 |
| Interest accrued but not due on borrowings | 219 | 248 |
| Other payables | 931 | 1,529 |
| Earnest money - IBC Cases | 46,719 | 97,719 |
| | 60,771 | 158,319 |

11. Short-term provisions (refer note 33)

| | As at 31 March 2025 | As at 31 March 2024 |
|-----------------------------------------|------------------------|------------------------|
| Provisions for employee benefits | | |
| Compensated absences | 1,093 | 969 |
| | 1,093 | 969 |

Alchemist Asset Reconstruction Company Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY
INFORMATION FOR THE YEAR ENDED 31 MARCH 2025
(ALL AMOUNT IN ₹000, UNLESS OTHERWISE STATED)

12A. Property, plant and equipment

| Particular | Office Equipment | Computers | Furniture and fixtures | Total |
|------------------------------------|------------------|-----------|------------------------|-------|
| Gross block | | | | |
| Balance as at 1 April 2023 | 4,221 | 2,323 | 865 | 7,409 |
| Additions | - | 489 | - | 489 |
| Sale / discard during the year | - | - | - | - |
| Balance as at 31 March 2024 | 4,221 | 2,812 | 865 | 7,898 |
| Additions | 25 | 257 | - | 282 |
| Sale / discard during the year | - | - | - | - |
| Balance as at 31 March 2025 | 4,246 | 3,069 | 865 | 8,180 |
| Accumulated depreciation | | | | |
| Balance as at 31 March 2023 | 3,928 | 1,892 | 674 | 6,494 |
| Charge for the year | 86 | 350 | 49 | 486 |
| Sale / discard during the year | - | - | - | - |
| Balance as at 31 March 2024 | 4,014 | 2,242 | 723 | 6,980 |
| Charge for the year | 4 | 291 | 34 | 329 |
| Sale / discard during the year | - | - | - | - |
| Balance as at 31 March 2025 | 4,019 | 2,533 | 757 | 7,309 |
| Net block | | | | |
| Balance as at 31 March 2024 | 207 | 570 | 142 | 917 |
| Balance as at 31 March 2025 | 227 | 536 | 108 | 870 |

12B. Intangible assets

| Particulars | Software | Total |
|------------------------------------|----------|-------|
| Gross block | | |
| Balance as at 1 April 2023 | 253 | 253 |
| Additions during the year | - | - |
| Balance as at 31 March 2024 | 253 | 253 |
| Additions during the year | 7,493 | 7,493 |
| Balance as at 31 March 2025 | 7,745 | 7,745 |
| Accumulated amortisation | | |
| Balance as at 31 March 2023 | 253 | 253 |
| Charge for the year | - | - |
| Balance as at 31 March 2024 | 253 | 253 |
| Charge for the year | 576 | 576 |
| Balance as at 31 March 2025 | 829 | 829 |
| Net block | | |
| Balance as at 31 March 2024 | - | - |
| Balance as at 31 March 2025 | 6,916 | 6,916 |

Alchemist Asset Reconstruction Company Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2025

(ALL AMOUNT IN ₹000, UNLESS OTHERWISE STATED)

13. Non-current investments

| | As at 31 March 2025 | As at 31 March 2024 |
|-------------------------------------------------|------------------------|------------------------|
| Valued at cost unless otherwise stated | | |
| (A) Investment in others | | |
| i) Contribution in trust fund | | |
| Initial contribution towards trust fund | 44 | 44 |
| Total (A) | 44 | 44 |
| (B) In Security Receipts (SRs) of Trusts | 40,953 | 84,473 |
| Less: Impairment of SRs | 40,953 | 84,473 |
| | - | - |
| (C) In Security Receipts (SRs) of Trusts | 6,35,071 | 3,89,877 |
| Less: Loss on SRs | 6,35,071 | 3,89,877 |
| | - | - |
| Total (A+B+C) | 44 | 44 |
| Aggregate value of unquoted investments | 44 | 44 |

14. Deferred tax assets (net)

| | As at 31 March 2025 | As at 31 March 2024 |
|---------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Deferred tax assets | | |
| Difference in written down value of property, plant & equipment and intangible assets as per the Companies Act, 2013 and the Income-tax Act, 1961 | - | 357 |
| Provision for impairment in value of investments | 12,824 | 21,260 |
| Provision for employee benefits | 936 | 803 |
| | 13,760 | 22,420 |
| Deferred tax Liability | | |
| Difference in written down value of property, plant & equipment and intangible assets as per the Companies Act, 2013 and the Income-tax Act, 1961 | (249) | - |
| | (249) | - |
| | 13,511 | 22,420 |

15. Other Non-Current Assets

| | As at 31 March 2025 | As at 31 March 2024 |
|-------------------------------------|------------------------|------------------------|
| (Unsecured, considered good) | | |
| Security Deposits | 2,260 | 2,110 |
| Considered doubtful | | |
| Earnest money deposit | 10,000 | - |
| Less: Provision | 10,000 | - |
| | 2,260 | 2,110 |

Alchemist Asset Reconstruction Company Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY
INFORMATION FOR THE YEAR ENDED 31 MARCH 2025
(ALL AMOUNT IN ₹000, UNLESS OTHERWISE STATED)

16. Current investments

| | Units as at 31 March 2025 | Units as at 31 March 2024 | As at 31 March 2025 | As at 31 March 2024 |
|-------------------------------------------------------------|------------------------------|---------------------------------|------------------------|------------------------|
| Valuation as per accounting policies no 2 (d) | | | | |
| (A) Investment in others | | | | |
| a) In security receipts of Trusts | | | | |
| ALCHEMIST IV TRUST | - | 4,200 | - | 4,200 |
| ALCHEMIST V TRUST | 60,000 | 60,000 | 43,469 | 52,802 |
| ALCHEMIST VII TRUST | - | 51,000 | - | 45,214 |
| ALCHEMIST X TRUST | - | 6,075 | - | 1,043 |
| ALCHEMIST XI TRUST | 1,91,220 | 1,91,220 | 1,91,220 | 1,91,220 |
| ALCHEMIST XII TRUST | 4,08,396 | 4,13,396 | 2,22,556 | 2,33,166 |
| ALCHEMIST XIII TRUST | 17,060 | 17,060 | 17,060 | 17,060 |
| ALCHEMIST XV TRUST | - | 34,428 | - | 29,610 |
| ALCHEMIST XVI TRUST | 5,29,508 | 5,29,508 | 2,31,598 | 2,56,174 |
| ALCHEMIST XVIII TRUST | 11,312 | 63,812 | 11,312 | 64,312 |
| ALCHEMIST XIX TRUST | 12,200 | 19,790 | 10,728 | 16,047 |
| ALCHEMIST XXI TRUST | 2,53,600 | 2,53,600 | 1,61,603 | 1,61,603 |
| ALCHEMIST XXII TRUST | 13,500 | 13,500 | 1,048 | 2,758 |
| ALCHEMIST XXIV TRUST | - | 13,200 | - | 12,942 |
| ALCHEMIST XXVI TRUST | 60,500 | - | 60,500 | - |
| ALCHEMIST XXVII TRUST | 8,250 | 8,250 | 7,047 | 7,047 |
| ALCHEMIST XXIX TRUST | - | 70,220 | - | 70,220 |
| ALCHEMIST XXX TRUST | - | 75,945 | - | 71,271 |
| ALCHEMIST XXXII TRUST | - | 19,500 | - | 19,075 |
| ALCHEMIST XXXIII TRUST | 32,500 | 32,500 | 10,810 | 10,810 |
| ALCHEMIST XXXIV TRUST | 1,95,000 | 1,95,000 | 47,483 | 92,622 |
| ALCHEMIST XXXV TRUST | 42,525 | 42,525 | 41,353 | 41,353 |
| ALCHEMIST XXXVI TRUST | 3,42,800 | 3,42,800 | 1,17,412 | 1,38,830 |
| ALCHEMIST XXXVIII TRUST | 96,000 | 96,000 | 96,000 | 96,000 |
| ALCHEMIST XXXIX TRUST | 54,300 | 1,70,550 | 54,300 | 1,70,550 |
| ALCHEMIST XL TRUST | 1,80,000 | 1,80,000 | 1,80,000 | 1,80,000 |
| ALCHEMIST XLI TRUST | 1,25,312 | - | 1,25,312 | - |
| ALCHEMIST XLII TRUST | 98,600 | 60,000 | 84,730 | 56,430 |
| ALCHEMIST XLIII TRUST | 12,063 | - | 12,063 | - |
| ALCHEMIST XLIV TRUST | 37,000 | 37,000 | 33,611 | 37,000 |
| ALCHEMIST XLV TRUST | 61,000 | - | 61,000 | - |
| Total | | | 18,22,215 | 20,79,357 |
| Less : Provision for diminution in the value of investments | | | 40,953 | 66,679 |
| Aggregate value of unquoted investments | | | 17,81,262 | 20,12,678 |

Alchemist Asset Reconstruction Company Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2025
(ALL AMOUNT IN ₹000, UNLESS OTHERWISE STATED)

17. Trade receivables (Secured, considered good unless otherwise stated)

| | As at 31 March 2025 | As at 31 March 2024 |
|--------------------------------------------------------------------------------------|------------------------|------------------------|
| Outstanding for a period exceeding six months from the date they are due for payment | - | - |
| | - | - |
| Other receivables | 1,544 | 5,924 |
| | 1,544 | 5,924 |
| | 1,544 | 5,924 |

| As at March 31, 2025 | Outstanding for following periods from due date of payment | | | | | | Total |
|--------------------------------------------------------|------------------------------------------------------------|--------------------|--------------------|-----------|-----------|-------------------|--------------|
| Particulars | Not Due | Less Than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (a) Undisputed Trade receivables – considered good | | 1,544 | - | - | - | - | 1,544 |
| (b) Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - | - |
| (c) Disputed Trade Receivables – considered good | - | - | - | - | - | - | - |
| (d) Disputed Trade Receivables – considered doubtful | - | - | - | - | - | - | - |
| Total | - | 1,544 | - | - | - | - | 1,544 |
| Unbilled Dues | - | - | - | - | - | - | - |
| | | | | | | | |
| | | | | | | | |
| As at March 31, 2024 | Outstanding for following periods from due date of payment | | | | | | Total |
| Particulars | Not Due | Less Than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (a) Undisputed Trade receivables – considered good | | 5,924 | - | - | - | - | 5,924 |
| (b) Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - | - |
| (c) Disputed Trade Receivables – considered good | - | - | - | - | - | - | - |
| (d) Disputed Trade Receivables – considered doubtful | - | - | - | - | - | - | - |
| Total | - | 5,924 | - | - | - | - | 5,924 |
| Unbilled Dues | - | - | - | - | - | - | - |
| | | | | | | | |

Alchemist Asset Reconstruction Company Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2025
(ALL AMOUNT IN ₹000, UNLESS OTHERWISE STATED)

18. Cash and bank balances

| | As at 31 March 2025 | As at 31 March 2024 |
|-----------------------------------------------------------------------------------------|------------------------|------------------------|
| Cash and cash equivalents | | |
| Cash in hand | 6 | 13 |
| Balances with banks : | - | - |
| -Current accounts | 55 | 778 |
| -Bank Overdraft | 2,47,503 | 28,282 |
| Fixed deposits with original maturity up to three months | 1,41,925 | - |
| | 3,89,489 | 29,073 |
| Other bank balances | | |
| Fixed deposits with original maturity of more than three months but less than 12 months | - | 3,425 |
| | 3,89,489 | 32,498 |

19. Short-term loans and advances

| | As at 31 March 2025 | As at 31 March 2024 |
|-------------------------------------------------------------|------------------------|------------------------|
| (Unsecured, considered good unless otherwise stated) | | |
| Prepaid expenses | 870 | 670 |
| Recoverable from trusts | | |
| on account of advances for miscellaneous expense | - | 7 |
| on account of advances given | - | 310 |
| Earnest money deposit | - | 10,100 |
| Interim finance to Resolution Professional | 68,648 | 40,918 |
| Other advances | 20 | 6,222 |
| Balance with government authorities | 37,381 | 1,27,587 |
| | 1,06,919 | 1,85,814 |

20. Other current assets

| Accrued interest on fixed deposit | 2,325 | 1,976 |
|-----------------------------------|--------------|--------------|
| | | |
| | 2,325 | 1,976 |

21. Revenue from Operations

| | For the year ended 31 March 2025 | For the year ended 31 March 2024 |
|--------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Recovery incentive fees | 4,794 | 4,87,084 |
| Trustee/ management fees | 1,53,862 | 3,48,732 |
| Profit on redemption of security receipts/resolution of financial assets/Sale of SRs | 2,81,511 | 1,70,065 |
| Other operating revenues | | |
| Income from earlier years reversal of security receipts /expenses | 77,701 | 13,390 |
| Interest on advances | 10,497 | 5,796 |
| | 5,28,365 | 10,25,068 |

Alchemist Asset Reconstruction Company Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2025

(ALL AMOUNT IN ₹000, UNLESS OTHERWISE STATED)

22. Other income

| | For the year ended 31 March 2025 | For the year ended 31 March 2024 |
|------------------------------------------|-------------------------------------|-------------------------------------|
| Interest income | | |
| On deposits with banks | 3,809 | 4,508 |
| Miscellaneous income | | |
| Interest on Income tax refund | 4,631 | - |
| Security receipts (SRs) provision w/back | 66,679 | - |
| Other Miscellaneous | - | 13 |
| | 75,119 | 4,521 |

23. Employee benefits expense

| | For the year ended 31 March 2025 | For the year ended 31 March 2024 |
|-------------------------------------------|-------------------------------------|-------------------------------------|
| Salaries, wages and bonus | 41,623 | 41,959 |
| Contribution to provident and other funds | 433 | 419 |
| Staff welfare expenses | 463 | 222 |
| | 42,519 | 42,599 |

24. Finance costs

| | For the year ended 31 March 2025 | For the year ended 31 March 2024 |
|-----------------------|-------------------------------------|-------------------------------------|
| Interest on | | |
| Overdraft | 2,258 | 5,811 |
| Inter corporate loans | 59 | 19,709 |
| Term loan | 10,348 | 7,136 |
| Others | 23 | 29 |
| Other borrowing costs | 530 | 1,546 |
| | 13,218 | 34,232 |



Alchemist Asset Reconstruction Company Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY
INFORMATION FOR THE YEAR ENDED 31 MARCH 2025
(ALL AMOUNT IN ₹000, UNLESS OTHERWISE STATED)

25. Other expenses

| | For the year ended 31 March 2025 | For the year ended 31 March 2024 |
|---------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Rent | 5,236 | 5,000 |
| Rates and taxes | 185 | 46 |
| Insurance charges | 694 | 633 |
| Repairs and maintenance | 3,920 | 3,595 |
| Travelling and conveyance | 1,302 | 1,679 |
| Legal and professional | 8,410 | 16,973 |
| Business promotion | 425 | 264 |
| Auditor's remuneration (refer note 25.1) | 800 | 700 |
| Loss on security receipts/Investment & Impairment loss on SRs (refer note 25.2) | 4,12,194 | 6,34,943 |
| Directors' sitting fees | 6,510 | 3,450 |
| Reversal of Management Fee | 1,795 | 1,436 |
| Reversal of expenses incurred on behalf of trusts | 70,062 | 1,33,660 |
| Outsourced manpower | 1,475 | 1,122 |
| Due diligence and acquisition expenses | 105 | 229 |
| Corporate social responsibility (CSR) expenses (refer note 29) | 3,800 | 3,172 |
| Provision for doubtful assets | 10,000 | - |
| Miscellaneous expenses | 6,549 | 3,217 |
| | 5,33,462 | 8,10,119 |

25.1 Auditor's Remuneration

| | For the year ended 31 March 2025 | For the year ended 31 March 2024 |
|-----------------|-------------------------------------|-------------------------------------|
| Statutory audit | 650 | 575 |
| Tax audit | 150 | 125 |
| | 800 | 700 |

25.2 Loss on security receipts/Investments & Impairment loss on SRs

| | | |
|---------------------------------------------------------|-----------------|----------------|
| Loss on security receipts/Investment | 3,71,241 | 613,016 |
| Impairment loss on security receipts in various Trust's | 40,953 | 21,927 |
| | 4,12,194 | 634,943 |

Alchemist Asset Reconstruction Company Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2025
(ALL AMOUNT IN ₹000, UNLESS OTHERWISE STATED)

26. Earnings per Equity Share

| | For the year ended 31 March 2025 | For the year ended 31 March 2024 |
|-------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Profit considered for computation of basic and diluted EPS | 4,470 | 1,05,759 |
| Nominal value of equity share (₹) | 10 | 10 |
| Weighted-average number of equity shares for basis earnings per share | 3,13,73,794 | 2,90,77,576 |
| Effect of dilution: | | |
| Compulsorily convertible preference shares | 2,87,500 | 2,65,385 |
| Weighted-average number of equity shares used to compute diluted earnings per share | 3,16,61,294 | 2,93,42,961 |
| Basic earnings per share (₹) | 0.14 | 3.64 |
| Diluted earnings per share (₹) | 0.14 | 3.60 |

27 Related party transaction

In accordance with the required Accounting Standard (AS-18) on related party disclosures where control exists and where transactions have taken place and description of the relationship as identified and certified by the management are as follows:

I. Names of related parties

a) Parties having significant influence over the Company:

Mr. Alok Dhir
DMI Finance Private Limited

b) Key managerial personnel of the Company

Mr. Rajeev Rajinder Chhabra -Managing Director and Chief Executive Officer (w.e.f 16.07.2025)
Mr. Satpal Kumar Arora - Managing Director and Chief Executive Officer (up to 16.11.2024)
Ms. Meenakshi Sharma - Chief Operating Officer (upto 19.02.2025)
Ms. Meenakshi Sharma -President (w.e.f 20.02.2025)
Ms. Meenakshi Sharma - Chief Financial Officer (w.e.f 20.08.2025)
Ms. Deepanshi Jain- Chief Financial Officer (w.e.f 17.02.2025 to 31.05.2025)
Mr. Manish Nihalani - Chief Operating Officer, and Chief Financial Officer (up to 30.09.2024)
Ms. Priyanka Munjal- Company Secretary and Chief Compliance officer (w.e.f 20.02.2025)

c) Enterprises over which any person described in (a) and (b) above exercise significant influence:

| Sl. No. | Name of Companies/ firms/individual | Relation |
|---------|-------------------------------------------|------------------------------------------------|
| 1 | Destinationindia Projects Pvt Ltd | Director is Director |
| 2 | Cygnat Projects Pvt. Ltd. | Director is Director |
| 3 | Shiva Consultants Pvt. Ltd. | Director is Director |
| 4 | Entry India Projects Pvt. Ltd. | Director is Director |
| 5 | Ammadoes Trading And Consultants Pvt Ltd. | Director is Director |
| 6 | Dhir Hotels And Resorts Private Limited | Director is Director |
| 7 | Cirrus Chemicals Pvt Ltd | Relative is Director |
| 8 | Triton Projects India Pvt. Ltd | Director is Director |
| 9 | Sri Parthasarathy Infrastructure Pvt. Ltd | Director is Director |
| 10 | Mr. Madhav Dhir | Relative of Director |
| 11 | Ms. Srishti Dhir | Relative of Director |
| 12 | DMI Capital Pvt Ltd | Wholly owned subsidiary of the sponsor company |

Alchemist Asset Reconstruction Company Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY

INFORMATION FOR THE YEAR ENDED 31 MARCH 2025

(ALL AMOUNT IN ₹000, UNLESS OTHERWISE STATED)

27. Related party transaction (Cont'd)

II. Transactions with related parties

| Particulars | Parties having significant influence | | Enterprises over which parties or KMP's have significant influence | | Key Managerial Personnel | | Total | |
|-----------------------------------------------------|--------------------------------------|---------------|--------------------------------------------------------------------|---------------|--------------------------|---------------|---------------|---------------|
| | 31 March 2025 | 31 March 2024 | 31 March 2025 | 31 March 2024 | 31 March 2025 | 31 March 2024 | 31 March 2025 | 31 March 2024 |
| Transactions during the year | | | | | | | | |
| Unsecured loans taken | | | | | | | | |
| Alok Dhir | - | 35,000 | - | - | - | - | - | 35,000 |
| Cygnnet Projects Pvt. Ltd. | - | - | - | 10,000 | - | - | - | 10,000 |
| Cirrus Chemicals Pvt. Ltd | - | - | - | 55,000 | - | - | - | 55,000 |
| Destinationindia Projects Pvt Ltd | - | - | - | 50,000 | - | - | - | 50,000 |
| Dhir Hotels and Resorts Pvt Ltd | - | - | - | 42,500 | - | - | - | 42,500 |
| Entry India Projects Pvt Ltd | - | - | - | 60,000 | - | - | - | 60,000 |
| Repayment of unsecured loans during the year | | | | | | | | |
| Alok Dhir | - | 35,000 | - | - | - | - | - | 35,000 |
| Ammadoes Trading & Consultants Pvt. Ltd. | - | - | - | 85,329 | - | - | - | 85,329 |
| Cirrus Chemicals Pvt. Ltd | - | - | - | 1,50,000 | - | - | - | 1,50,000 |
| Cygnnet Projects Pvt. Ltd. | - | - | - | 10,000 | - | - | - | 10,000 |
| Destinationindia Projects Pvt Ltd | - | - | - | 1,45,684 | - | - | - | 1,45,684 |
| Dhir Hotels and Resorts Pvt Ltd | - | - | - | 42,500 | - | - | - | 42,500 |
| Shiva Consultatant Pvt Ltd | - | - | - | 1,45,000 | - | - | - | 1,45,000 |
| Entry India Projects Private Limited | - | - | - | 1,51,823 | - | - | - | 1,51,823 |
| Performance Security Refunded | | | | | | | | |
| Cygnnet Projects Pvt. Ltd. | - | - | - | 1,25,000 | - | - | - | 1,25,000 |
| Destinationindia Projects Pvt Ltd | - | - | - | 55,000 | - | - | - | 55,000 |
| Entry India Projects Private Limited | - | - | - | 70,000 | - | - | - | 70,000 |
| Madhav Dhir | - | - | - | 10,000 | - | - | - | 10,000 |
| Payment of Dividend on CCPS | | | | | | | | |
| DMI Capital Pvt Ltd | - | - | 3 | 3 | - | - | 3 | 3 |
| Issue of Equity Shares | | | | | | | | |
| Shiva Consultatant Pvt Ltd | | | | | | | | |
| Equity Share Capital | - | - | 1,244 | 11,476 | - | - | 1,244 | 11,476 |
| Securities premium | - | - | 600 | 58,525 | - | - | 600 | 58,525 |
| Dhir Hotels and Resorts Pvt Ltd | | | | | | | | |
| Equity Share Capital | - | - | 9,265 | - | - | - | 9,265 | - |
| Securities premium | - | - | 33,967 | - | - | - | 33,967 | - |
| Triton Projects India Pvt. Ltd | | | | | | | | |
| Equity Share Capital | - | - | 10,935 | - | - | - | 10,935 | - |
| Securities premium | - | - | 40,000 | - | - | - | 40,000 | - |
| Alok Dhir | | | | | | | | |
| Equity Share Capital | 3,271 | - | - | - | - | - | 3,271 | - |
| Srishti Dhir | | | | | | | | |
| Equity Share Capital | 699 | - | - | - | - | - | 699 | - |
| Madhav Dhir | | | | | | | | |
| Equity Share Capital | 407 | - | - | - | - | - | 407 | - |
| Cygnnet Projects Pvt. Ltd | | | | | | | | |
| Equity Share Capital | - | - | 1,261 | - | - | - | 1,261 | - |
| Entry India Projects Private Limited | | | | | | | | |
| Equity Share Capital | - | - | 460 | - | - | - | 460 | - |
| Ammadoes Trading and Consultants Pvt. Ltd | | | | | | | | |
| Equity Share Capital | - | - | 178 | - | - | - | 178 | - |
| Sri Parthasarathy Infrastructure Pvt. Ltd | | | | | | | | |
| Equity Share Capital | - | - | 270 | - | - | - | 270 | - |
| Cirrus Chemicals Private Limited | | | | | | | | |
| Equity Share Capital | - | - | 476 | - | - | - | 476 | - |
| Interest expense on unsecured borrowings | | | | | | | | |
| Shiva Consultatant Pvt Ltd | - | - | - | 3,271 | - | - | - | 3,271 |
| Destinationindia Projects Pvt Ltd | - | - | - | 4,279 | - | - | - | 4,279 |
| Dhir Hotels and Resorts Pvt Ltd | - | - | - | 883 | - | - | - | 883 |
| Entry India Projects Private Limited | - | - | - | 2,626 | - | - | - | 2,626 |
| Cirrus Chemicals Pvt. Ltd | - | - | - | 6,257 | - | - | - | 6,257 |
| Ammadoes Trading & Consultants Pvt. Ltd. | - | - | - | 2,150 | - | - | - | 2,150 |
| Cygnnet Projects Pvt. Ltd. | - | - | - | 243 | - | - | - | 243 |
| Salary, Gratuity & Leave Encashment | | | | | | | | |
| Satpal Kumar Arora | - | - | - | - | 3,839 | 5,762 | 3,839 | 5,762 |
| Meenakshi Sharma | - | - | - | - | 4,568 | 4,298 | 4,568 | 4,298 |
| Deepanshi Jain | - | - | - | - | 175 | - | 175 | - |
| Manish Nihalani | - | - | - | - | 5,122 | 6,552 | 5,122 | 6,552 |
| Priyanka Munjal | - | - | - | - | 2,226 | 1,853 | 2,226 | 1,853 |

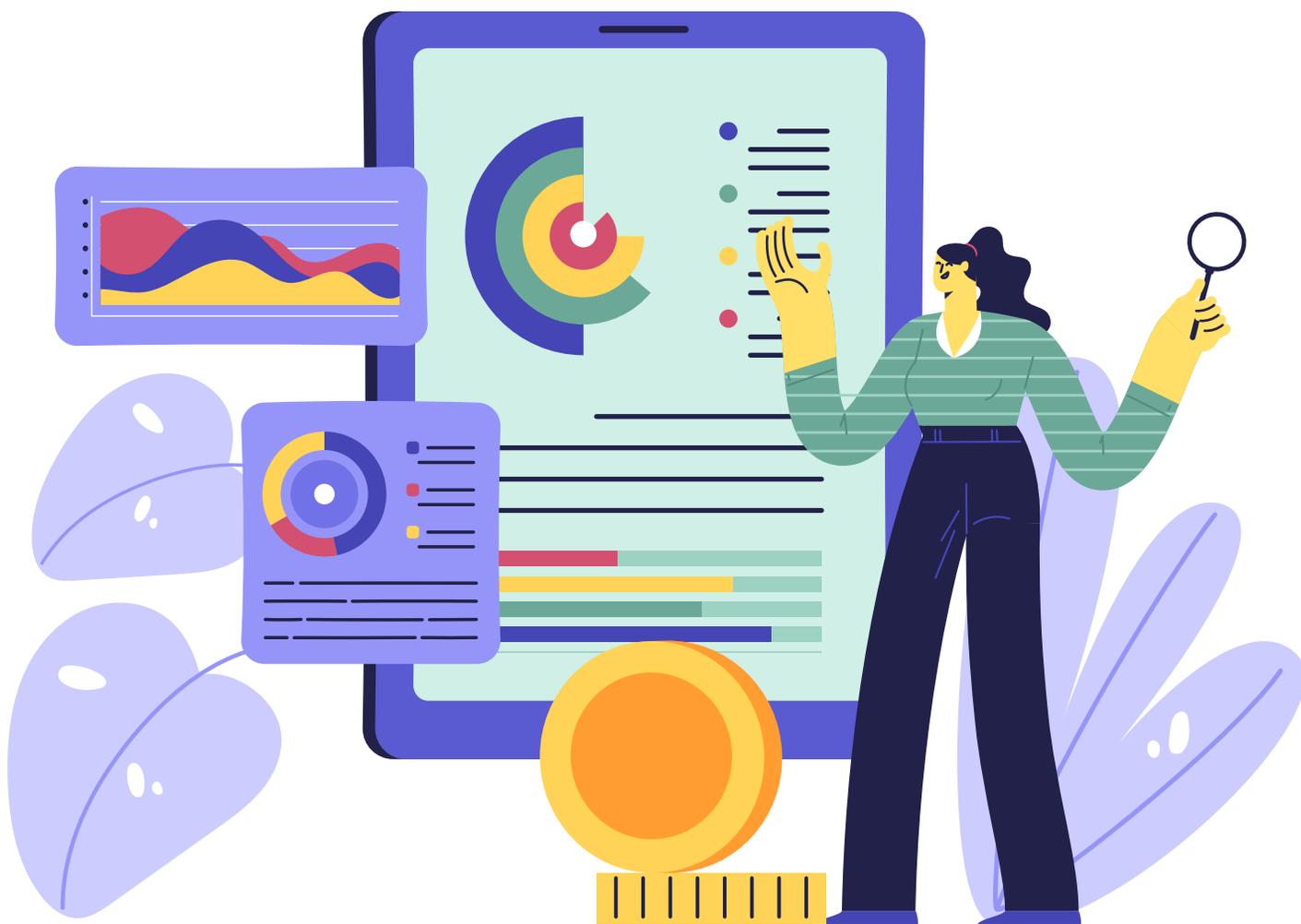
Alchemist Asset Reconstruction Company Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2025
(ALL AMOUNT IN ₹000, UNLESS OTHERWISE STATED)

27. Related party transaction (Cont'd)

| S. No. | Particulars | Parties having significant influence | | Enterprises over which parties or KMP's have significant influence | | Key Managerial Personnel | | Total | |
|--------|--------------------------------------------------------|--------------------------------------|---------------|--------------------------------------------------------------------|---------------|--------------------------|---------------|---------------|---------------|
| | | 31 March 2025 | 31 March 2024 | 31 March 2025 | 31 March 2024 | 31 March 2025 | 31 March 2024 | 31 March 2025 | 31 March 2024 |
| | Reimbursement of expenses Satpal Kumar Arora | - | - | - | - | 145 | 226 | 145 | 226 |
| | Director sitting fees Alok Dhir | 900 | 360 | - | - | - | - | 900 | 360 |

| Balance at end of the year | | | | | | | | | |
|----------------------------|--------------------|---|---|---|---|-----|-----|-----|-----|
| Salary Payable | | | | | | | | | |
| | Satpal Kumar Arora | - | - | - | - | - | 368 | - | 368 |
| | Meenakshi Sharma | - | - | - | - | 348 | 277 | 348 | 277 |
| | Deepanshi Jain | - | - | - | - | 121 | - | 121 | - |
| | Manish Nihalani | - | - | - | - | - | 337 | - | 337 |
| | Priyanka Munjal | - | - | - | - | 177 | 126 | 177 | 126 |



Alchemist Asset Reconstruction Company Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY
INFORMATION FOR THE YEAR ENDED 31 MARCH 2025
(ALL AMOUNT IN ₹000, UNLESS OTHERWISE STATED)

28. Transactions with investee trusts

a) Summary of transactions

| S. No. | Particulars | 31 March 2025 | 31 March 2024 |
|-------------------------------------|--------------------------------------------------------------------------|---------------|---------------|
| Transactions during the year | | | |
| 1 | Investment/purchase made in security receipts | 3,06,762 | 7,83,550 |
| 2 | Expenses incurred on behalf of these parties during the year | 6,649 | 889 |
| 3 | Advances given to trusts | 97,630 | 1,23,683 |
| 4 | Redemption/sale of security receipts | 3,30,374 | 9,87,613 |
| 5 | Profit on redemption of security receipt/ resolution of financial assets | 2,81,511 | 1,70,065 |
| 6 | Expenses recovered from trust during the year | 7,104 | 916 |
| 7 | Advance recovered from trust during the year | 69,906 | 49,118 |
| Income | | | |
| 1 | Trustee/ management fees | 1,48,891 | 3,48,732 |
| 2 | Recovery incentive fees | 4,794 | 4,87,084 |
| 3 | Interest on advances (Trusts) | 9,356 | 2,873 |
| 4 | Income from earlier years reversal of security receipts/expenses | 82,672 | 13,390 |
| Reversal of Expenses | | | |
| 1 | Reversal of expenses incurred on behalf of trusts | 70,062 | 1,33,660 |
| Balance at the year end | | | |
| 1 | Security receipts | 17,81,262 | 20,12,678 |
| 2 | Expenses recoverable from Trusts | - | 7 |
| 3 | Advances recoverable from Trusts | - | 310 |
| 4 | Initial contribution towards trust fund | 44 | 44 |
| 5 | Trade receivables | 1,544 | 5,924 |



Alchemist Asset Reconstruction Company Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2025
(ALL AMOUNT IN ₹000, UNLESS OTHERWISE STATED)

28. Transactions with investee trusts

b) Statement of material transactions

i) Transactions during the year

| Investment/purchase made in security receipts | 31 March 2025 | 31 March 2024 |
|---------------------------------------------------------------------------------|---------------|---------------|
| Alchemist XXXVIII Trust | - | 96,000 |
| Alchemist V Trust | - | 97,500 |
| Alchemist XXI Trust | - | 1,52,500 |
| Alchemist XXXIX Trust | - | 1,70,550 |
| Alchemist XL Trust | - | 1,80,000 |
| Alchemist XXVI Trust | 60,500 | - |
| Alchemist - XLII Trust | 46,200 | - |
| Alchemist - XLI Trust | 1,25,312 | - |
| Alchemist XLV Trust | 61,000 | - |
| Redemption/sale of security receipts | | |
| Alchemist XII Trust | - | 1,17,712 |
| Alchemist XVI Trust | - | 1,60,775 |
| Alchemist XXVIII Trust | - | 1,43,523 |
| Alchemist XXVI Trust | - | 2,32,802 |
| Alchemist XXXIX Trust | 1,16,250 | 1,63,888 |
| Alchemist XXXIV Trust | 45,139 | - |
| Profit on redemption of security receipt/ resolution of financial assets | | |
| Alchemist XV Trust | - | 87,369 |
| Alchemist - IX Trust | 86,323 | - |
| Alchemist - VIII Trust | 1,48,665 | - |
| Alchemist XXXIII Trust | - | 51,321 |
| Alchemist XXXIX Trust | 38,700 | - |
| Expenses recovered | | |
| Alchemist - V Trust | - | 111 |
| Alchemist -XXXIX Trust | - | 506 |
| Alchemist - XIX Trust | 6,263 | - |
| Advance recovered | | |
| Alchemist - XII Trust | - | 5,619 |
| Alchemist - XXXIX Trust | - | 5,115 |
| Alchemist - XVI Trust | 10,941 | - |
| Alchemist - XXIX Trust | - | 7,704 |
| Alchemist - XXVIII Trust | 17,720 | - |
| Alchemist XX Trust | 15,912 | - |
| Management fees | | |
| Alchemist XXXIX Trust | 16,495 | 2,08,814 |
| Alchemist XXXVI Trust | 57,053 | - |
| Alchemist XXXVII Trust | - | 42,449 |
| Alchemist XVIII Trust | 27,914 | - |
| Incentive remuneration | | |
| Alchemist XXXVII Trust | - | 2,40,000 |
| Alchemist XX Trust | 2,789 | - |
| Alchemist XLIII Trust | 1,020 | - |
| Alchemist XXVIII Trust | - | - |
| Alchemist XXXIX Trust | - | 2,18,591 |

Alchemist Asset Reconstruction Company Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY
INFORMATION FOR THE YEAR ENDED 31 MARCH 2025
(ALL AMOUNT IN ₹000, UNLESS OTHERWISE STATED)

| Investment/purchase made in security receipts | 31 March 2025 | 31 March 2024 |
|-----------------------------------------------|---------------|---------------|
| Interest on expenses and advance | | |
| Alchemist IV Trust | - | 300 |
| Alchemist V Trust | - | 501 |
| Alchemist XII Trust | - | 662 |
| Alchemist XXXIX Trust | - | 915 |
| Alchemist XIX Trust | 2,128 | - |
| Alchemist XX Trust | 6,128 | - |
| Reversal of Management fees | | |
| Alchemist XI Trust | - | 395 |
| Alchemist XX Trust | - | 296 |
| Alchemist XXI Trust | 232 | - |
| Alchemist XXXIX Trust | 1,387 | - |
| Alchemist XXIX Trust | - | 448 |
| Reversal of expenses incurred | | |
| Alchemist VIII Trust | - | 59,571 |
| Alchemist XIII Trust | - | 26,026 |
| Alchemist XVI Trust | 11,041 | - |
| Alchemist XVII Trust | 6,952 | - |
| Alchemist XL Trust | 9,599 | - |
| Alchemist XXIX Trust | 11,591 | 19,367 |

28. Transactions with investee trusts

ii) Balance at end of the year

| Security receipts | 31 March 2025 | 31 March 2024 |
|-----------------------------|---------------|---------------|
| Alchemist XVI Trust | 2,31,598 | 2,56,174 |
| Alchemist XII Trust | 2,22,556 | 2,33,166 |
| Alchemist XI Trust | 1,91,220 | 1,91,220 |
| Alchemist XL Trust | 1,80,000 | - |
| Expenses recoverable | | |
| Alchemist - XXI Trust | - | 2 |
| Alchemist - XXXIX Trust | - | 4 |
| Advances recoverable | | |
| Alchemist - XXI Trust | - | 270 |
| Alchemist - XXXIX Trust | - | 40 |
| Trade receivables | | |
| Alchemist XXXVIII Trust | - | 4,122 |
| Alchemist - XXXIX Trust | - | 1,387 |
| Alchemist XLI Trust | 1,392 | - |

Alchemist Asset Reconstruction Company Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2025

(ALL AMOUNT IN ₹000, UNLESS OTHERWISE STATED)

29. Corporate social responsibility (CSR) expenses

Amount of Corporate Social Responsibility spent by Company during the year is for purposes other than construction / acquisition of any asset. Gross amount of Corporate Social Responsibility required to be spent by the Company for the year aggregates to 3,800 (Previous year 3,172).

| Particulars | 31 March 2025 | 31 March 2024 |
|--------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------|
| i) Amount required to be spent during the year | 3,800 | 3,172 |
| ii) Amount spent during the year | - | - |
| a) Amount Spent on CSR Project /Programme | 3,800 | 3,172 |
| b) Amount transferred to unspent CSR Account for ongoing projects of respective financial years | - | - |
| iii) Amount offset against CSR Liability | - | - |
| iv) Amount of shortfall at the end of the year, out of the amount required to be spent during the year | - | - |
| v) Amount spent from unspent CSR during the financial year | - | - |
| vi) Total of previous year shortfall | - | - |
| vii) Nature of CSR activities | Mentally retarded Centres, Old Age Homes, Free Aid & Education to children | Mentally retarded Centres, Old Age Homes, Free Aid & Education to children |
| vii) Details of related party transactions | - | - |

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

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

| Premises taken on lease | 31 March 2025 | 31 March 2024 |
|---------------------------------------------------------|---------------|---------------|
| Operating lease payments recognized during the year | 5,236 | 5,000 |
| Total future minimum lease payments as at 31 March 2025 | 16,835 | 19,904 |
| Not later than 1 year | 5,713 | 5,299 |
| Later than 1 year but not later than 5 years | 11,122 | 14,606 |
| | - | - |

31 The Company has a single reportable segment viz, 'Securitisation and Reconstruction of Financial Assets' for the purpose of Accounting Standard 17 'Segment Reporting' and a single geographical segment viz, India.



Alchemist Asset Reconstruction Company Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY
INFORMATION FOR THE YEAR ENDED 31 MARCH 2025
(ALL AMOUNT IN ₹000, UNLESS OTHERWISE STATED)

- 32 Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 for the year ended 31 March 2025 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

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

33 Employee benefits:

a) Earned Leave Liability:

The Company has a leave encashment policy, all employees, after twelve months of continuous employment shall be entitled to privilege leave for 15 days. The details of the components of net benefit expenses recognized in the statement of profit and loss and the balance sheet are as follows.

Statement of Profit and Loss

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|--------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Current service cost | 497 | 584 |
| Interest cost | 231 | 173 |
| Expected return on plan assets | - | - |
| Net actuarial gains recognized in the year | 1,310 | 1280 |
| Net employee benefit expense recognised in Statement of Profit and Loss | 2,038 | 2,036 |

Balance sheet

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|----------------------------------------------------------------|------------------------|------------------------|
| Present value of obligation | 3,638 | 3,192 |
| Fair value of plan assets | - | - |
| Net asset / (liability) recognised in the Balance Sheet | (3,638) | (3,192) |

Changes in the present value of the defined benefit obligation are as follows:

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|-------------------------------------------|-----------------------------|-----------------------------|
| Opening defined benefit obligation | 3,192 | 2,352 |
| Interest cost | 231 | 173 |
| Current service cost | 497 | 584 |
| Benefit paid | (1,592) | (1,197) |
| Actuarial (gain)/loss on obligation | 1,310 | 1280 |
| Closing defined benefit obligation | 3,638 | 3,192 |

Alchemist Asset Reconstruction Company Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY
INFORMATION FOR THE YEAR ENDED 31 MARCH 2025
(ALL AMOUNT IN ₹000, UNLESS OTHERWISE STATED)

b) Gratuity Liability:

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

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

Statement of Profit and Loss

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|--------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Current service cost | 512 | 745 |
| Interest cost | 312 | 224 |
| Expected return on plan assets | (342) | (290) |
| Net actuarial gains recognized in the year | 797 | 279 |
| Net employee benefit expense recognised in Statement of Profit and Loss | 1,280 | 958 |

Balance Sheet

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|----------------------------------------------------------------|------------------------|------------------------|
| Present value of obligation | 4,368 | 4,321 |
| Fair value of plan assets | 4,320 | 4,456 |
| Net asset / (liability) recognized in the Balance Sheet | (40) | 135 |

Changes in the present value of the defined benefit obligation are as follows:

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|-------------------------------------------|-----------------------------|-----------------------------|
| Opening defined benefit obligation | 4,321 | 3,046 |
| Interest cost | 312 | 224 |
| Current service cost | 512 | 745 |
| Benefit paid | (1,565) | - |
| Actuarial (gain)/loss on obligation | 787 | 306 |
| Closing defined benefit obligation | 4,368 | 4,321 |

Changes in fair value of plan assets

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|-------------------------------------------------------|-----------------------------|-----------------------------|
| Fair value of plan assets at the beginning | 4,456 | 4,138 |
| Expected return on plan assets | 332 | 317 |
| Employer contributions | 1,105 | 1 |
| Benefits paid | (1,565) | - |
| Fair value of plan assets at the end | 4,328 | 4,456 |
| Funded Status | (40) | 135 |
| Excess of actual over estimated return on plan assets | 28 | 28 |

Alchemist Asset Reconstruction Company Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY
INFORMATION FOR THE YEAR ENDED 31 MARCH 2025
(ALL AMOUNT IN ₹000, UNLESS OTHERWISE STATED)

Amount for current year and previous four years are as follows:

| Particulars | 31 March 2025 | 31 March 2024 | 31 March 2023 | 31 March 2022 | 31 March 2021 |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Projected benefit obligation (PBO) | 4,368 | 4,321 | 3,046 | 2,159 | 2,336 |
| Plan assets | 4,328 | 4,456 | 4,138 | 2,924 | 2,972 |
| Net assets / (liabilities) | (40) | 135 | 1,092 | 765 | 636 |

Principal actuarial assumptions at the balance sheet date are as follows:

a) Economic assumptions:

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yield available on the Government bonds at the reporting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long-term basis.

| Description | 31 March 2025 | 31 March 2024 |
|----------------------------------------|---------------|---------------|
| Discount rate | 6.99% | 7.23% |
| Future salary increase | 6.00% | 6.00% |
| Expected rate of return on plan assets | 7.50% | 7.67% |

b) Demographic assumptions:

| Description | 31 March 2025 | 31 March 2024 |
|-----------------------|----------------|----------------|
| Retirement age | 60/70 | 60/70 |
| Mortality table | IALM (2012-14) | IALM (2012-14) |
| Withdrawal rate (%) | | |
| - Up to 30 years | 3 | 3 |
| - From 31 to 44 years | 2 | 2 |
| - Above 44 years | 1 | 1 |

34 In terms of approved Resolution Plan Under IBC,2016, vide order dated 09/07/2020 whereby the entire debt of Revent Precision Engineering Ltd (formerly Amtek Auto Ltd), has been resolved and 85,720 numbers of Optionally Convertible Debentures (OCD) having face value of Rs. 100/- each as well as 1,99,547 numbers of Equity Shares having face value of Rs. 2/- each which are being held at NSDL by Alchemist Asset Reconstruction Company Limited on behalf of Alchemist XXXII Trust.

35 Alchemist ARC, vide Assignment Agreement dated 29.12.2023 executed under Section 5 of the SARFAESI Act, 2002, acquired the financial assets of Anuraj Real Estates Pvt. Ltd. and Mosaic Hospitality Pvt. Ltd., from Tourism Finance Corporation of India Limited (TFCI). Pursuant to the provisions of Section 5 read with Section 2(1)(zd) of the SARFAESI Act, 2002, the pledged shares related to the aforementioned companies were received by Alchemist ARC and are currently held in the NSDL account. These shares are being held on behalf of Alchemist XL and XXXIX Trusts. (Anuraj Real Estates Pvt. Ltd. 50,45,000 shares and Mosaic Hospitality Pvt. Ltd. 10,000 shares having face value of Rs. 10 each).



Alchemist Asset Reconstruction Company Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY

INFORMATION FOR THE YEAR ENDED 31 MARCH 2025

(ALL AMOUNT IN ₹000, UNLESS OTHERWISE STATED)

36. Additional Disclosures as required under The Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 (as amended from time to time).

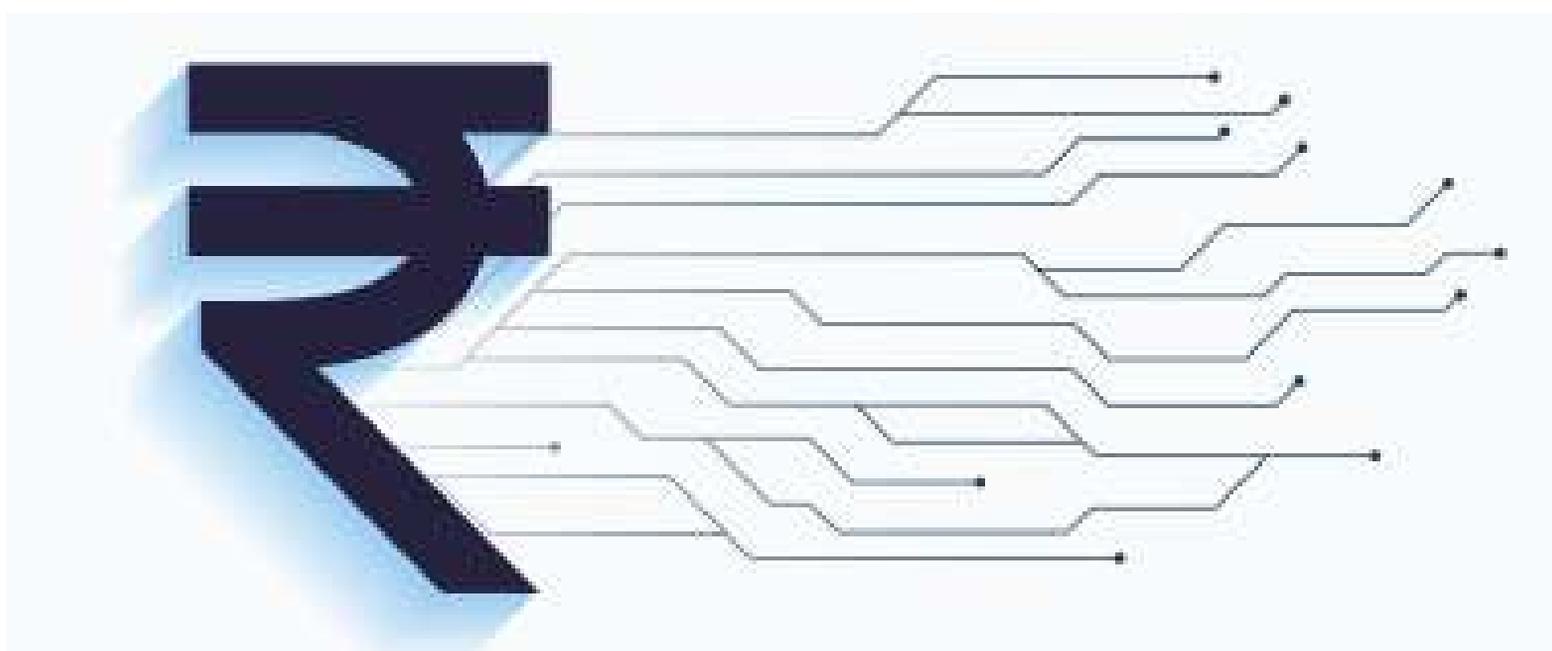
- i) Names and addresses of the banks/financial institutions from which financial assets were acquired and the value at which such assets was acquired from each such bank/financial institutions till 31 March 2025.

| Name of the bank/ financial institution | Address | Acquisition price up to 31 March 2025 | Acquisition price up to 31 March 2024 |
|----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| Non-sponsor | | | |
| Bank of India | Star House, CG Block, Bandra Kurla Complex, Bandra East, Mumbai - 400051 | 12,38,000 | 12,38,000 |
| State Bank of India | Madam Cama Road, Nariman Point, Mumbai - 400001 | 30,56,112 | 27,28,300 |
| IDBI Bank | IDBI Tower, WTC Complex, Cuffe Parade, Mumbai - 400005 | 6,53,410 | 6,53,410 |
| Citi Bank N.A. | 9th Floor, First International Financial Center, C - 54 & 55, G Block, Bandra Kurla Complex, | 1,40,000 | 1,40,000 |
| Kotak Mahindra Bank Limited | 36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai - 400021 | 1,67,600 | 1,67,600 |
| UCO Bank | Head Office, 10, BTM Sarani, Kolkata - 700001 | 15,54,100 | 15,54,100 |
| Stressed Asset Stabilisation Fund | IDBI Tower, WTC Complex, Cuffe Parade, Mumbai - 400005 | 1,00,551 | 1,00,551 |
| IFCI Ltd. | IFCI Tower, 61 Nehru Place, New Delhi - 110019 | 2,50,425 | 2,50,425 |
| Central Bank of India | Chandermukhi Mariman Point, Mumbai - 400021 | 2,22,500 | 2,22,500 |
| Yes Bank Limited | 9th Floor, Nehru Centre, Discovery of India, Dr. A.B. Road, Worli, Mumbai, 400018 | 1,91,987 | 1,91,987 |
| Standard Chartered Bank | 90, Mahatma Gandhi Road, Fort, Mumbai - 40001 | 35,225 | 35,225 |
| Indian Bank | 66, Rajaji Salai, Chennai - 600001 | 70,118 | 70,118 |
| DBS Bank (Erstwhile Lakshmi Vilas Bank) | Salem Road, Kathapara, Karur, Tamil Nadu - 639006 | 3,06,200 | 3,06,200 |
| Kotak Mahindra Bank(Erstwhile ING Vyasa Bank) | Office No. 22, M.G. Road, Bangalore - 560001 | 17,200 | 17,200 |
| Punjab & Sind Bank | Bank House, 21, Rajendra Place, New Delhi - 110008 | 13,000 | 13,000 |
| SUUTI (The Specified Undertaking of UTI) | UTI Tower, Gn Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051 | 8,391 | 8,391 |
| The Royal Bank of Scotland N.V. | Gustav Mahlerlaan 10, 1082 PP Amterdam and a Branch among other places at Hansalaya | 6,750 | 6,750 |
| LIC Housing Finance Ltd. | Bombay Life Bldg., 2nd Floor, 45/47, Veer Nariman Road, Mumbai - 400001 | 6,300 | 6,300 |
| J P Morgan Chase Bank | J.P. Morgan Tower, Off CST Road, Kalina, Santa Cruz - East, Mumbai - 400098 | 4,675 | 4,675 |
| Tamil Nadu Industrial Investment Corporation | 692, Anna Salai, Nandanam, Chennai - 600035 | 3,477 | 3,477 |
| Axis Bank | Regd Office at Trishul, 3 rd Floor, Opposite, Samaratheshwar Temple, Law Garden, Ellisbridge, | 24,87,200 | 24,87,200 |
| ICICI Bank | Corporate Office at ICICI Bank Towers, Bandra Kurla Complex, Mumbai - 400051 | 2,49,500 | 1,99,500 |
| Punjab National Bank (Erstwhile Oriental Bank of Commerce) | Plot No. 5, Sector - 32, Institutional Area, Gurgaon - 122001 | 4,69,572 | 4,69,572 |
| State Bank of India (Erstwhile State Bank of Patiala) | Head Office at The Mall, Patiala | 3,400 | 3,400 |
| State Bank of India (Erstwhile State Bank of Hyderabad) | Head Office at Gunfoundary, Hyderabad - 500001 | 4,57,300 | 4,57,300 |
| IDFC Ltd. | IDFC Limited, Naman Chambers, C-32, G-Block, Bandra-Kurla complex, Bandra (East), Mumbai - | 5,000 | 5,000 |
| Indian Bank (Erstwhile Allahabad Bank) | Allahabad Bank, Head Office, 2, Netaji Subhas Road, Kolkata - 700001 | 3,39,100 | 3,39,100 |
| Canara Bank | Canara Bank Head Office 112, J.C. Road, BANGALORE - 560002 | 30,200 | 30,200 |
| Union Bank (Erstwhile Andhra Bank) | Head Office 3rd Floor, Dr. Pattabhi Bhavan, 5-9-11 Saifabad, Hyderabad 5000042 | 31,59,000 | 31,59,000 |
| Asset Reconstruction Company India Limited (ARCIL) | No 29 The Ruby 10th Floor, Senapati Bapat Marg, Dadar West, Mumbai - 400028 | 8,200 | 8,200 |
| State Bank of India (Erstwhile State Bank of Bikaner & Jaipur) | State Bank of Bikaner and Jaipur, Head Office, Tilak Marg, Jaipur - 302005 | 4,50,000 | 4,50,000 |
| Punjab National Bank | 7, Bhikhaji Cama Place, New Delhi 110067 | 10,74,100 | 10,74,100 |
| Karnataka Bank Ltd. | Head Office, Mahaveera Circle, Kankanady, Magalore 575002 | 5,40,300 | 5,40,300 |
| Indian Overseas Bank | 763, Anna Salai, Chennai-600002, Tamil Nadu | 12,94,000 | 12,94,000 |
| State Bank of India (Erstwhile State Bank of Travancore) | B. No. 34, Poojappura, Trivandrum - 695012, Kerala, India | 40,500 | 40,500 |
| Bank of Maharashtra | Central Office, 'Lokmangal', 1501, Shivaji Nagar, Pune 411005 | 2,81,631 | 2,81,631 |
| Punjab National Bank (Erstwhile United Bank of India) | Punjab National Bank (Erstwhile United Bank of India), Head Office, United Tower, 11, Hemanta Basu Sarani, Kolkata- 700 001 | 3,57,300 | 3,57,300 |
| Canara Bank (Erstwhile Syndicate Bank) | Syndicate Bank, Corporate Office, Syndicate Bank Building, 2nd Floor, 2nd Cross, Gandhi Nagar, Bangalore- 560 009 | 6,00,000 | 6,00,000 |
| Union Bank of India | Union Bank of India, Credit Recovery Department, 14th Floor, Central Office, Union Bank | 1,11,500 | 1,11,500 |
| Jammu and Kashmir Bank | IAPM Head Delhi Zone, J&K Bank, Zonal Office North (Delhi), Plot No: 132-134, Sector- | 1,57,500 | 1,57,500 |
| RBL Bank Limited | Special Assets Group, RBL Bank Limited, One Indiabulls Centre, Tower 2B, 20th Floor, 841, | 2,72,000 | 2,72,000 |

Alchemist Asset Reconstruction Company Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2025
(ALL AMOUNT IN ₹000, UNLESS OTHERWISE STATED)

| Name of the bank/ financial institution | Address | Acquisition price up to 31 March 2025 | Acquisition price up to 31 March 2024 |
|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| Capri Global Capital Ltd. | 502, Tower- A, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai - 400013 | 18,650 | 18,650 |
| Sustainable Agro-Commercial Finance Ltd. | 1st Floor, Marshall Building, Shoorji Vallabhdas Marg, Ballard Estate, Fort, Mumbai | 8,33,278 | 8,33,278 |
| Bank of Baroda (Erstwhile Dena Bank) | Dena Bank Head Office Dena Bank Corporate Centre C-10, G Block, 1st Floor, Bandra Kurla | 2,81,000 | 2,81,000 |
| Altico Capital India Limited | Altico Capital India Ltd. 21, 2nd Floor, 5 North Avenue, Maker Maxity, Bandra Kurla Complex, | 25,20,000 | 25,20,000 |
| KKR India Asset Finance Private Limited | KKR India Asset Finance Private Limited 2nd Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai 400 013, India | 16,00,000 | 16,00,000 |
| Siemens Financial Services Private Limited | Plot No.2, Sector-2, Kharghar Node, Navi Mumbai- 410210 | 22,500 | 22,500 |
| UGRO Capital Limited | Equinox Business Park, Tower 3, 4th Floor, LBS Road, Kurla West Mumbai 400070 | 1,62,500 | 1,62,500 |
| Indiabulls Housing Finance Limited | Indiabulls House, 448-451, Udyog Nagar, Phase - V, Gurgaon, Haryana | 18,000 | 18,000 |
| Federal Bank | The Federal Bank Limited, Loan Collection & Recovery Department, | 60,000 | 60,000 |
| Tourism Finance Corp India Ltd | Tourism Finance Corporation Of India Limited (TFCI), 4th Floor, Tower-1, NBCC Plaza, | 13,17,000 | 13,17,000 |
| The South Indian Bank Ltd. | SIB House, T.B. Road, Mission Quarters, Thrissur, Kerala -680001 | 5,000 | 5,000 |
| J.C Flowers | Unit No. 203-206, 2nd Floor, Wing A, Inspire BKC , Bandra, Mumbai, Maharashtra-400051 | 10,000 | - |
| Phoenix ARC Private Limited | Office at 3rd Floor, Wallace Towers (earlier known as Shiv Building), 139/140/B/1, Crossing of Sahar Road and Western Express Highway, Vile Parle East, Mumbai, Maharashtra-400057 | 97,600 | - |
| JFC Finance (India) Ltd | Office at P-32, Lower Ground Floor, South Extension PART-II, Delhi-110049 | 60,500 | - |
| ASREC (INDIA) Ltd | Office at Solitaire Corporate Park, Ground Floor, Unit no. 200A-201 & 200B-202, Andheri Ghatkopar Line Road, Chakala, Andheri, Mumbai, Maharashtra-400093 | 34,100 | - |
| Aditya Birla Finance Limited | One World Center, Tower 1, 18th Floor, Jupiter Mills Compound, 841 Senapati Bapat Marg, Elphinstone Road, Mumbai, Maharashtra-400013 | 61,000 | - |
| Total non-sponsors (A) | | 2,75,34,451 | 2,68,93,440 |
| Sponsors | | | |
| DMI Finance Ltd. | Corporate Office, Express Building, 3rd Floor, 9-10, Bhadur Shah Zafar Marg, New Delhi - | 2,29,520 | 2,29,520 |
| DMI Housing Finance Ltd. | Corporate Office, Express Building, 3rd Floor, 9-10, Bhadur Shah Zafar Marg, New Delhi - | 10,420 | 10,420 |
| Total sponsors (B) | | 2,39,940 | 2,39,940 |
| Grand total (A+B) | | 2,77,74,391 | 2,71,33,380 |



Alchemist Asset Reconstruction Company Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY
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ii) Industry-wise dispersion of acquisition price of various financial assets held either on its own books or in the books of the trusts.

| S. No. | Industry wise | As at 31 March 2025 | | As on 31 March 2024 | |
|-------------------------------|----------------------|--------------------------|----------------|--------------------------|----------------|
| | | Value of SRs outstanding | Percentage | Value of SRs outstanding | Percentage |
| Sponsor | | | | | |
| 1 | Real estate | 1,85,417 | 1.63% | 1,97,398 | 1.56% |
| Total sponsors (A) | | 1,85,417 | 1.63% | 1,97,398 | 1.56% |
| Non-sponsor | | | | | |
| 1 | Hospitality | 10,66,203 | 9.37% | 18,41,203 | 14.52% |
| 2 | Energy | 24,84,726 | 21.83% | 24,84,726 | 19.60% |
| 3 | Textile | 10,90,158 | 9.58% | 13,14,215 | 10.36% |
| 4 | Real estate | 14,82,324 | 13.03% | 13,01,000 | 10.26% |
| 5 | Iron and steel | 3,63,536 | 3.19% | 6,81,548 | 5.38% |
| 6 | Sugar/ food/ oil | 9,15,636 | 8.05% | 9,72,287 | 7.67% |
| 7 | Retail Agri | 3,85,662 | 3.39% | 5,17,862 | 4.08% |
| 8 | Electrical | 5,53,461 | 4.86% | 5,79,136 | 4.57% |
| 9 | Gems and Jewellery | 7,38,561 | 6.49% | 6,95,092 | 5.48% |
| 10 | Paper and Packaging | 2,87,404 | 2.53% | 4,40,152 | 3.47% |
| 11 | Infrastructure | 43,922 | 0.39% | 2,43,254 | 1.92% |
| 12 | Trading and Services | 5,44,640 | 4.79% | 3,19,866 | 2.52% |
| 13 | Engineering | 2,15,465 | 1.89% | 2,15,465 | 1.70% |
| 14 | Auto ancillary | 2,52,443 | 2.22% | 1,73,003 | 1.36% |
| 15 | Chemicals | 1,00,839 | 0.89% | 1,16,749 | 0.92% |
| 17 | Education | 82,500 | 0.72% | - | 0.00% |
| 18 | MSME | 4,80,000 | 4.22% | 4,80,000 | 3.79% |
| 19 | Others | 1,07,000 | 0.94% | 1,07,000 | 0.84% |
| Total non-sponsors (B) | | 1,11,94,480 | 98.37% | 1,24,82,558 | 98.44% |
| Grand total (A+B) | | 1,13,79,897 | 100.00% | 1,26,79,956 | 100.00% |

iii) Details of related parties as per Accounting Standards and Guidance Notes issued by the Institute of Chartered Accountants of India and amounts due to and from them are disclosed in the note 27 of the financial statements.

iv) There has been no migration of financial assets from standard to non-performing during the current financial year 2024-25.

Additional Disclosures as required under The Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 (as amended from time to time) (Cont'd).

v) Value of financial asset acquired during the financial year 2024-25 either on its own books or in the books of the trust are as follows:

| S. No. | Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|--------|-----------------|-----------------------------|-----------------------------|
| 1 | Own books | 1,02,500 | - |
| 2 | Books of trusts | 6,41,012 | 21,81,500 |

vi) Value of financial assets realized in its own books during the financial year 2024-25 is ₹ Nil (previous year: ₹ Nil).

vii) Value of financial assets held on its own books and outstanding for realization as at the end of financial year 2024-25 is ₹ Nil (previous year: ₹ Nil).

Alchemist Asset Reconstruction Company Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2025
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viii) Value of security receipts (SRs) redeemed partially and the security receipts redeemed fully during the financial year 2024-25 are as follows:

| S. No. | Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|--------|--------------------------------------|-----------------------------|-----------------------------|
| 1 | Security receipts redeemed partially | 10,57,706 | 21,34,496 |
| 2 | Security receipts redeemed fully | 8,83,365 | 22,25,975 |
| | Total | 19,41,071 | 43,60,471 |

ix) Value of security receipts pending for redemption as at the end of the financial year 2024-25 is ₹ 1,13,79,897 (previous year: ₹ 1,26,79,956).

x) The security receipts amounting to ₹ 2,68,241 (previous year: ₹ 6,13,015) could not be redeemed as a result of non-realization of the financial asset as per the policy formulated by the Company and loss has been provided for.

xi) The Company has not acquired any land and/or building in ordinary course of business of reconstruction of assets.

xii) The Company has acquired no financial asset wherein the acquisition value of the assets is more than the book value in FY 2024-25

xiii) The Company has not disposed off (either by write off or by realisation) any financial asset during the year at a discount of more than 20% of valuation as on the previous year end.

xiv) Detail of the trusts, the value of the SRs (i.e. Net Asset Value) have declined more than 20% during the year, below the acquisition value.

| S. No | Name of trust | Total SRs value as at 31 March 2025 | Company share | Net asset value decline (%) |
|-------|-----------------------|----------------------------------------|---------------|-----------------------------------|
| 1 | ALCHEMIST IV TRUST | 16,854.00 | 2,528.10 | 100% |
| 2 | ALCHEMIST VII TRUST | 1,78,786.92 | 26,818.04 | 100% |
| 3 | ALCHEMIST X TRUST | 6,950.01 | 1,042.50 | 100% |
| 4 | ALCHEMIST XV TRUST | 1,85,416.74 | 27,812.51 | 100% |
| 5 | ALCHEMIST XVIII TRUST | 3,04,750.00 | 45,712.50 | 100% |
| 6 | ALCHEMIST XVIII TRUST | 11,312.00 | 11,312.00 | 25% |
| 7 | ALCHEMIST XIX TRUST | 35,465.00 | 5,319.75 | 100% |
| 8 | ALCHEMIST XXI TRUST | 1,52,500.00 | 1,52,500.00 | 25% |
| 9 | ALCHEMIST XXIX TRUST | 3,51,100.00 | 70,220.00 | 100% |
| 10 | ALCHEMIST XXX TRUST | 4,49,461.98 | 67,419.30 | 100% |
| 11 | ALCHEMIST XXXII TRUST | 1,27,164.90 | 19,074.74 | 100% |
| 12 | ALCHEMIST XLII TRUST | 2,400.00 | 605.98 | 100% |
| 13 | ALCHEMIST XLIII TRUST | 67,500.00 | 1,687.50 | 100% |

xv) The director of the company does not own or control any outsourced agency.

xvi) The company has not acquired asset under IBC during the year.

xvii) During the year no resolution plans were approved by the Adjudicating authority.

xviii) The capital adequacy ratio is 108.50% and same is maintained by the Company in accordance with notification no. DNBR. (PD). CC. No. 03/SCRC/26.03.001/2015-16 dated 1 July 2015.

xix) During the year, the Board has not approved any extension of the financial asset resolution period from 5 years to 8 years, except in one case – The National Sewing Thread Company Ltd. – where the 8-year resolution period expired on 24.03.2025.

Alchemist Asset Reconstruction Company Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2025
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37. The ratios for the years ended March 31, 2025 and March 31, 2024 are as follows:

| Financial Ratios | Numerator | Denominator | As at March 31 | | Variance (in %) | Variance Remarks |
|---------------------------------------------|-------------------------------------|-----------------------------------|----------------|--------|-----------------|------------------------------------------------------------------------|
| | | | 2025 | 2024 | | |
| Current ratio (in times) | Current assets | Current liabilities | 14.28 | 11.67 | 22.36 | |
| Debt-Equity ratio (in times) | Total debt | Shareholder's equity | 0.07 | 0.05 | 24.22 | |
| Debt service coverage ratio (in times) | Earnings available for debt service | Debt service | 0.17 | 5.17 | -96.71 | Ratio decreased due to increase in debt. |
| Return on Equity (ROE) (in times) | Net profits after taxes | Average shareholder's equity | 0.00 | 0.06 | -96.06 | Ratio decreased reduction of net profit and increase in share capital. |
| Trade receivables turnover ratio (in times) | Net Credit Sales | Average accounts receivable | 141.50 | 249.83 | -43.36 | Ratio decreased due to decline in turnover. |
| Net capital turnover ratio (in times) | Revenue | Average working capital | 0.29 | 0.47 | -38.00 | Ratio decreased due to decline in turnover. |
| Net profit ratio (in %) | Net Profit | Revenue | 0.85 | 10.32 | -91.80 | Ratio decreased due to decline in turnover. |
| Return On Capital Employed (ROCE) (in %) | Earning before interest and taxes | Capital employed | 0.70 | 7.98 | -91.21 | Ratio decreased due to decrease in EBIT. |
| Return on Investment (ROI)-Unquoted | Income generated from investments | Time weighted average investments | 20.70 | 39.62 | -47.76 | Ratio decreased due to decline in turnover. |

38 Additional Information:-

1. No proceedings were initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2. The Company did not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

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

4. The Company has not traded or invested in Crypto currency or Virtual Currency during year ended 31 March, 2025.

5. The Company had not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

6. The Company had not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries."

"7. The Company had not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."

8. The Company did not have any transaction which had not been recorded in the books of account that had been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

9. The Company had not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

10. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

Alchemist Asset Reconstruction Company Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY
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39. The Company does not have contingent liabilities & contingent assets as at 31st March 2025.
40. The Company has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility as per the requirements of proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 and the same has operated throughout the year for all relevant transactions recorded in the software.
41. Previous year's figures have been regrouped/ reclassified wherever necessary to confirm to current year's classification.

For **Ray & Ray**
Chartered Accountants
Firm's Registration No.: 301072E

Anil P. Verma
Partner
Membership No.: 090408

Place : New Delhi
Date : 20 August 2025

For and on behalf of the Board of Directors of
Alchemist Asset Reconstruction Company Limited

Pawan Kumar Agrawal
Director
DIN No.'02979030

Meenakshi Sharma
President &
Chief Financial Officer

Place : New Delhi
Date : 20 August 2025

Rajeev Rajinder Chhabra
Managing Director & Chief Executive Officer
DIN No. 06628421

Priyanka Munjal
Company Secretary &
Chief Compliance officer





Alchemist

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