PHOENIX ARC PRIVATE LIMITED

SEVENTEENTH ANNUAL REPORT 2023-24

Board of Directors

Mr. Balan Wasudeo
Mr. Chandan Bhattacharya
Mr. Keki Elavia
Mr. Venkattu Srinivasan
Ms. Jyoti Agarwal

Management Team

Mr. Sanjay Tibrewala, Chief Executive Officer
Mr. K. B. Ajit, Head Resolution
Mr. Aditya Gupta, Head Acquisition
Ms. Gauri Bhatkal, Chief Financial Officer

Company Secretary

Mr. Kamlesh Rane

Statutory Auditors

M/s. Manohar Chowdhry & Associates

Internal Auditors

CNK & Associates LLP, Chartered Accountants

Secretarial Auditors

RJSY & Associates, Company Secretaries

Bankers

Kotak Mahindra Bank Limited
HDFC Bank Limited
Punjab National Bank

Registered Office

3rd Floor, Wallace Towers,
139-140/B/1, Crossing of Sahar Road
and Western Express Highway,
Vile Parle East, Mumbai 400057
CIN: U67190MH2007PTC168303
Email: info@phoenixarc.co.in
Website: www.phoenixarc.co.in
Tel. No. (022) 68492450

Registrar & Share Transfer Agent

Link Intime India Private Limited
C-101, 247 Park, LBS Marg,
Vikhroli (West), Mumbai 400083
Tel. No. (022) 49186000

NOTICE

NOTICE is hereby given that SEVENTEENTH ANNUAL GENERAL MEETING of PHOENIX ARC PRIVATE LIMITED ("Company") will be held on Monday, July 8, 2024 at 11.00 a.m. (IST) at 3rd Floor, Wallace Towers, 139-140/B/1, Crossing of Sahar Road and Western Express Highway, Vile Parle East, Mumbai 400057 to transact the following business:

ORDINARY BUSINESS:

1. **To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2024, together with the reports of the Board of Directors and the Auditors thereon.**

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "**RESOLVED** that the audited standalone financial statements of the Company for the financial year ended March 31, 2024, together with the reports of the Board of Directors and the Auditors thereon, be and are hereby received, considered and adopted."

2. **To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2024, together with the report of the Auditors thereon.**

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "**RESOLVED** that the audited consolidated financial statements of the Company for the financial year ended March 31, 2024, together with the report of the Auditors thereon, be and are hereby received, considered and adopted."

3. **Appointment of M/s Manohar Chowdhry & Associates (Firm Registration No. 001997S), as Statutory Auditors of the Company.**

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 including any amendments, modifications, variations or re-enactments thereof, for the time being in force, the approval of Members of Company be and is hereby accorded for the appointment of M/s Manohar Chowdhry & Associates (Firm Registration No. 001997S), as Statutory Auditors of the Company to hold office from the conclusion of the Seventeenth Annual General Meeting until the conclusion of the Twenty Second Annual General Meeting of the Company for the purpose of audit of the Company's standalone and consolidated financial statements for the financial years 2024-25 to 2028-29, at such remuneration and out of pocket expenses as may be approved by the Board of Directors of the Company from time to time."

   "**RESOLVED FURTHER** that the Board of Directors ("Board"), including the Audit Committee of the Board or any other person(s) authorised by the Board or the Audit Committee in this regard, be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable for such purpose and with the power to settle all questions, difficulties or doubts that may arise in this regard for the implementation of the resolution."

SPECIAL BUSINESS:

4. **Issue of Debentures**

   To consider and, if thought fit, to pass with or without modification(s) following resolution as a Special Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, and pursuant to the provisions of Section 71 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "**Board**"), to make private placement offers and invitations and issue secured redeemable Non-Convertible Debentures ("**NCDs**"), in one or more tranches / series, on such terms and conditions including the price, coupon, premium / discount, tenor, listed/unlisted etc., as may be determined by the Board (or any other person authorized by the Board), based on the prevailing market conditions;

RESOLVED FURTHER THAT the aggregate amount to be raised through the issuance of NCDs within a period of 1 (one) year from the date hereof pursuant to the authority under this Resolution shall not exceed Rs. 600 Crore (Rupees Six Hundred Crore);

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and to execute all such agreements, documents, instruments, applications etc. as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the aforesaid Resolution as it may in its sole discretion deem fit and to delegate all or any of its powers herein conferred to any of the Directors, Committees and/ or Officers of the Company, to give effect to this Resolution."

By Order of the Board of Directors
For Phoenix ARC Private Limited

Kamlesh Rane
Company Secretary
(ACS 29339)

Mumbai
April 25, 2024

Registered Office
Phoenix ARC Private Limited
CIN: U67190MH2007PTC168303
3rd Floor, Wallace Towers,
139-140/B/1, Crossing of Sahar Road
and Western Express Highway,
Vile Parle East, Mumbai 400057

Notes:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of item no. 4 is annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

3. Proxies in order to be effective, the proxy form must be deposited at the registered office of the Company not later than 48 hours before the commencement of the meeting.

4. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

5. The Members are requested to promptly notify any change in their address, Email ID or contact numbers to the Registered Office of the Company or by email at compliance@phoenixarc.co.in.

EXPLANATORY STATEMENT CONTAINING MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Pursuant to Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, it shall be sufficient if the Company passes a special resolution once in a year for all offers or invitations for the debentures issued during the year. Shareholders of the Company at Sixteenth Annual General Meeting held on July 7, 2023 approved issue of Non-Convertible Debentures (NCDs) not exceeding Rs. 600 Crore on private placement basis in one or more tranches. The Special Resolution passed on July 7, 2023 is valid for a period of one year i.e. up to July 6, 2024.

With the object to raise medium term finance, the Board of Directors (the Board) of the Company, at its meeting held on April 25, 2024, subject to approval of the Members of the Company, approved issue of Non-Convertible Debentures up to Rs.600 Crore on private placement basis in one of more tranches. It may be noted that pursuant to Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company shall not make a private placement of its securities (including non-convertible debentures) unless the proposed offer of securities or invitation to subscribe securities has been previously approved by the shareholders of the company, by a special resolution, for each of the offers or invitations and in case of offer or invitation for non-convertible debentures, it shall be sufficient if the company passes a special resolution once in a year for all offers or invitation for such debentures during the year.

Approval of the Members is sought for issue of secured redeemable Non-Convertible Debentures up to Rs. 600 Crore on private placement basis, in one of more tranches, within a period of 1 (one) year from the date of passing the Resolution, on such terms and conditions including the price, coupon, premium / discount, tenor, listed/unlisted etc., as may be determined by the Board (or any other person authorized by the Board), at the prevailing market conditions.

None of the Directors / Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested in the resolution.

The Board recommends the resolution for the approval of the Members.

By Order of the Board of Directors
For Phoenix ARC Private Limited

Kamlesh Rane
Company Secretary
(ACS 29339)

Mumbai
April 25, 2024

Registered Office
Phoenix ARC Private Limited
CIN: U67190MH2007PTC168303
3rd Floor, Wallace Towers,
139-140/B/1, Crossing of Sahar Road
and Western Express Highway,
Vile Parle East, Mumbai 400057

DIRECTORS' REPORT

To the Members of
Phoenix ARC Private Limited

The Board of Directors has pleasure in presenting the Seventeenth Annual Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2024.

FINANCIAL HIGHLIGHTS

Financial performance under Ind AS for financial year 2023-24 with comparative numbers for financial year 2022-23 is presented below:

CONSOLIDATED FINANCIAL RESULTS

Particulars	For the year ended March 31, 2024 (Rs. in Lakhs)	For the year ended March 31, 2023 (Rs. in Lakhs)
Total Income	53,672.43	37,421.25
Profit/(Loss) before tax	27,355.32	25,410.07
Provision for tax	(8,359.47)	(6,821.42)
Profit/(Loss) after Tax	18,995.85	18,588.65
Other Comprehensive Income (net of Tax)	(3.85)	4.65
Total Comprehensive Income transferred to Reserves	18,992.00	18,593.30

Consolidated financial results for the year ended March 31, 2024, represent the numbers of the Company along with 37 Trusts which have been consolidated in accordance with the Indian Accounting Standards. The consolidated revenues for the year were at Rs. 53,672.43 lakhs representing an increase of 1.43 times over the previous year. The Total Comprehensive Income for the year stood at Rs. 18,992.00 lakhs as compared to Rs. 18,593.30 lakhs in the previous year. During the year, there has also been a substantial increase in revenue from fee income. The fee income has increased to Rs. 38,868.26 lakhs in the current year compared to Rs. 27,714.29 lakhs in the previous year.

STANDALONE FINANCIAL RESULTS

Particulars	For the year ended March 31, 2024 (Rs. in Lakhs)	For the year ended March 31, 2023 (Rs. in Lakhs)
Total Income	43,114.85	30,094.61
Profit/(Loss) before tax	28,043.08	22,778.18
Provision for tax	(7,123.13)	(5,834.00)
Profit/(Loss) after Tax	20,919.95	16,944.18
Other Comprehensive Income (net of Tax)	(3.85)	4.65
Total Comprehensive Income transferred to Reserves	20,916.10	16,948.83

For the year ended March 31, 2024, the revenues of your Company were Rs. 43,114.85 lakhs representing an increase of 1.43 times over the previous year. The Total Comprehensive Income for the year stood at Rs. 20,916.10 lakhs as compared to Rs. 16,948.83 lakhs in the previous year. The growth in Total Comprehensive Income is due to substantial increase in the revenue from fee income. The fee income has increased to Rs. 40,476.43 lakhs in the current year compared to Rs. 28,280.90 lakhs in the previous year.

DIVIDEND

Your Directors do not recommend any dividend with a view to conserve resources for future growth.

YEAR UNDER REVIEW AND FUTURE OUTLOOK

During the year under review, your Company exhibited all round performance across several financial and non-financial parameters. During the year, Company acquired Non-Performing Loans (NPLs) from various Banks and Financial Institutions for an aggregate amount of Rs. 624,342 lakhs. Company invested an aggregate amount of Rs. 141,913 lakhs during the year. Company registered substantial recoveries aggregating to Rs. 456,672 lakhs. The Company has till date, issued Security Receipts (SRs) with a face value aggregating to Rs. 2,793,607 lakhs. Assets Under Management as on March 31, 2024, stood at Rs. 1,462,893 lakhs.

As per research report released by CRISIL Ratings, the recovery rate of SRs is expected to improve in the financial year 2024-25, due to increasing share of cash-based transactions, greater exposure to retail NPLs and faster recovery in recent acquisitions due to lower vintage and better quality of assets, CRISIL Ratings estimates that, an improving domestic economy and credit outlook for corporates after the COVID pandemic, including upturn for some cyclical sectors, will aid the recovery rate in financial year 2024-25.

Regulatory changes like reduced capital requirements of ARCs to 2.5% of total SRs issued from 15% earlier along with improving recoveries and increase in minimum net owned fund (NOF) requirement will strengthen the ARC ecosystem.

Management believes that business strategy of the Company is aligned to seize the evolving business opportunities in the Indian stressed assets market. Amidst increased competition, stronger balance sheets of banks and NBFCs, the Management of the Company is optimistic of achieving growth targets for the financial year 2024-25.

COMPOSITION OF THE BOARD OF DIRECTORS

The composition of the Board of Directors of the Company is in conformity with the provisions of the Companies Act, 2013 and applicable RBI Guidelines. The size of the Board is commensurate with the size and business of the Company. During the year under review, there were no changes in the Board of Directors of the Company.

Ministry of Corporate Affairs has vide amendments to the Companies (Appointment and Qualification of Directors) Rules, 2014, mandated registration of KYC of all Directors. All the Directors of the Company have complied with said requirement in financial year 2023-24.

KEY MANAGERIAL PERSONNEL

Following officials of the Company are the Key Managerial Personnel, pursuant to the provisions of Section 203 of the Companies Act, 2013 and rules thereunder:

i) Mr. Sanjay Tibrewala, Chief Executive Officer
ii) Ms. Gauri Bhatkal, Chief Financial Officer
iii) Mr. Kamlesh Rane, Company Secretary

During the year under review, there were no changes in Key Managerial Personnel of the Company.

REGISTERED OFFICE OF THE COMPANY

With effect from February 1, 2024, registered office of the Company has been shifted to 3rd Floor, Wallace Towers, 139-140/B/1, Crossing of Sahar Road and Western Express Highway, Vile Parle East, Mumbai 400057.

MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments which affected the financial position of your Company, which occurred between the end of the financial year to which the financial statements relate and up to the date of this Report.

SHARE CAPITAL

During the year under review, there has been no change in the paid-up share capital of the Company. As on March 31, 2024, the issued, subscribed and paid-up equity share capital of the Company stood at Rs. 16,800 lakhs, divided into 168,000,000 equity shares of Rs. 10/- each fully paid up.

CAPITAL ADEQUACY RATIO

The Capital Adequacy Ratio of the Company as on March 31, 2024 stood at 39.22% which is well above the RBI stipulated norm of 15%.

DEBENTURES

As approved by Members at Annual General Meeting held on July 7, 2023, during the year under review, your Company issued Secured Non-Convertible Debentures amounting to Rs.10,000 lakhs on private placement basis. These Non-Convertible Debentures have been listed on Wholesale Debt Segment of National Stock Exchange of India Limited. The Company has appointed Vistra ITCL (India) Limited as Debenture Trustee. During the year, Company redeemed Non-Convertible Debentures amounting to Rs. 7,500 Lakhs.

DETAILS OF DEBENTURE TRUSTEE

Vistra ITCL (India) Limited, The IL&FS Financial Centre, Plot No. C-22, G Block, 7th Floor, Bandra Kurla Complex, Bandra (East), Mumbai-400051.

Tel: (022) 26593535, Email: mumbai@vistra.com

COMMERCIAL PAPER

During the year under review, your Company issued Commercial Paper for an amount aggregating to Rs. 22,500 lakhs and redeemed Commercial Paper aggregating to Rs.10,000 lakhs. The Commercial Paper issued by the Company are listed on the Wholesale Debt Segment of National Stock Exchange of India Limited.

DEPOSITS

The Company has not accepted any deposits from public during the year under review, further there were no deposits due and outstanding as on March 31, 2024.

LOANS, INVESTMENTS AND GUARANTEES

Particulars of loans disbursed, and investments made, if any, are disclosed in the Financial Statements. During the year ended March 31, 2024, the Company has not given any guarantee.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, there were no transactions with related parties referred to in Section 188 (1) of the Companies Act, 2013. Thus, disclosure in Form AOC-2 is not required.

BOARD EVALUATION

Nomination and Remuneration Committee of the Company approved the criteria and the mechanism for carrying out performance evaluation of the Board as a whole, its Committees, Chairman of the Board and individual Directors.

Such performance evaluation in accordance with the criteria covering various aspects including structure of the Board, role and responsibilities of the Board & its Committees, governance and compliance, board procedures, processes, functioning and effectiveness of the Board and its Committees, evaluation of risks, conflict of interest, role of Chairman of the Board and individual Directors, director competency, relationship among Directors was carried out by circulation of a questionnaire.

Based on the assessment of the responses to the questionnaire, received from the Directors, a summary of outcome of the Board Evaluation was placed before the Board. The Board was satisfied with the results of the performance evaluation.

RISK MANAGEMENT

The Company has established well defined risk management framework. The framework provides for early identification, assessment and effective mitigation/management of Business & Financial Risk, Reputation Risk, Operational Risk and various other potential risks. Risk Management Committee of the Company reviews the risk management framework from time to time.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The Company being engaged in financial services related activities, provisions pertaining to the conservation of energy and technology absorption are not applicable to your Company. However, energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimize use of energy. The Company has been increasingly using information technology in its operations.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, the Company had no foreign exchange earnings while the outgo of foreign exchange was Rs. 9.05 lakhs (net of Tax Deducted at Source).

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Company continues with the belief of zero tolerance towards sexual harassment at workplace and upholds itself as a safe and non-discriminatory Organisation. To achieve the same, Company has adopted an Anti-Sexual Harassment Policy in accordance with provisions of 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013'. Company has constituted Internal Committee to diligently redress complaints regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy. During the year, no incidence of sexual harassment was reported to the Internal Committee.

VIGIL MECHANISM

The Company has adopted Vigil Mechanism Policy pursuant to which whistle blowers can raise their concerns relating to fraud, unethical business conduct, abuse of authority, malpractice or any other activity or event which is against interests of the Company or society as a whole. Policy provides for safeguarding the whistle blower against victimization. Functioning of Vigil Mechanism is overseen by the Audit Committee. During the year no case was reported under Vigil Mechanism of the Company.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, no instances of fraud committed in the Company by its officers or employees were reported by the Statutory Auditors under Section 143(12) of the Companies Act, 2013 to the Audit Committee or the Board of Directors of the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND OPERATIONS IN FUTURE

During the year under review, no significant and / or material order was passed by any regulatory authority or Court or Tribunal against the Company, which could impact the going concern status or its future operations.

CORPORATE GOVERNANCE

A detailed report on the Corporate Governance system and practices of the Company forms part of the Annual Report as **"Annexure I"**.

ANNUAL RETURN

In accordance with the provisions of the Companies Act, 2013 and the Rules framed thereunder, the Annual Return is available on the website of the Company:

URL: http://www.phoenixarc.co.in/financial-reports/

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to Section 135 of the Companies Act, 2013 and rules thereunder, Company incurred CSR expenditure of Rs. 257 lakhs during the year under review as against Rs.104 lakhs in the previous financial year, an increase of 147% over the previous year. With focus on 'Healthcare' sector, during the year under review, the Company implemented following CSR Projects in collaboration with following implementing agencies:

i) 'System Interventions through Smart Model Anganwadis' - Foundation for Mother and Child Health
ii) 'Aid to walk-in Cancer Patients' - Cancer Patient Aid Association
iii) 'Elimination of Cervical Cancer through HPV Vaccination' - Cancer Patient Aid Association
iv) 'Rashtriya Netra Yagna' - Vision Foundation
v) 'Ratna Nidhi Leg for Persons with Disability' - Ratnanidhi Charitable Trust.

Your Company does not consider its Administrative Overheads as part of CSR Expenditure. The CSR Committee of the Board confirms that the implementation and monitoring of CSR activities, is in compliance with CSR objectives and policy of the Company.

A brief outline of CSR Policy of the Company, composition of CSR Committee and CSR Project Spends have been provided in Annual Report on CSR activities carried during financial year 2023-24, the same is annexed hereto as **"Annexure II"**.

STATUTORY AUDITORS

In terms of Section 139 and 141 of the Companies Act, 2013, M/s Manohar Chowdhry & Associates, Chartered Accountants (Firm Registration No. 001997S) were appointed as Statutory Auditors of the Company for a period of 3 years commencing from the conclusion of the Fourteenth Annual General Meeting till the conclusion of the Seventeenth Annual General Meeting. The Statutory Auditors of the Company, M/s Manohar Chowdhry & Associates, Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting of the Company

The Audit Committee and the Board of Directors of the Company at their meetings held on April 25, 2024, recommended appointment of M/s Manohar Chowdhry & Associates, Chartered Accountants (Firm Registration No. 001997S) as Statutory Auditors of the Company for another term of 5 (five) years commencing from conclusion of Seventeenth Annual General Meeting till the conclusion of Twenty Second Annual General Meeting in terms of provisions of the Companies Act, 2013.

M/s Manohar Chowdhry & Associates, Chartered Accountants have consented to the said appointment and confirmed that their appointment, if made will be in accordance with Section 139 and 141 of the Companies Act, 2013 & Rules thereunder.

As aforesaid, the approval of the Members of the Company is being sought for appointment M/s Manohar Chowdhry & Associates, Chartered Accountants as Statutory Auditors of the Company.

SECRETARIAL AUDITOR

The Board of Director of the Company had appointed RJSY and Associates, Company Secretaries, as Secretarial Auditors of the Company for the financial year 2023-24. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The Report from Secretarial Auditor is annexed as **"Annexure III"** to this Report.

SECRETARIAL STANDARDS

During the year under review, the Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by Central Government under Section 118 (10) of the Companies Act, 2013.

INTERNAL FINANCIAL CONTROLS

The Board of Directors confirms that your Company has put in place adequate internal controls commensurate with size, scale & nature of its operations and that such controls are adequate and are operating effectively. Such controls are reviewed / revisited / updated / deleted every year for change in processes / organisational changes etc. Testing is done for each of the controls by M/s. Pipalia Singhal & Associates, an independent firm of Chartered Accountants, who confirm to the Audit Committee of the Company, the existence and operating effectiveness of controls over financial reporting. During the year under review, no inefficiency or inadequacy of such controls, was observed.

INTERNAL AUDITORS

The Company has appointed CNK & Associates LLP, Chartered Accountants (Firm Registration No. 101961W/W100036) as independent Internal Auditors to periodically review various aspects of the financial systems, implementation of policies and other statutory compliances. The Internal Auditors attend Audit Committee meetings regularly and their reports are reviewed by the Audit Committee.

COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of sub-section (1) of section 148 of the Companies Act, 2013, are not applicable for the business activities carried out by the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that in preparation of the annual accounts:

i) the applicable accounting standards have been followed and no material departures have been made from the same;

ii) 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 at the end of the financial year and of the profit of the Company for the year ended on that date;

iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) the accounts have been prepared on a going concern basis;

v) internal financial controls have been laid down and such internal financial controls are adequate and are operating effectively;

vi) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ACKNOWLEDGEMENT

The Board would like to place on record their gratitude for the valuable guidance and support received from the RBI, the SEBI, the Stock Exchange and other Government and Regulatory agencies.

The Board acknowledges the support of the Shareholders, Investors, Bankers and other business associates for their continued support and also wish to place on record their appreciation for employees for their commendable efforts, commitment, teamwork and professionalism.

On behalf of the Board of Directors

Balan Wasudeo Chairman (DIN: 00073697)	**Keki Elavia** Director (DIN: 00003940)

Place : Mumbai
Date : April 25, 2024

Annexure I

CORPORATE GOVERNANCE REPORT

I. **Company's Policy**

The corporate governance framework of the Company is based on an effective independent Board and segregation of the Board's supervisory role from the hands-on operations undertaken by the Management team.

Board of Directors

The Board comprises of five Directors including three Independent Directors and two Non-Executive Directors. Mr. Balan Wasudeo, Chairman, presides the meetings of the Board of Directors. The Board is responsible for overall management of the Company's business including formulation of strategic and business plans, review of corporate performance and reporting to the Shareholders. The Directors provide inputs to Management based on their knowledge and expertise. The Board members ensure that their other responsibilities do not materially impact their responsibility as Directors of the Company.

The Board meets at least once a quarter to review the performance, formulate plans & strategy and to consider other business. Management Committee members are invited to attend the Board meeting to provide additional inputs.

Audit Committee

Audit Committee comprises of three members which includes two Independent Directors viz. Mr. Keki Elavia (Chairman) & Mr. Chandan Bhattacharya and Mr. Venkattu Srinivasan, Non-Executive Director. The Audit Committee meets at least once in every quarter. Audit Committee reviews financial statements, financial controls and adequacy of internal control systems of the Company.

Meetings of the Audit Committee are also attended by Management Committee members and Auditors as special invitees.

Risk Management Committee

Risk Management Committee of the Company comprises of three Independent Directors viz. Mr. Balan Wasudeo (Chairman), Mr. Chandan Bhattacharya & Mr. Keki Elavia and Mr. Venkattu Srinivasan, a Non-Executive Director. Committee Members also include Mr. Sanjay Tibrewala, Chief Executive Officer and Ms. Gauri Bhatkal, Chief Financial Officer & Chief Risk Officer. Risk Management Committee reviews risk management framework of the Company from time to time.

Corporate Social Responsibility (CSR) Committee

As part of Company's commitment towards economic, environmental and social well-being of communities, Corporate Social Responsibility Committee has been constituted at the Board level pursuant to provisions of Section 135 of the Companies Act, 2013. The Committee consists of four Directors which includes two Independent Directors viz. Mr. Chandan Bhattacharya (Chairman) & Mr. Balan Wasudeo and two Non-Executive Directors viz. Mr. Venkattu Srinivasan & Ms. Jyoti Agarwal. The Committee takes decisions on deployment of allocated funds to meet the objectives of CSR Policy. The Committee makes recommendation to the Board of Directors on CSR policy and related matters.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of four Directors which includes two Independent Directors viz. Mr. Balan Wasudeo & Mr. Keki Elavia and two Non-Executive Directors viz. Mr. Venkattu Srinivasan (Chairman) & Ms. Jyoti Agarwal. The Committee has been formed to lay down criteria for appointment of persons as directors, Key Managerial Personnel and in senior management of the Company and to recommend to the Board a policy relating to the remuneration to the Directors, Key Managerial Personnel and other employees.

Allotment Committee

Allotment Committee consists of five Directors which includes three Independent Directors viz. Mr. Chandan Bhattacharya (Chairman), Mr. Balan Wasudeo & Mr. Keki Elavia and two Non-Executive Directors viz. Mr. Venkattu Srinivasan & Ms. Jyoti Agarwal. The Committee functions to allot any securities including Shares, Debentures and Bonds and to issue security certificates.

Record of the General Meetings, Board and it's Committee Meetings

During the year, Directors of the Company had 16 Board Meetings, 4 Audit Committee Meetings, 2 Risk Management Committee Meetings, 2 CSR Committee Meetings, 1 Nomination and Remuneration Committee Meeting and 1 Allotment Committee Meeting. Annual General Meeting of the Members of the Company was held on July 7, 2023.

Management Committee

Management Committee comprises of Chief Executive Officer (Chairman) and other senior executives of the Company. The Management Committee monitors and regulates day to day operations of the Company including evaluation of acquisition proposals, approval of investments, formulation of resolution strategy of acquired assets. The Management Committee meets as and when required.

Independent Advisory Committee

In accordance with the applicable RBI Guidelines, the Company has constituted an Independent Advisory Committee comprising of three independent professionals having financial/legal/technical background to consider and recommend to the Board, the proposals for settlement of dues of the borrowers. The Independent Advisory Committee meets as and when required.

II. **Disclosures**

(1) During the year under review there were no transactions of the Company with its Directors, Key Managerial Personnel and their relatives that had any potential conflict with the interest of the Company at large.

(2) None of the Directors of the Company are related to each other.

III. **Shareholders' Information**

All the securities of the Company have been dematerialised through National Securities Depository Limited. The Company has appointed Link Intime India Private Limited as Registrar and Transfer Agent.

On behalf of the Board of Directors

Balan Wasudeo	**Keki Elavia**
Chairman	Director
(DIN: 00073697)	(DIN: 00003940)

Place : Mumbai
Date : April 25, 2024

Annexure II

CSR REPORT

1. **Brief outline on CSR Policy of the Company.**

The CSR Policy articulates the Company's aim to positively contribute towards economic, environmental and social well-being of communities through its Corporate Social Responsibility agenda. The core CSR focus areas outlined are:

- Education & livelihood
- Healthcare
- Environment and Sustainable Development
- Relief & Rehabilitation
- Sports

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Chandan Bhattacharya	Independent Director	2	2
2	Mr. Balan Wasudeo	Independent Director	2	2
3	Mr. Venkattu Srinivasan	Director	2	2
4	Ms. Jyoti Agarwal	Director	2	2

3. **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board:**
www.phoenixarc.co.in

4. **Executive summary along with web-link(s) 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 :** Not Applicable

5. (a) **Average net profit of the company as per sub-section (5) of section 135**: Rs. 1,280,207,095.00

   (b) **Two percent of average net profit of the company as per sub-section (5) of section 135:** Rs. 25,604,142.00

   (c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil

   (d) **Amount required to be set off for the financial year, if any:** Nil

   (e) **Total CSR obligation for the financial year [(b) + (c) - (d)]:** Rs. 25,604,142.00

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** Rs. 25,700,000.00

   (b) **Amount spent in Administrative Overheads:** Nil

   (c) **Amount spent on Impact Assessment, if applicable:** Not Applicable

   (d) **Total amount spent for the Financial Year [(a) + (b) + (c)]:** Rs. 25,700,000.00

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial year (in Rupees)	Amount Unspent (in Rupees)				
25,700,000.00	Amount transferred to Unspent CSR account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to subsection (5) of section 135		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
	Nil	Nil	Nil	Nil	Nil

(f) Excess amount for set-off, if any:

Sl. No.	Particulars	Amount (in Rupees)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	25,604,142.00
(ii)	Total amount spent for the financial year	25,700,000.00
(iii)	Excess amount spent for the financial year [(ii) – (i)]	95,858.00
(iv)	Surplus arising out of CSR projects or programmes or activities of the previous financial year, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii) – (iv)]	95,858.00

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three financial years spent against ongoing projects for the financial year:** None

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year:** No

9. **Reason(s), if Company has failed to spend two percent of the average net profit as per sub-section (6) of section 135:** Not Applicable

On behalf of the Board of Directors

Balan Wasudeo	**Chandan Bhattacharya**
Chairman, Board of Directors	Chairman, CSR Committee
(DIN: 00073697)	(DIN: 01341570)

Place : Mumbai
Date : April 25, 2024

Annexure III

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
PHOENIX ARC PRIVATE LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PHOENIX ARC PRIVATE LIMITED ("the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2024 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;

2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

3. The Depositories Act, 1996 and the Regulations and Bye- Laws framed there under;

4. Foreign Exchange Management Act, 1999 ('FEMA') and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, overseas Direct Investment and External Commercial Borrowings; (Not Applicable)

5. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable: -

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable during the Audit period)

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

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable during the Audit period)

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not Applicable during the Audit period)

   (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable during the Audit period)

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not Applicable during the Audit period)

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable during the Audit period)

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(j) The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019; (Not Applicable during the Audit period) and

(k) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003. (Not Applicable during the Audit period)

6. Other laws to the extent applicable to the Company as per the representations made by the Company namely,

(a) The Reserve Bank of India Act, 1934 and Circulars, Directions, Guidelines and Notifications thereunder applicable to Asset Reconstruction Companies.

(b) The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and Rules, Guidelines and Circulars issued thereunder.

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

(1) Secretarial Standards issued pursuant to section 118(10) of the Act, by The Institute of Company Secretaries of India.

(2) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited.

During the period under review, the Company has complied with the above-mentioned Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted. No changes took place in the composition of the Board of Directors during the period under review.

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

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

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

We further report that during the audit period:

1. The Company had issued Non-Convertible Debentures (NCDs) on Private Placement basis amounting to Rs.100 Crores and redeemed NCDs amounting to Rs.75 Crores during the year.
2. The Company had issued Commercial Papers (CPs) amounting to Rs.225 crores and Redeemed CPs amounting to Rs.100 crores during the year.

3. The Company had altered its Articles of Association at its Annual General Meeting held on July 7,2023 by passing a special resolution to insert Article no. 12.1 for appointment of Nominee Directors on requisition of Debenture Trustee.

For RJSY & ASSOCIATES
Company Secretaries
Firm Registration No.: P2016MH057200

Sadhana Ramnihor Yadav
Membership No.: A27559
Certificate of Practice No.: 16932
ICSI UDIN: A027559F000234557
Peer Review Number: 3117/2023

Place : Mumbai
Date : April 25, 2024

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

'Annexure A'

To,
The Members,
PHOENIX ARC PRIVATE LIMITED

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

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

For RJSY & ASSOCIATES
Company Secretaries
Firm Registration No.: P2016MH057200

Sadhana Ramnihor Yadav
Membership No.: A27559
Certificate of Practice No.: 16932
ICSI UDIN: A027559F000234557
Peer Review Number: 3117/2023

Place : Mumbai
Date : April 25, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of PHOENIX ARC PRIVATE LIMITED

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of Phoenix ARC Private Limited ("the Company") and trusts controlled by the Company (the Company and its trusts together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Ind AS Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2024 and their consolidated profit, their consolidated other comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing ("SA"s), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group 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 Consolidated Ind AS Financial Statements under the provisions of the Act 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 audit opinion on the Consolidated Ind AS Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Ind AS Financial Statements for the financial year ended 31st March, 2024. These matters were addressed in the context of our audit of the Consolidated Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Key audit matters	How our audit addressed the key audit matter
a) Impairment of financial instruments (loans, trade receivables and advances recoverable from Trust) (Refer note K of the material accounting policies)	
Loans, trade receivables and advances recoverable from trusts amounting to INR 71,638.10 lakhs (net of impairment provision) at 31st March, 2024 as disclosed in the Consolidated Ind AS Financial Statements. Ind AS 109 on Financial instruments requires the Group to provide for impairment of its financial instruments (designated as amortized cost or fair value through other	• Our audit procedures included considering the Group's board approved policies for impairment of financial instruments and assessing compliance with the policies in terms of Ind AS 109. • We understood the process of ECL estimation and tested the design and operating effectiveness of key controls around data extraction and validation.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>comprehensive income) using the Expected Credit Loss (ECL) approach. Such ECL allowance is required to be measured considering the guiding principles mentioned in the Standard. In the process of applying such principles and other requirements of the Standard, a significant degree of judgement has been applied by the Management in respect of following matters:
a) Grouping of the trade receivables and advances recoverable from trust under homogenous pools in order to determine probability of default (PD) on a collective basis.
b) Determining the staging of loans, trade receivables and recoverable from trust.
c) Determining effect of past defaults on future probability of default.
d) Estimation of management overlay for macroeconomic factors which could impact the ECL provisions.
e) Estimation of loss given default (LGD) based on past recovery rates.
Given the complexity and significant judgement involved in the estimation of impairment of financial instruments, we have considered this area as a key audit matter.</td><td>• We understood the methodology used by the management to arrive at their ECL provision and examined certain assumptions used by the Group in their model for grouping and staging of financial assets into various categories and default buckets and for determining the PD and LGD rates including the macro-economic factors.
• We tested the operating effectiveness of the controls for staging of loans and receivables based on their past-due status.
• We tested the arithmetical accuracy of computation of ECL provision.
• We assessed the disclosures included in the Consolidated Ind AS Financial Statements with respect to such allowance/estimate in accordance with the requirements of Ind AS 109 and Ind AS 107.</td></tr>
<tr><td colspan="2">b) Fair valuation of Security Receipts (SR) (Refer note N of the material accounting policies)</td></tr>
<tr><td>The Group holds investments in the form of security receipts which represent the investments in underlying pool of assets. The fair valuation of these investments at 31st March, 2024 amounts to INR 144,625.61 lakhs as disclosed in the Consolidated Ind AS Financial Statements. These investments are classified as fair value through the profit and loss. In accordance with Ind AS 113 on Fair Value Measurement, the objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions.
As required by RBI regulations, these SR are valued on a half yearly basis by eligible credit rating agencies (“CRA”). These CRA perform an independent evaluation of the underlying assets based on certain estimates and judgements and provide range of recovery of these underlying assets. The Management then decides the fair value of the SR based on its best estimate of recovery, and the range of recovery provided by the CRA.
The Management and CRA have done an assessment to ascertain future recoverability estimates of the underlying assets while assessing the value of these SR. In making these assessments, the Management and CRA have used</td><td>• Our audit procedures included an assessment of internal controls over measurement of fair value and we have understood the management process of providing key inputs to the CRAs such as resolution plan, security value, projected cash flows, restructuring plans, etc. in determining the fair value.
• We tested the operating effectiveness of the controls for the purpose of fair valuation of SR.
• We have performed testing on a sample basis of key inputs as mentioned above to validate the reasonableness of the input values.
• We have understood the valuation process followed by the CRAs and tested the fair valuation of sample cases. We understood the key inputs, judgements and discounting factors applied by the CRAs and independently verified sample cases including key inputs used to ascertain fair valuation of the SR.
• We have tested on a sample basis, the rationale for declaring the fair value of the SR as per the range provided by CRA, to assess for reasonableness of the NAV.
• We have tested on a sample basis the assumptions and inputs used for thisassessment with the help of our valuation experts. The assumptions and estimates</td></tr>
</table>

Key audit matters	How our audit addressed the key audit matter
several estimates, assumptions and sources of information (both internal and external). These assumptions, estimates and information used by the Management and CRA may have an uncertainty and the actual results may differ from the estimates and assumptions made. Given the significance of fair valuation of investments in SR to overall Consolidated Ind AS Financial Statements and the degree of management's judgement involved in the estimate and involvement of external CRA in the fair value estimation and the uncertainty on the recoverability of the SR, we have considered this area as a key audit matter.	used by the management on future recoverability may vary and actual results may differ from the estimates and assumptions • We assessed disclosures included in the Consolidated Ind AS Financial Statements with respect to such fair valuation of SR in accordance with the requirements of Ind AS 113 and Ind AS 107.
c) Valuation of Purchase or originated credit impaired assets (POCI) (Refer note K of the material accounting policies)	
The trusts that are consolidated have assets on their books which are impaired and accordingly in accordance with Ind AS 109 classified as purchased or originated credit impaired assets ("POCI"). The Group has POCI assets (net of impairment) amounting to INR 98,038.07 lakhs as disclosed in the Consolidated Ind AS Financial Statements as at 31st March 2024. These assets are measured using projected cash flows based on management estimates of recovery and then discounted at the credit adjusted effective interest rate. The Management has made an assessment on each POCI asset to ascertain future recoverability estimates. In making this assessment, the Management has used several estimates, assumptions and sources of information (both internal and external), including but not limited to quality of collateral available, external credit reports, economic forecasts for future expected performance of the underlying companies etc. The assumptions and estimates used by the Management may vary and actual results may differ from the estimates and assumptions. Considering the significant Management estimate and judgement involved in assessing cash flows and the discount rate, we have considered this as a key audit matter.	• For POCI assets, we have understood methodology applied by the Management to value these assets including the key inputs in that process which included future cash flow projections and the calculation of credit adjusted effective interest rate for discounting those cash flows and tested for samples these key inputs and estimates used. • We tested the operating effectiveness of the controls for collating the information for future recovery estimates and past collections records. • We verified on a sample basis, the calculation of the credit adjusted effective interest rate used for the purpose of discounting these assets. • The assumptions and estimates used by the management on future recoverability may vary and actual results may differ from the estimates and assumptions. • We have verified the arithmetical accuracy of the valuation of the POCI assets using the expected cash flow and discount rate performed by the Group using spreadsheets. • We have assessed disclosures included in the financial statements with respect to these assets in accordance with Ind AS 107 and Ind AS 109.
d) Consolidation of Trusts (Refer Note 4 of the material accounting policies)	
The Group sets up trusts to acquire stressed assets for the purpose of carrying on the activity of Securitisation and Asset Reconstruction. These trusts issue SR which represent the beneficial undivided right, title and interest in the assets of the respective trust to the beneficiaries. The Group acts as asset manager in respect of these trusts and consolidates the trusts which it controls.	• We have understood the structure of all the trusts managed by the Company and reviewed the beneficial interest, the waterfall mechanism of distribution of returns and other relevant clauses of the trust deeds. • We have obtained and reviewed the workings made by the Management to assess the variability of returns from the recovery in the trusts based on estimated recovery in the trusts.

Key audit matters	How our audit addressed the key audit matter
As per Ind AS 110 Consolidated Financial Statements, the Company needs to consolidate the entity when it controls it. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To assess control, various factors need to be considered based on relevant facts and circumstances. Considering the significant management judgement and estimate involved in assessing control, we have considered this a key audit matter.	• We have read and understood the management's policy on the assessment of the percentage of variability for the Company to be classified from agent to principal for the purpose of consolidation, in accordance with Ind AS 110. • We have verified the consolidation of these trusts done by the Group. We have assessed disclosures included in the financial statements with respect to these assets in accordance with Ind AS 107 and Ind AS 110.

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

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Annual Report including Annexures thereto, but does not include the Standalone Ind AS Financial Statements, Consolidated Ind AS Financial Statements, and our auditor's report thereon.

Our opinion on the Consolidated Ind AS 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 Consolidated Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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, which have been used for the purpose of preparation of consolidated financial statements by the Directors of the Group, as aforesaid.

In preparing the Consolidated Ind AS Financial Statements, the Management of the Group is responsiblefor assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.The Management of the Group is also responsible for overseeing the financial reporting process of the Group.

Responsibilities of Auditor for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS 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 Consolidated Ind AS Financial Statements.

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

- Identify and assess the risks of material misstatement of the Consolidated Ind AS 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)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to Consolidated Ind AS Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 ability of the Group 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 Consolidated Ind AS 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Ind AS 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 Consolidated Ind AS Financial Statements.

We communicate with those charged with governance of the Company and such other entities included in the Consolidated Ind AS Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls 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 Consolidated Ind AS Financial Statements for the financial year ended 31st March, 2024 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, based on our audit and on the consideration of separate financial statements of the trusts and the other financial information of trusts, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept by the Group so far as it appears from our examination of those books;

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements;

    d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended;

    e) On the basis of the written representations received from the Directors of the Group as on 31st March, 2024 taken on record by the Board of Directors of the Group, none of the directors of the Group is disqualified as on 31st March, 2024 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting with reference to the Consolidated Ind AS Financial Statements;

    g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Group;

    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 Group does not have any pending litigations which would impact its consolidated financial position;

        ii. The Group, did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended 31st March, 2024;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group;

        iv. a) The respective Management of the Company and trusts controlled by the Company, 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 or trusts controlled by the Company to or in any other persons or entity, including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such trusts ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

        b) The respective Management of the Company and trusts controlled by the Company, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such trusts from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such trusts shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its trusts controlled by the Company, 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. There were no dividends declared or paid during the year by the Group.

vi. Based on our examination which included test checks, the Group has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. The Group has used cloud-based accounting software for maintaining its books of account and in the absence of service organization controls report for the period April 01, 2023 to March 31, 2024, we are unable to comment whether the audit trail feature of the aforesaid software was enabled and operated throughout the year for direct data changes. Further, for accounting software other than the aforesaid databases, we did not notice any instance of the audit trail feature being tampered with (Note 43 to the Financial Statements).

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us for the Holding Company, we report that there are no qualifications or adverse remarks in the CARO report. Trusts controlled by the Company and included in the Consolidated Ind AS Financial Statements are not subject to CARO.

For Manohar Chowdhry & Associates
Chartered Accountants
Firm Registration No. 001997S

Ameet N. Patel
Partner
Membership No. 039157
UDIN: 24039157BKCLUN8719

Place: Mumbai
Date: 25th April, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF PHOENIX ARC PRIVATE LIMITED

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting with reference to the Consolidated Ind AS Financial Statement of Phoenix ARC Private Limited ("the Company") as of 31st March, 2024 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to the Consolidated Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by ICAI. 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 with reference to the Consolidated Ind AS Financial Statements were 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 with reference to the Consolidated Ind AS Financial Statements and their operating effectiveness.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to the Consolidated Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to the Consolidated Ind AS Financial Statements 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 with reference to the Consolidated Ind AS Financial Statements 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 Consolidated Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to the Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to the Consolidated Ind AS Financial Statements, 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 with reference to the Consolidated Ind AS Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to the Consolidated Ind AS Financial Statements 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 and to the best of our information and according to the explanation given to us , the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to the Consolidated Ind AS Financial Statements and such internal financial controls over financial reporting with reference to the Consolidated Ind AS Financial Statements were operating effectively as at 31st March, 2024, 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 ICAI.

Other Matters

Our report under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting includes only the Company. The trusts forming part of the Consolidated Ind AS Financial Statements are not companies as defined as per the Act and accordingly reporting on the adequacy and operating effectiveness of the internal controls is not applicable to these trusts.

For **Manohar Chowdhary & Associates**
Chartered Accountants
Firm Registration No. 001997S

Ameet N. Patel
Partner
Membership No. 039157
UDIN: 24039157BKCLUN8719

Place: Mumbai
Date: 25th April, 2024

PHOENIX ARC PRIVATE LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024

(Amount in lakhs)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
Assets			
Financial assets			
Cash and cash equivalents	2A	10,931.67	6,769.58
Bank Balance other than above	2B	1,534.31	1,548.21
Receivable			
Trade receivables	3	3,783.72	1,287.43
Loans	4	67,385.91	83,815.39
Investments	5	1,44,625.61	1,02,412.40
Other financial assets	6	468.47	410.36
Sub total		**2,28,729.69**	**1,96,243.37**
Non-financial assets			
Current tax assets (net)		672.74	1,444.67
Deferred tax assets (net)	26	4,782.15	4,325.95
Property, plant and equipment	7	1,432.82	255.98
Intangible assets under development	8B	56.00	28.00
Other intangible assets	8A	6.33	12.67
Other non-financial assets	9	172.41	108.20
Sub total		**7,122.45**	**6,175.47**
Total Assets		**2,35,852.14**	**2,02,418.84**
Liabilities and Equity			
Liabilities			
Financial liabilities			
Payables			
Trade payables	10		
(A) total outstanding dues of micro, small, and medium enterprises		7.57	1.24
(B) total outstanding dues of creditors other than micro, small, and medium enterprises		26.87	9.54
Debt securities	11	59,941.87	57,105.61
Borrowings (other than debt securities)	12	55,769.05	53,487.68
Other financial liabilities	13	4,531.20	3,069.99
Sub total		**1,20,276.56**	**1,13,674.06**
Non-financial liabilities			
Current tax liabilities (net)		8,722.93	7,241.21
Provisions	14	114.02	101.94
Other non-financial liabilities	15	14,298.55	7,953.55
Sub total		**23,135.50**	**15,296.70**
Equity			
Equity share capital	16	16,800.00	16,800.00
Other equity	17	75,640.08	56,648.08
Sub total		**92,440.08**	**73,448.08**
Total liabilities and equity		**2,35,852.14**	**2,02,418.84**
Material accounting policies & notes on accounts	1		

In terms of our report attached.

For Manohar Chowdhry & Associates
Chartered Accountants
Firm Registration No. 001997S

For and on behalf of the Board of Directors of Phoenix ARC Private Limited

Ameet N Patel
Partner
Membership No. 039157

Balan Wasudeo
Director
DIN: 00073697

Keki Elavia
Director
DIN: 00003940

Sanjay Tibrewala
Chief Executive Officer

Place : Mumbai
Date : April 25, 2024

Gauri Bhatkal
Chief Financial Officer

Kamlesh Rane
Company Secretary
Membership No. A29339

PHOENIX ARC PRIVATE LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(Amount in lakhs)

Sr. No.	Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
	Revenue From Operations			
	Interest income	18	14,008.37	9,485.96
	Fees and commission income	19	38,868.26	27,714.29
(I)	**Total revenue from operations**		**52,876.63**	**37,200.25**
(II)	**Other income**	21	**795.80**	**221.00**
(III)	**Total income (I + II)**		**53,672.43**	**37,421.25**
	Expenses			
	Finance costs	22	6,244.93	4,767.39
	Net loss on fair value changes	20	2,666.99	4,920.78
	Impairment on financial instruments	23	13,531.89	(70.01)
	Employee benefits expense	24	2,277.39	1,528.56
	Depreciation, amortization and impairment	7&8	226.40	99.67
	Other expenses	25	1,369.51	764.79
(IV)	**Total expenses**		**26,317.11**	**12,011.18**
(V)	**Profit/(loss) before tax (III -IV)**		**27,355.32**	**25,410.07**
(VI)	**Tax expense**	26		
	(1) Current tax		8,814.38	5,610.89
	(2) Deferred tax		(454.91)	1,210.53
	Total tax expense (1+2)		**8,359.47**	**6,821.42**
(VII)	**Profit/(loss) for the period (V-VI)**		**18,995.85**	**18,588.65**
(VIII)	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	- Remeasurements of the defined benefit plans		(5.15)	6.21
			(5.15)	**6.21**
	Income tax relating to items that will not be reclassified to profit or loss	26	1.30	(1.56)
	Total		**(3.85)**	**4.65**
(IX)	**Total comprehensive income for the period (VII+VIII)**		**18,992.00**	**18,593.30**
(X)	**Earnings per equity share**	27		
	Basic and Diluted earning per share (Rs.)		11.31	11.06

In terms of our report attached.

For Manohar Chowdhry & Associates
Chartered Accountants
Firm Registration No. 001997S

For and on behalf of the Board of Directors of Phoenix ARC Private Limited

Ameet N Patel
Partner
Membership No. 039157

Balan Wasudeo
Director
DIN: 00073697

Keki Elavia
Director
DIN: 00003940

Sanjay Tibrewala
Chief Executive Officer

Place : Mumbai
Date : April 25, 2024

Gauri Bhatkal
Chief Financial Officer

Kamlesh Rane
Company Secretary
Membership No. A29339

PHOENIX ARC PRIVATE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flow from operating activities		
Profit before tax	27,355.32	25,410.07
Adjustments to reconcile profit before tax to net cash generated from / (used in) operating activities		
Depreciation and amortisation expense	226.40	99.67
Gain on sale of investments	(3,887.62)	1,191.62
Net loss on fair value changes	6,554.61	3,729.16
Gain on sale of property, plant and equipment	8.49	(3.35)
Interest income (other than loans and advances)	(650.03)	(266.55)
Interest on lease liability	76.65	23.60
Impairment (gain) / loss on financial instruments	13,531.89	(70.01)
Finance costs	6,168.28	4,743.79
Gain on termination of lease	(19.54)	-
Gratuity	19.90	16.85
Operating profit before working capital changes	**49,384.35**	**34,874.85**
Working capital adjustments		
Adjustments for (increase) / decrease in operating assets		
Loans and advances	(3,358.14)	(48,254.89)
Trade receivables	15,843.86	1,437.96
Other assets	(12,259.49)	296.67
Adjustments for increase / (decrease) in operating liabilities		
Trade payables	82.02	67.56
Provisions	6,819.79	(107.42)
Other liabilities	(71.33)	5,317.36
	7,056.71	**(41,242.76)**
Cash from operations	**56,441.06**	**(6,367.91)**
Income tax paid (net of refund)	(6,560.72)	(3,143.01)
Net cash from operating activities	**49,880.34**	**(9,510.92)**
Cash flow from investing activities		
Purchase of property, plant and equipment	(284.28)	(44.10)
Sale of property, plant and equipment	0.74	3.35
Purchase of investments	(1,16,220.25)	(66,582.27)
Proceeds from sale of investments	71,340.05	45,576.75
Bank deposits with original maturity greater than three months	13.90	(1,548.21)
Interest received on fixed deposits with bank	650.03	266.55
Net cash (used in) / generated from investing activities	**(44,499.81)**	**(22,327.93)**
Cash flow from financing activities		
Proceeds from borrowings	73,749.04	71,026.61
Repayment of borrowings	(53,664.49)	(50,631.31)
Net proceeds from bank overdraft facility	(3,238.96)	1,749.29
Finance costs including share issue expenses	(4,920.90)	(1,491.16)
Proceeds from issuance of security receipts (net)	(12,975.35)	11,158.90
Payment of lease liability (including interest thereon)	(167.78)	(87.12)
Net cash flow from financing activities	**(1,218.44)**	**31,725.21**
Net (decrease) / increase in cash and cash equivalents	**4,162.09**	**(113.64)**
Cash and cash equivalents at the beginning of the year	6,769.58	6,883.22

PHOENIX ARC PRIVATE LIMITED
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash and cash equivalents at the end of the year	**10,931.67**	**6,769.58**
Reconciliation of cash and cash equivalents with the balance sheet		
Cash and cash equivalents as per balance sheet (refer note 2)		
Cash on hand	0.19	0.06
Balances with banks in current account	1,402.29	428.12
Balance in term deposit < 3 months	8,806.31	6,342.14
Balance in overdraft facility	724.03	-
Less: Impairment loss allowance	(1.15)	(0.74)
Cash and cash equivalents as restated as at the year end	**10,931.67**	**6,769.58**

The above Cash flow statement has been prepared under the 'Indirect Method' as set out in Ind AS 7 - 'Cash Flow Statements'.

In terms of our report attached.

For Manohar Chowdhry & Associates
Chartered Accountants
Firm Registration No. 001997S

Ameet N Patel
Partner
Membership No. 039157

Place : Mumbai
Date : April 25, 2024

For and on behalf of the Board of Directors of Phoenix ARC Private Limited

Balan Wasudeo
Director
DIN: 00073697

Keki Elavia
Director
DIN: 00003940

Sanjay Tibrewala
Chief Executive Officer

Gauri Bhatkal
Chief Financial Officer

Kamlesh Rane
Company Secretary
Membership No. A29339

PHOENIX ARC PRIVATE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

A. Equity share capital

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the reporting year	16,800.00	16,800.00
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	**16,800.00**	**16,800.00**

B. Other equity

(Amount in lakhs)

Particulars	Other equity				Total
	Securities premium	Debenture redemption reserve	Impairment reserve	Retained earnings	
Balance as at March 31, 2022	**3,006.10**	**805.62**	**249.67**	**33,993.39**	**38,054.78**
Profit for the year	-	-	-	18,588.65	**18,588.65**
Other comprehensive income for the year (net of tax)	-	-	-	4.65	**4.65**
Total Comprehensive Income for the year ended March 31, 2023	**-**	**-**	**-**	**18,593.30**	**18,593.30**
Transfer/utilisations					
Transfer to debenture redemption reserve	-	353.03	-	(353.03)	**-**
Balance as at March 31, 2023	**3,006.10**	**1,158.65**	**249.67**	**52,233.66**	**56,648.08**
Profit for the year	-	-	-	18,995.85	**18,995.85**
Other comprehensive income for the year (net of tax)	-	-	-	(3.85)	**(3.85)**
Total Comprehensive Income for the year ended March 31, 2024	**-**	**-**	**-**	**18,992.00**	**18,992.00**
Transfer/utilisations					
Transfer to debenture redemption reserve	-	804.41	-	(804.41)	**-** **-**
Balance as at March 31, 2024	**3,006.10**	**1,963.06**	**249.67**	**70,421.25**	**75,640.08**

In terms of our report attached.

For Manohar Chowdhry & Associates
Chartered Accountants
Firm Registration No. 001997S

For and on behalf of the Board of Directors of Phoenix ARC Private Limited

Ameet N Patel
Partner
Membership No. 039157

Balan Wasudeo
Director
DIN: 00073697

Keki Elavia
Director
DIN: 00003940

Sanjay Tibrewala
Chief Executive Officer

Place : Mumbai
Date : April 25, 2024

Gauri Bhatkal
Chief Financial Officer

Kamlesh Rane
Company Secretary
Membership No. A29339

PHOENIX ARC PRIVATE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

1. General information

Phoenix ARC Private Limited ('the Company') along with trusts where the Company is acting as principal (collectively referred to as 'the Group'). The Company is also acting as a Trustee for these trusts.

The Company is domiciled in India and incorporated on March 2, 2007. The Company is registered with the Reserve Bank of India ('RBI') under section 3 of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act). The Company is incorporated to carry on the business of securitization of assets and reconstruction thereof under the provisions of the SARFAESI Act and the various guidelines issued by RBI from time to time.

Trusts are governed by their respective terms of the Indenture of Trust and the Offer Document, based on which Security Receipts (SRs), which represent the beneficial undivided right, title and interest in the assets of the respective trust have been issued to the beneficiaries. The objective of a Trust is to acquire stressed assets for the purpose of carrying on the activity of securitisation and asset reconstruction.

2. Basis of Preparation

A. Statement of compliance

The financial statements of the Group have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The Group presents its financial statements in compliance with the Division III of the Schedule III of the Act.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. These consolidated financial statements were authorized for issue by the Group's Board of Director's on April 25, 2024.

B. Functional and presentation currency & rounding of amounts

The financial statements are presented in Indian Rupees (INR) which is also Group's functional currency. All values are rounded to the nearest lakhs with two decimals, except when otherwise indicated.

C. Basis of measurement

The financial statements have been prepared on a historical cost basis except for the following:

- Certain financial assets and liabilities - measured at fair value (refer accounting policy regarding financial instruments).

D. Use of estimates and judgements

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The actual amounts realized may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

Judgement, estimates and assumptions are required in particular for:

I. Recognition of revenue over time or at a point in time

   The Group recognizes revenue from trusteeship fee at a point in time because the performance obligations are satisfied once the service is provided by the Group.

II. Determination of estimated useful lives of property, plant, equipment

   Useful lives of property, plant and equipment are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

PHOENIX ARC PRIVATE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

III. Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial valuation. Key actuarial assumptions which form the basis of above valuation includes discount rate, trends in salary escalation, demographics and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Further details are disclosed in note 33.

IV. Recognition of deferred tax assets and liabilities

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, carry-forwards losses and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, i.e. unabsorbed depreciation and unused tax credits could be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

V. Recognition and measurement of provisions and contingencies

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, contingent liability is disclosed.

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may vary from the amount included in other provisions.

VI. Discounting of long-term financial assets/liabilities

All financial assets/liabilities are required to be measured at fair value on initial recognition. In case of financial assets which are required to be subsequently measured at amortized cost, interest is accrued using the effective interest rate (EIR) method.

VII. Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value refer to note 34.

VIII. Business model assessment

Classification and measurement of financial assets depends on the results of the Solely Payment of Principal and Interest (SPPI) and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through Other Comprehensive Income (OCI) that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

IX. Effective Interest Rate (EIR) method

The Group's EIR methodology, recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given /taken and recognizes the effect of potentially different interest rates at various stages and other characteristics of the product life cycle.

This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

X. Impairment of financial assets

The Group recognizes loss allowances for Expected Credit Losses (ECL) on its financial assets measured at amortized cost and Fair Value through Other Comprehensive Income (FVOCI) except investment in equity instruments. At each reporting date, the Group assesses whether the above financial assets are credit-impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Group's ECL calculations are outputs of statistical models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies such as macroeconomic scenarios and collateral values.

The Group regularly reviews its models in the context of actual past experiences and adjusts when necessary.

XI. Determination of lease term

Ind AS 116 on Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Group's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

XII. Discount rate for lease liability

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

3. Amendments to existing Ind AS

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The material accounting policy information used in preparation of the consolidated financial statements have been discussed hereunder.

4. Basis for consolidation

The Group sets up trusts to acquire stressed assets for the purpose of carrying on the activity of Securitisation and Asset Reconstruction. These trusts issue SRs which represent the beneficial undivided right, title and interest in the assets of the respective trust to the beneficiaries. The Group acts as assets manager in respect of these trusts and consolidates the trusts which it controls. When making this judgement, the Group also considers voting and similar rights available to itself and other parties, who may limit the Group's ability to control, remuneration to which it is entitled and its exposure to variability of returns from other interests held in such trusts. There are trusts that do not meet consolidation criteria either due to magnitude of, and variability associated with, Group's remuneration relating to the returns expected from the activities of the investee or Substantive rights held by other parties.

SRs held by the outsiders has been classified as liability as per requirement of Ind AS 32: Financial Instruments - Presentation

The consolidated financial statements comprise the financial statements of the Company and its trusts over which Group has control as at 31st March 2024. The Company consolidates an entity when it has control over the entity. Control is achieved when Company is exposed, or has rights to variable returns, from its involvement with the investee and has the ability to affect those returns through its power over investee. When assessing whether it has power over an investee and therefore controls the variability of its returns, the Company considers all relevant facts and circumstances, including:

- The purpose and design of the investee
- The relevant activities and how decisions about those activities are made and whether the Company can direct those activities
- Contractual arrangements such as call rights, put rights and liquidation rights
- Whether the Company is exposed, or has rights, to variable returns from its involvement with the investee, and has the power to affect the variability of such returns
- Decision making authority in trusts managed by it, economic interests in the form of units of Security Receipts (SRs), fees earned and collection incentives
- Investment management and other contractual arrangements
- Removal rights held by other parties

Consolidation procedure:

a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Company with those of trusts over which Group has control.

b. Offset (eliminate) the carrying amount of the Company’s investment in and the Company’s portion of securit Sies of each trust over which Group has control.

c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, are eliminated in full). Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

d. When necessary, adjustments are made to the financial statements of trusts to bring their accounting policies in line with the Group’s accounting policies. A change in the ownership interest of a trust, without loss of control, is accounted for as a transaction with security receipt holders. If the Group loses control over a trust, it derecognises the related assets (including goodwill), liabilities, share of other security receipt holders and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value at the date of loss of control.

5. Material accounting policies

A. Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and demand deposits with banks. It also comprises of short-term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

B. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment (PPE) are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit or loss.

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ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and its cost can be measured reliably. Repairs and maintenance are recognized in the statement of profit and loss as incurred.

iii. Depreciation

Deprecation is provided on a pro-rata basis on a straight-line method over the estimated useful life of the assets at rates which are equal to or higher than the rates prescribed under Schedule II of the Companies Act, 2013 in order to reflect the actual usage of the assets. Estimated useful lives of assets based on technical evaluation by management are as follows:

Nature of Assets	Useful Life
Furniture and Fixtures	6 years
Vehicles	4 years
Computers	3 years
Office equipment	5 years

Assets costing less than INR 5,000 are fully depreciated in the year of purchase.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

iv. Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The carrying amount of those components which have been separately recognized as assets is derecognized at the time of replacement thereof. Any gain or loss arising onfrom the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

C. Intangible assets

i. Recognition and measurement

Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

iii. Amortisation

The intangible assets are amortised over the estimated useful lives as given below:

Nature of Assets	Useful Life
Software (including development) expenditure	3 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

iv. Gain / Loss on disposal

Any gain or loss on disposal of an item of Intangible asset is recognized in the statement of profit & loss.

D. Revenue recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115 - Revenue from contracts with customers;

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Step 1: Identify contract(s) with a customer - A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract - A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price - The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract - For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services

i. Trusteeship and other fees are recognised on accrual basis as per terms of the relevant trust deed / offer document when it is probable that consideration would be collected while considering the customer's ability and intention to pay when it is due

ii. Realisation/returns on assets over acquisition price is recognized at a point in time as per terms of the relevant trust deed/offer document.

Interest Income

Interest income on financial assets is recognized on an accrual basis using effective interest method. Interest income is continued to be recognized at the original effective interest rate applied on the gross carrying amount of assets classified as (i) no significant increase in credit risk, (ii) significant increase in credit risk (not credit impaired) and (iii) credit impaired.

E. Leases

The Group assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for

consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether

(i) the contract involves the use of identified asset;

(ii) the Group has substantially all of the economic benefits from the use of the asset through the period of lease; and

(iii) right to direct the use of the asset.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group considers incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method.

The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

Lease liability and the right of use asset have been separately presented in the balance sheet and lease payments have been classified as financing activities.

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Group recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

The Group recognizes short term lease payments of 12 months or less as an expense on a straight-line basis over the lease term.

As a Lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

F. Employee benefits

Defined Contribution Plan

Provident Fund

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

Defined Benefit Plan

Gratuity

The Group provides for Gratuity, covering employees in accordance with the Payment of Gratuity Act, 1972, Service regulations and Service awards as the case may be. The Group's liability is actuarially determined (using Projected Unit Credit Method) at the Balance Sheet date. The Group carries a provision based on actuarial valuation in its books of accounts.

Remeasurement of all defined benefit plans, which comprise actuarial gains and losses are recognised immediately in other comprehensive income in the year they are incurred. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contributions and benefit payments made during the year. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

Compensated Absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date using the Projected Unit Credit Method.

Other Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentives.

G. Income Tax

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in equity or in OCI.

Current tax

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961.

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date.

Current income tax relating to items recognised outside profit or loss are recognised outside profit or loss either in other comprehensive income or in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.Current tax assets and current tax liabilities are offset only if the Group has a legally enforceable right to set off the recognised amounts, and it intends to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax assets are also recognised with respect to carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be utilised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only if:

a. the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

b. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

H. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

I. Impairment of non-financial assets

The carrying values of assets at each balance sheet date are reviewed for impairment if any indication of impairment exists based on internal/external factors. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount in the Statement of Profit and Loss.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

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

J. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

All regular way purchase or sale of financial instruments are recognised and derecognised on a trade date basis. Purchase or sale of unquoted instrument is recognised on the closing date or as and when the transaction is completed as per terms mentioned in relevant transaction agreement /document.

Recognition, Initial measurement and derecognition

Financial assets and financial liabilities are initially measured at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss..

Classification

The Group classifies its financial assets as subsequently measured at either amortized cost or fair value based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

- The Group determines business model in which an asset is held consistent with the way in which business is managed and information provided to management. The information considered includes:
- the objectives for the portfolio, in particular, management’s strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile,

- the frequency, volume, and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity.
- the risks that affect the performance of the business model, the financial assets held within that business model and how those risks are managed

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of assessing contractual cash flows, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

Subsequent measurement

The Group classifies its financial assets in the following measurement categories:

1. **Financial assets at amortised cost**
   - A financial asset is measured at amortised cost using the EIR method only if both of the following conditions are met:
   - it is held within a business model whose objective is to hold assets in order to collect contractual cash flows
   - the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest

   Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR and reported as part of interest income in the statement of profit and loss. The losses if any, arising from impairment are recognised in the statement profit and loss.

2. **Financial asset at Fair Value through Other Comprehensive Income (FVOCI)**

   Financial asset with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI. The interest income, impairment losses & reversal, if any, are recognized through the statement of profit and loss. The loss allowance is recognized in other comprehensive income and does not reduce the carrying value of the financial asset.

3. **Financial asset at Fair Value Through Profit and Loss (FVTPL)**

   Any financial asset which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified to be measured at FVTPL.

   Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Financial liabilities and equity instruments:

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost, except when designated to be measured at FVTPL. Liabilities which are classified at fair value through profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

K. Impairment of Financial Assets

Methodology for computation of Expected Credit Losses (ECL)

The financial instruments covered within the scope of ECL include financial assets measured at amortised cost and FVOCI, such as trade receivables, loans, advances recoverable from trust, security deposit, balances with banks and other financial assets. ECL has not been determined on financial assets measured at FVTPL.

The loss allowance has been measured using lifetime ECL except for financial assets on which there has been no significant increase in credit risk since initial recognition. In such cases, loss allowance has been measured at 12-month ECL.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and FVOCI is credit impaired. A financial asset is credit- impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred since initial recognition. Evidence that a financial asset is credit-impaired includes the observable data such as Days Past Due (‘DPD’) or default event.

ECL is a probability weighted estimate of credit losses, measured as follows:

- Financial assets that are not credit impaired at the reporting date –

  ECL has been estimated by determining the probability of default (‘PD’), Exposure At Default (‘EAD’) and Loss Given Default (‘LGD’). PD has been computed using observed history of default and converted into forward looking PD’s using suitable macro-economic variable data.

- Financial assets that are credit impaired at the reporting date –

  ECL has been estimated as the difference between the gross carrying amount and the present value of estimated future cash flows.

For trade receivables, the Group applies a simplified approach. It recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Criteria used for determination of movement from stage 1 (12-month ECL) to stage 2 (lifetime ECL) and stage 3 (lifetime ECL)

The Group applies a three-stage approach to measure ECL on financial assets measured at amortised cost and FVOCI. The assets migrate through the following three stages based on an assessment of qualitative and quantitative considerations:

- Stage 1: 12-month ECL

  For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Interest income is accrued using the effective interest rate on the gross carrying amount.

- Stage 2: Lifetime ECL (not credit impaired):

  At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Group uses days past due (DPD) information and other qualitative factors to assess deterioration in credit quality of a financial asset.

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised. Interest income is accrued using the effective interest rate on the gross carrying amount.

- Stage 3: Lifetime ECL (credit impaired):

  Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortized cost (net of loss allowance).

  If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the Expected Credit Loss reverts from lifetime ECL to 12-months ECL.

Financial assets that are Purchased or Originated Credit Impaired ('POCI'):

On initial recognition, POCI assets do not carry any impairment allowance. Lifetime ECL are incorporated in the calculation of effective interest rate. The cash flows are estimated on annual basis. Any changes in expected cash flows are discounted using the original credit-adjusted effective interest rate and the resulting changes are recognised as impairment gains or losses. Favorable changes in lifetime ECL are recognised as an impairment gain, even if the favorable changes are more than the amount, if any, previously recognised in profit or loss account as impairment losses.

Manner in which forward looking assumptions has been incorporated in ECL estimates:

The Group considers its historical loss experience and adjusts it for current observable data. In addition, the Group uses reasonable forecasts of future economic conditions including expert judgement to estimate the amount of expected credit losses. The methodology and assumptions including any forecasts of future economic conditions are periodically reviewed and changes, if any, are accounted for prospectively. The Group's ECL calculations are outputs of number of underlying assumptions regarding the choice of variable inputs and their interdependencies such as macroeconomic scenarios and collateral values.

L. Write-offs

Financial assets are written off either partially or in their entirety when there is no realistic prospect of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in statement of profit and loss. However, financial assets that are written off may be subject to enforcement activities to comply with the Group's procedures for recovery of amounts due.

M. Derecognition of financial assets and financial liabilities

Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

The rights to receive cash flows from the financial asset have expired, or

The Group has transferred its rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in the statement of profit and loss.

Financial liabilities

The Group derecognises financial liability when its contractual obligations are discharged or cancelled or expire.

The difference between the carrying value of the original financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, is recognised in the statement of profit and loss.

Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification

does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows that

are discounted at the financial asset's original effective interest rate and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in statement of profit and loss. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income or other gain or loss as appropriate.

Financial liabilities

The Group derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit or loss.

N. Measurement of fair values

The Group's accounting policies and disclosures require measurement of fair values for the financial instruments. The Group has an established control framework with respect to measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses evidence obtained from third parties to support the conclusion that such valuations meet the requirements of Ind AS, including level in the fair value hierarchy in which such valuations should be classified.

The Group's accounting policies and disclosures require fair value measurement of investment in Security Receipts (SR's).

Management uses its judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market participants are applied.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the lowest level inputs that are significant to the measurements, used in the valuation techniques as follows.

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Investments in Security Receipts (SRs) held by the Group are classified as FVTPL and are recorded at Net Asset Value (NAV).

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O. Provisions and contingent liabilities

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made of the amount of the obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made (other than in its capacity as Trustee) when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or present obligation in respect of which the likelihood of outflow of resource is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed in the standalone financial statements. However,

contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the assets and related income are recognized in the period in which the change occurs.

P. Cash flows statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

PHOENIX ARC PRIVATE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 2A CASH AND CASH EQUIVALENTS (AT AMORTISED COST) (refer note 34)

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	0.19	0.06
Balances with banks in current account	1,402.29	428.12
Balance in term deposit < 3 months	8,806.31	6,342.14
Balance in overdraft facility	724.03	-
Sub total	**10,932.82**	**6,770.32**
Less: Impairment loss allowance	(1.15)	(0.74)
Total	**10,931.67**	**6,769.58**

Note 2B BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS (refer note 34)

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance in term deposit > 3 months	1,534.61	1,548.51
Sub total	**1,534.61**	**1,548.51**
Less: Impairment loss allowance	(0.30)	(0.30)
Total	**1,534.31**	**1,548.21**

Note 3 TRADE RECEIVABLES (AT AMORTISED COST) (refer note 34)

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good	493.96	437.67
Which have significant increase in credit risk	0.34	0.01
Credit impaired - ovedue more than 90 days	6,074.82	2,780.51
Sub total	**6,569.12**	**3,218.19**
Less: Impairment loss allowance	(2,785.40)	(1,930.76)
Total	**3,783.72**	**1,287.43**

For trade receivables, the Group assessed expected credit loss using simplified approach at a collective level and not on an individual basis. In accordance with Ind AS 109, trade receivables that are past due more than 90 days has been disclosed separately.

(Amount in lakhs)

Particulars	As at March 31, 2024					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	493.96	-	-	-	-	**493.96**
(ii) Undisputed Trade Receivables - Which have significant increase in credit risk	0.34	-	-	-	-	**0.34**
(iii) Undisputed Trade Receivables - Credit impaired	269.46	3,839.90	276.73	101.47	1,587.26	**6,074.82**
Total	**763.76**	**3,839.90**	**276.73**	**101.47**	**1,587.26**	**6,569.12**

PHOENIX ARC PRIVATE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE 3 TRADE RECEIVABLES (AT AMORTISED COST) (refer note 34) *(Continued)*

(Amount in lakhs)

Particulars	As at March 31, 2023					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	437.67	-	-	-	-	**437.67**
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	0.01	-	-	-	-	**0.01**
(iii) Undisputed Trade Receivables - Credit Impaired	874.80	171.43	78.93	486.00	1,169.35	**2,780.51**
Total	**1,312.48**	**171.43**	**78.93**	**486.00**	**1,169.35**	**3,218.19**

Note 4 LOANS (AT AMORTISED COST) (refer note 34)

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Term Loans	98,703.79	1,04,797.74
Total Gross	**98,703.79**	**1,04,797.74**
Less: Impairment loss allowance	(31,317.88)	(20,982.35)
Total Net	**67,385.91**	**83,815.39**
Out of above		
Secured by tangible assets	98,703.79	1,04,796.17
Unsecured		1.57
Total Gross	**98,703.79**	**1,04,797.74**
Less: Impairment loss allowance	(31,317.88)	(20,982.35)
Total Net	**67,385.91**	**83,815.39**
Out of above		
Loans in India		
Others	98,703.79	1,04,797.74
Total Gross	**98,703.79**	**1,04,797.74**
Less: Impairment loss allowance	(31,317.88)	(20,982.35)
Total Net	**67,385.91**	**83,815.39**
Total	**67,385.91**	**83,815.39**

Gross carrying value reconciliation

(Amount in lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Purchased Credit Impaired Assets (POCI)
Term loans				
Balance as at March 31, 2022	**1,679.82**	**-**	**3,907.90**	**49,329.80**
Transfers	(1,130.00)	1,130.00	-	-
Net remeasurement of existing financial asset	(32.59)	76.52	-	(5,614.38)
New financial assets originated during the year	6,425.00	-	-	58,999.54
Financial assets that have been derecognised during the year	(1,237.68)	-	-	(8,736.18)
Balance as at March 31, 2023	**5,704.55**	**1,206.52**	**3,907.90**	**93,978.78**
Transfers	(907.40)	(299.12)	1,206.52	-
Net remeasurement of existing financial asset	16.19	(7.40)	51.33	(11,878.89)
New financial assets originated during the year	4,728.60	-	-	46,619.25
Financial assets that have been derecognised during the year	(4,926.81)	(655.31)	-	(40,040.92)
Balance as at March 31, 2024	**4,615.13**	**244.69**	**5,165.75**	**88,678.22**

PHOENIX ARC PRIVATE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 5 INVESTMENTS (AT FAIR VALUE THROUGH PROFIT OR LOSS) (refer note 34)

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(A) Fair value through profit and Loss		
Unquoted		
Investments in Security Receipts(available for sale)*	1,44,625.61	1,02,412.40
Investments in Equity Shares*	-	-
Total Gross (A)	**1,44,625.61**	**1,02,412.40**
(B) Out of above		
Investments in India	1,44,625.61	1,02,412.40
Total (B)	**1,44,625.61**	**1,02,412.40**
Total (net of provisions)	**1,44,625.61**	**1,02,412.40**

* During the year, the Group has writen-off investments in Security Receipts amounting to Rs. 4,397.42 lacs.

* Equity shares of value Rs. 229.23 lacs have been fully provided for in the year ending March 31, 2023.

Investments in Security Receipts are provided as a security for Debt securities and Secured borrowings availed as on 31st March 2024. Refer note 11 & 12 for fair value of Security Receipts offered for each Debt securities and Secured borrowings.

Note 6 OTHER FINANCIAL ASSETS (AT AMORTISED COST) (refer note 34)

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advances recoverable from trust	1,927.57	1,775.25
Other receivables	5.33	4.33
Security deposits	155.09	36.09
Sub total	**2,087.99**	**1,815.67**
Less: Impairment loss allowance	(1,619.52)	(1,405.31)
Total	**468.47**	**410.36**

Note 7 PROPERTY, PLANT AND EQUIPMENT

(Amount in lakhs)

Particulars	Right to use asset (ROU)-Building*	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
Balance as at April 1, 2022	**358.69**	**17.44**	**50.66**	**6.62**	**39.26**	**472.67**
Additions during the year	-	-	-	0.63	5.57	6.20
Disposals during the year	-	-	(13.05)	-	-	(13.05)
Balance as at March 31, 2023	**358.69**	**17.44**	**37.61**	**7.25**	**44.83**	**465.82**
Accumulated depreciation as at April 1, 2022	**77.78**	**5.57**	**18.40**	**4.01**	**23.79**	**129.55**
Depreciation for the year	71.70	2.59	9.81	1.19	8.05	93.34
Disposals during the year	-	-	(13.05)	-	-	(13.05)
Accumulated depreciation as at March 31, 2023	**149.48**	**8.16**	**15.16**	**5.20**	**31.84**	**209.83**

PHOENIX ARC PRIVATE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 7 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

(Amount in lakhs)

Particulars	Right to use asset (ROU)-Building*	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
Net carrying amount as at March 31 2023	**209.21**	**9.28**	**22.45**	**2.05**	**12.99**	**255.98**
Balance as at April 1, 2023	**358.69**	**17.44**	**37.61**	**7.25**	**44.83**	**465.82**
Additions during the year	1,288.18	158.48	47.80	14.39	35.62	**1,544.46**
Disposals during the year	(358.69)	(18.21)	-	(2.76)	(9.14)	**(388.80)**
Balance as at March 31, 2024	**1,288.18**	**157.71**	**85.41**	**18.88**	**71.30**	**1,621.48**
Accumulated depreciation as at April 1, 2023	**149.48**	**8.16**	**15.16**	**5.20**	**31.84**	**209.83**
Depreciation for the year	186.67	6.20	15.57	1.62	9.99	**220.06**
Disposals during the year	(219.11)	(11.05)	-	(1.93)	(9.14)	**(241.24)**
Accumulated depreciation as at March 31, 2024	**117.04**	**3.31**	**30.73**	**4.89**	**32.69**	**188.66**
Net carrying amount as at March 31, 2024	**1,171.14**	**154.41**	**54.67**	**13.98**	**38.62**	**1,432.82**

The ROU assets includes office premises taken on long term lease. Refer Note 32 for disclosures on leases.

Impairment loss and reversal of impairment loss

Management has assessed for impairment indicators and there is no impairment loss that is required to be recognised.

Note 8(A) OTHER INTANGIBLE ASSETS

(Amount in lakhs)

Particulars	Computer Software
Balance as at April 1, 2022	**9.97**
Additions during the year	19.00
Disposals during the year	-
Balance as at March 31, 2023	**28.97**
Accumulated depreciation and impairment as at April 1, 2022	**9.97**
Depreciation for the year	6.33
Disposals during the year	-
Accumulated depreciation and impairment as at March 31, 2023	**16.30**
Net carrying amount as at March 31, 2023	**12.67**
Balance as at April 1, 2023	**28.97**
Additions during the year	-
Disposals during the year	(7.89)
Balance as at March 31, 2023	**21.08**
Accumulated depreciation and impairment as at April 1, 2023	**16.30**

PHOENIX ARC PRIVATE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 8(A) OTHER INTANGIBLE ASSETS *(Continued)*

(Amount in lakhs)

Particulars	Computer Software
Depreciation for the year	6.33
Disposals during the year	(7.89)
Accumulated depreciation and impairment as at March 31, 2024	**14.75**
Net carrying amount as at March 31, 2024	**6.33**

Impairment loss and reversal of impairment loss

Management has assessed for impairment indicators and there is no impairment loss that is required to be recognised.

(B) Intangible assets under development

As at March 31, 2024 *(Amount in lakhs)*

Ageing Schedule	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	28.00	28.00	-	-	56.00
Projects temporarily suspended	-	-	-	-	-
Total	**28.00**	**28.00**	**-**	**-**	**56.00**

As at March 31, 2023 *(Amount in lakhs)*

Ageing Schedule	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	28.00	-	-	-	28.0
Projects temporarily suspended	-	-	-	-	-
Total	**28.00**	**-**	**-**	**-**	**28.00**

The Group does not have any intangible assets under development whose completion is overdue or whose costs have exceeded its original plan.

Note 9 OTHER NON-FINANCIAL ASSETS

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance TDS to SR Holders	3.31	63.11
Prepaid expenses	169.09	45.08
Other assets	0.01	0.01
Total	**172.41**	**108.20**

PHOENIX ARC PRIVATE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 10 TRADE PAYABLES (AT AMORTISED COST) (refer note 34)

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Dues to MSME	7.57	1.24
Dues to others	26.87	9.54
Total	**34.44**	**10.78**

(Amount in lakhs)

Particulars	As at March 31, 2024				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME	7.57	-	-	-	**7.57**
(ii) Undisputed dues -Others	26.87	-	-	-	**26.87**
Total	**34.44**	**-**	**-**	**-**	**34.44**

(Amount in lakhs)

Particulars	As at March 31, 2023				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME	1.24	-	-	-	**1.24**
(ii) Undisputed dues -Others	9.54	-	-	-	**9.54**
Total	**10.78**	**-**	**-**	**-**	**10.78**

Dues payable to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act 2006:

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	7.57	1.24
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond appointed day.	-	-
(iv) The amount of interest due and payable for the year.	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-
Total	**7.57**	**1.24**

PHOENIX ARC PRIVATE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 11 DEBT SECURITIES (AT AMORTISED COST) (refer note 34)

(Amount in lakhs)

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
6.95% Non-Convertible Debentures*	-	2,543.97
6.95% Non-Convertible Debentures*	-	5,087.17
7.55% Non-Convertible Debentures*	9,742.59	9,740.66
9.25% Non-Convertible Debentures*	9,730.20	9,727.18
9.10% Non-Convertible Debentures*	10,542.39	-
Commercial Paper	21,864.42	9,765.92
Security Receipts	10,875.51	20,955.74
SR holder's share in reserves and surplus	(2,813.24)	(715.03)
Total	**59,941.87**	**57,105.61**
Out of the above		
Debt securities in India	59,941.87	57,105.61
Debt securities outside India	-	-
Total	**59,941.87**	**57,105.61**
Out of above		
Secured	38,077.45	47,339.69
Unsecured	21,864.42	9,765.92
Total	**59,941.87**	**57,105.61**

*Debentures are secured againts hypothecation of Security Receipts at NAV. All debentures are redeemable at par.

NAV pledged

(Amount in lakhs)

Non Convertible Debentures	**March 31, 2024**	**March 31, 2023**	**Repayment**
6.95% Non-Convertible Debentures	-	3,527.32	29-12-2023
6.95% Non-Convertible Debentures	-	5,976.92	28-12-2023
7.55% Non-Convertible Debentures	11,534.79	11,595.78	04-11-2024
7.55% Non-Convertible Debentures			29-11-2024
9.25% Non-Convertible Debentures	11,125.30	11,680.37	20-06-2024
9.10% Non-Convertible Debentures	12,118.13	-	21-02-2025

Note 12 BORROWINGS OTHER THAN DEBT SECURITIES (AT AMORTISED COST) (refer note 34

(Amount in lakhs)

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Borrowings		
(a) Term loans from banks	21,607.58	15,663.77
(b) Loans from related parties	32,544.04	24,089.18
(c) Loans repayable on demand from banks	1,617.43	13,734.73
Total	**55,769.05**	**53,487.68**
Out of above		
Borrowings in India	55,769.05	53,487.68
Borrowings outside India	-	-
Total	**55,769.05**	**53,487.68**
Out of above		
Secured*	25,756.26	33,463.27
Unsecured	30,012.79	20,024.41
Total	**55,769.05**	**53,487.68**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 12 BORROWINGS OTHER THAN DEBT SECURITIES (AT AMORTISED COST) (refer note 34 *(Continued)*

*Facilities are secured againts hypothecation of Security Receipts at NAV.

(Amount in lakhs)

HDFC bank	Amount	NAV pledged	ROI
Term loans (Rs. 625.00 lacs quarterly repayment till 30-09-2025)	3,149.58	28,639.01	9.60%
Term loans (Rs. 625.00 lacs quarterly repayment till 31-03-2027)	7,558.88		9.00%
Loans repayable on demand	4,877.45		9.55%

Kotak Mahindra bank (Loan from related parties)	Amount	NAV pledged	ROI
Term loans (Rs. 93.75 lacs quarterly repayment till 30-09-2025)	567.69	3,319.97	9.50%
Term loans (Rs. 281.25 lacs quarterly repayment till 30-09-2025)	1,986.76		9.60%

Infina Finance Pvt Ltd (Loan from related parties)	Amount	NAV pledged	ROI
Term loans (Rs. 10,000 lacs each on 26-05-2024 & 06-06-2024 respectively)	20,000.00	Unsecured	9.60%
Term loans (Rs. 10,000 16-01-2025)	10,012.79	Unsecured	10.40%

Punjab National Bank	Amount	NAV pledged	ROI
Loans repayable on demand	7,615.90	12,702.21	8.55%

Note 13 OTHER FINANCIAL LIABILITIES (AT AMORTISED COST) (refer note 34)

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance for expenses	206.48	206.48
Employee related accruals	1,519.28	928.44
Lease liability	1,207.86	222.79
Others	1,597.58	1,712.28
Total	**4,531.20**	**3,069.99**

Note 14 PROVISIONS

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Gratuity	101.46	90.11
Compensated absences	12.56	11.83
Total	**114.02**	**101.94**

Note 15 OTHER NON-FINANCIAL LIABILITIES

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advances received	10,125.01	4,959.15
Amount collected pending allocation	3,960.16	2,568.12
Statutory liabilities	213.38	426.28
Total	**14,298.55**	**7,953.55**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 16 EQUITY SHARE CAPITAL

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised		
2,500 lakhs (March 31, 2023: 2,500 lakhs) equity shares of Rs.10 each with voting rights	25,000.00	25,000.00
Issued, subscribed and paid up		
1,680 lakhs (March 31, 2023: 1,680 lakhs) equity shares of Rs.10 each fully paid up with voting rights	16,800.00	16,800.00

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

(Amount in lakhs)

Particulars	No. of shares (In lakhs)	Amount
Equity shares of Rs.10 each, fully paid-up		
As at March 31, 2022	**1,680.00**	**16,800.00**
Add/(less) : Movement during the year	-	-
As at March 31, 2023	**1,680.00**	**16,800.00**
Add/(less) : Movement during the year	-	-
As at March 31, 2024	**1,680.00**	**16,800.00**

b. Rights, preferences and restrictions attached to equity shares

The Group has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is entitled to one vote per share held. The Group declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Group, the equity shareholders will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. However, no preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shares held by each shareholder holding more than 5% shares in the Group

(Amount in lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares (In lakhs)	% Holding	Number of shares (In lakhs)	% Holding
Equity shares with voting rights				
Kotak Mahindra Investments Limited	504.00	30.00%	504.00	30.00%
Kotak Mahindra Prime Limited	334.32	19.90%	334.32	19.90%
Anjum Gafulbhai Bilakhia	94.50	5.63%	94.50	5.63%
Rajesh Khanna and Ashu Khanna	84.50	5.03%	84.50	5.03%
Total	**1,017.32**	**60.56%**	**1,017.32**	**60.56%**

d. Disclosures of Shareholding of Promoters - Shares held by the Promoters:

(Amount in lakhs)

Promoter name	As at March 31, 2024		As at March 31, 2023	
	Number of shares (In lakhs)	%of total shares	Number of shares (In lakhs)	%of total shares
Kotak Mahindra Investments Limited	504.00	30.00%	504.00	30.00%
Kotak Mahindra Prime Limited	334.32	19.90%	334.32	19.90%
Total	**838.32**	**49.90%**	**838.32**	**49.90%**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 17 OTHER EQUITY

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Securities premium	3,006.10	3,006.10
Debenture redemption reserve	1,963.06	1,158.65
Impairment reserve	249.67	249.67
Retained earnings	70,421.25	52,233.66
Total	**75,640.08**	**56,648.08**

Note 17.1 Nature and purpose of reserve

Securities premium

Premium collected on issue of securities are accumulated as part of securities premium. Utilisation of such reserve is restricted by the Companies Act, 2013.

Debenture redemption reserve

The Companies Act 2013 requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. The Group is required to transfer a specified percentage (as provided in the Companies Act, 2013) of the outstanding redeemable debentures to debenture redemption reserve. The amounts credited to the debenture redemption reserve shall not be utilised except to redeem debentures.

Impairment reserve

As directed by RBI, where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs/ARCs shall appropriate the difference from their net profit or loss after tax to a separate ‘Impairment Reserve’.

Retained earnings

Retained earnings represents surplus/accumulated earnings of the Group and are available for distribution to shareholders.

Note 17.2 Other equity movement

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Securities premium		
Opening balance	3,006.10	3,006.10
Addition during the year	-	-
Closing balance	**3,006.10**	**3,006.10**
(ii) Debenture redemption reserve		
Opening balance	1,158.65	805.62
Transfer from retained earnings	804.41	353.03
Closing balance	**1,963.06**	**1,158.65**
(iii) Impairment reserve		
Opening balance	249.67	249.67
Transfer from retained earnings	-	-
Closing balance	**249.67**	**249.67**
(iv) Retained earnings		
Opening balance	52,233.66	33,993.39
Net profit for the year	18,995.85	18,588.65
Net remeasurement (gain)/loss on defined benefit plans	(3.85)	4.65
Transfer to debenture redemption reserve	(804.41)	(353.03)
Closing balance	**70,421.25**	**52,233.66**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 18 INTEREST INCOME (AT AMORTISED COST)

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income on financial assets measured at amortised cost		
Interest on loans	13,068.45	8,972.74
Interest on advances (net)	279.56	244.78
Interest on deposits with banks	650.04	266.55
Other interest income	10.32	1.89
Total	**14,008.37**	**9,485.96**

Note 19 FEES AND COMMISSION INCOME

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Trusteeship fees	31,563.67	23,510.48
Other fees	7,304.59	4,203.81
Total	**38,868.26**	**27,714.29**

Note 20 NET LOSS ON FAIR VALUE CHANGES

(Amount in lakhs)

Particulars	For the year ended March 31st, 2024	For the year ended March 31st, 2023
Net loss on financial instruments at fair value through profit or loss		
- Fair value loss on investments	(2,666.99)	(4,920.78)
Total net loss on fair value changes	**(2,666.99)**	**(4,920.78)**
Fair value changes (net):		
- Realised	3,887.62	(1,191.62)
- Unrealised	(6,554.61)	(3,729.16)
Total net loss on fair value changes	**(2,666.99)**	**(4,920.78)**

Note 21 OTHER INCOME

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit on sale of property, plant and equipment (net)	0.16	3.35
Gain on account of loss of control	643.83	-
Other income (interest on income tax refund)	151.81	217.65
Total	**795.80**	**221.00**

Note 22 FINANCE COSTS (AMORTISED COST)

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on borrowings	4,559.99	2,005.74
Interest on debt securities	3,882.47	2,589.73
Interest on lease liability	76.65	23.60
Distribution to other SR holders	0.92	582.15
Share in profit of other SR holder	(2,304.73)	(445.03)
Other borrowing costs	29.63	11.20
Total	**6,244.93**	**4,767.39**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 23 IMPAIRMENT ON FINANCIAL INSTRUMENTS (AMORTISED COST)

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Loans	12,455.42	1,707.76
Receivables	854.64	(1,290.95)
Recoverables from trusts	212.61	(486.73)
Others	9.22	(0.09)
Total	**13,531.89**	**(70.01)**

Note 24 EMPLOYEE BENEFITS EXPENSES

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, bonus and allowances	2,176.63	1,434.61
Contribution to provident fund and other funds	57.24	51.92
Gratuity	19.90	16.85
Staff welfare expenses	23.62	25.18
Total	**2,277.39**	**1,528.56**

Note 25 OTHER EXPENSES

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Advertisement expenses	7.60	9.06
Audit fees (refer note 29)	45.58	45.28
Electricity expenses	16.37	12.38
Filing charges	5.53	6.65
Rates and taxes	2.03	(0.51)
Director fees	45.25	36.30
Security charges	49.10	51.68
Travelling and conveyance	27.24	25.50
Legal & professional fees	189.64	223.63
CSR expenditure (refer note 30)	257.00	104.00
Collection charges	84.77	19.50
Trusteeship fees	230.27	(51.63)
Others	409.13	282.95
Total	**1,369.51**	**764.79**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 26 TAX EXPENSE

a) Amounts recognised in profit and loss

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax expense		
Current period	8,813.80	5,190.60
Changes in estimated related to prior years	0.58	420.29
Total current tax expense (A)	**8,814.38**	**5,610.89**
Deferred income tax liability / (asset) net		
Origination and reversal of temporary differences	(454.91)	1,630.82
Reduction in tax rate		(420.29)
Deferred tax expense (B)	**(454.91)**	**1,210.53**
Total tax expense for the year (A)+(B)	**8,359.47**	**6,821.42**

b) Amounts recognised in other comprehensive income

(Amount in lakhs)

Particulars	For the year ended March 31, 2024			For the year ended March 31, 2023		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
- Remeasurements of defined benefit liability (asset)	(5.15)	1.30	**(3.85)**	6.21	(1.56)	**4.65**
Total	**(5.15)**	**1.30**	**(3.85)**	**6.21**	**(1.56)**	**4.65**

c) Reconciliation of effective tax rate

(Amount in lakhs)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Amount	% terms	Amount	% terms
Profit before tax as per Statement of profit and loss	27,355.32	-	25,410.07	-
Tax using the Group's domestic tax rate (Current year and Previous year 25.168%)	6,884.79	25.17%	6,395.21	25.17%
Tax effect of:				
Tax impact of income not subject to tax	-	-	-	-
Tax effects of amounts which are not deductible for taxable income	64.68	0.24%	26.19	0.10%
Tax impact on consolidation of trusts	1,409.42	5.15%	325.02	1.28%
Changes in estimated related to prior years (Including change in tax rate)	0.58	-	-	-
Others	-	-	75.00	0.30%
Total tax expense	**8,359.47**	**30.56%**	**6,821.42**	**26.85%**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 26 TAX EXPENSE (Continued)

d) Movement in deferred tax balances

(Amount in lakhs)

Particulars	As at March 31, 2024						
	Net balance March 31, 2023	**Recognised in profit or loss**	**Recognised in OCI**	**Recognised directly in equity**	**Net**	**Deferred tax asset**	**Deferred tax liability**
Deferred tax asset/ (liabilities)							
Property, plant and equipment	11.16	1.21	-	-	12.37	12.37	-
Receivables	(541.44)	202.74	-	-	(338.70)	-	(338.70)
Employee benefits	258.40	150.21	1.30	-	409.90	409.90	-
Investments	8,807.88	1,867.40	-	-	10,675.28	10,675.28	-
Borrowings	(1.31)	(1.48)	-	-	(2.79)	-	(2.79)
Loans	287.83	(183.41)	-	-	104.42	104.42	-
Leases	4.88	16.46	-	-	21.34	21.34	-
Share of income of trust on accrual basis	(4,501.46)	(1,598.32)	-	-	(6,099.78)	-	(6,099.78)
Other items	0.01	0.10	-	-	0.11	0.11	-
Total	**4,325.95**	**454.91**	**1.30**	**-**	**4,782.15**	**11,223.42**	**(6,441.27)**

(Amount in lakhs)

Particulars	As at March 31, 2023						
	Net balance March 31, 2022	**Recognised in profit or loss**	**Recognised in OCI**	**Recognised directly in equity**	**Net**	**Deferred tax asset**	**Deferred tax liability**
Deferred tax asset/ (liabilities)							
Property, plant and equipment	12.37	(1.21)	-	-	11.16	11.16	-
Receivables	678.05	(1,219.49)	-	-	(541.44)	-	(541.44)
Employee benefits	132.85	127.11	(1.56)	-	258.40	258.40	-
Investments	8,087.06	720.82	-	-	8,807.88	8,807.88	-
Borrowings	(2.95)	1.64	-	-	(1.31)	-	(1.31)
Loans	357.04	(69.21)	-	-	287.83	287.83	-
Leases	3.33	1.55	-	-	4.88	4.88	-
Share of income of trust on accrual basis	(3,729.73)	(771.73)	-	-	(4,501.46)	-	(4,501.46)
Other items	0.02	(0.01)	-	-	0.01	0.01	-
Total	**5,538.04**	**(1,210.53)**	**(1.56)**	**-**	**4,325.95**	**9,370.16**	**(5,044.21)**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 27 EARNINGS PER EQUITY SHARE

Basic EPS is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net profit attributable to equity holders	18,995.85	18,588.65
Weighted average number of ordinary shares	1,680.00	1,680.00
Face value per share	10.00	10.00
Basic and Diluted earnings per share	**11.31**	**11.06**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE 28 MATURITY ANALYSIS

(Amount in lakhs)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	10,931.67	-	10,931.67	6,769.58	-	6,769.58
Bank balance other than above	1,534.31	-	1,534.31	1,548.21	-	1,548.21
Trade receivables	3,783.72	-	3,783.72	1,287.43	-	1,287.43
Loans	18,394.67	48,991.25	67,385.91	59,682.40	24,132.99	83,815.39
Investments	39,300.00	1,05,325.61	1,44,625.61	39,300.00	63,112.40	1,02,412.40
Other financial assets	313.38	155.09	468.47	374.27	36.09	410.36
Sub total	**74,257.75**	**1,54,471.95**	**2,28,729.69**	**1,08,961.88**	**87,281.48**	**1,96,243.37**
Non-financial assets						
Current tax assets (net)	-	672.74	672.74	-	1,444.67	1,444.67
Deferred tax assets (net)	-	4,782.15	4,782.15	-	4,325.95	4,325.95
Property, plant and equipment	-	1,432.82	1,432.82	-	255.98	255.98
Intangible assets under development	-	56.00	56.00	-	28.00	28.00
Other intangible assets	-	6.33	6.33	-	12.67	12.67
Other non-financial assets	172.41	-	172.41	108.20	-	108.20
Sub total	**172.41**	**6,950.04**	**7,122.46**	**108.20**	**6,067.27**	**6,175.47**
Total assets	**74,430.16**	**1,61,421.99**	**2,35,852.14**	**1,09,070.08**	**93,348.75**	**2,02,418.83**
LIABILITIES						
Financial liabilities						
Payables						
Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	7.57	-	7.57	1.24	-	1.24
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	26.87	-	26.87	9.54	-	9.54
Debt securities	56,487.10	3,454.77	59,941.87	50,871.10	6,234.51	57,105.61
Borrowings (other than debt securities)	49,737.80	6,031.25	55,769.05	40,331.43	13,156.25	53,487.68
Other financial liabilities	3,620.35	910.85	4,531.20	3,069.99	-	3,069.99
Sub total	**1,09,879.69**	**10,396.87**	**1,20,276.56**	**94,283.30**	**19,390.76**	**1,13,674.06**

NOTE 28 MATURITY ANALYSIS (Continued)

(Amount in lakhs)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Non-Financial liabilities						
Current tax liabilities (Net)	8,722.93	-	8,722.93	7,241.21	-	7,241.21
Provisions	17.22	96.80	114.02	23.50	78.44	101.94
Other non-financial liabilities	14,298.55	-	14,298.55	7,953.55	-	7,953.55
Sub total	**23,038.70**	**96.80**	**23,135.50**	**15,218.26**	**78.44**	**15,296.70**
Total Liabilities	**1,32,912.07**	**10,493.68**	**1,43,412.06**	**1,09,501.56**	**19,469.20**	**1,28,970.76**

For the assets and liabilities mentioned above where no contractual maturity is available, the Management has done an assessment to arrive at the probable maturity timeline based on assumptions and estimates.

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 29 PAYMENT TO AUDITORS

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Payment to the auditor as:		
Audit fees	45.46	45.16
Out of pocket expenses	0.12	0.12
Goods and service tax	4.97	4.97
Less: Input tax credit	(4.97)	(4.97)
Total	**45.58**	**45.28**

Note 30 CORPORATE SOCIAL RESPONSIBILITY (CSR)

Details of CSR expenditure

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Foundation of Mother and Child Health	35.00	70.00
Cancer Patients Aid Association	122.00	34.00
Vision Foundation of India	50.00	-
Ratna Nidhi Charitable Trust	50.00	-
Total	**257.00**	**104.00**

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Corporate Social Responsibility expenses for the period	257.00	104.00
Various Head of expenses included in above:	-	-
Other expenses (CSR Expenditure)	257.00	104.00
Amount Required to be spent during the year as per the Companies Act 2013	256.04	102.64
Gross amount required to be spent by the Group during the year.	257.00	104.00
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	257.00	104.00
Details of related party transactions	NA	NA
Provision for CSR Expenses		
Opening Balance	-	-
Add: Provision created during the year	-	-
Less: Provision utilised during the year	-	-
Closing Balance	**-**	**-**
The amount of shortfall at the end of the year out of the amount required to be spent by the Group during the year	NA	NA
The total of previous years' shortfall amounts	NA	NA
The reason for above shortfalls by way of a note	NA	NA
The nature of CSR activities undertaken by the Group	Promoting Healthcare	

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 31 RELATED PARTY DISCLOSURES

Related party disclosures, as required by notified Ind AS 24 - 'Related Party Disclosures' are given below:

A. Names of Related Parties

Particulars	Country of Incorporation
Entity having Joint control over the group	
Kotak Mahindra Investments Limited (holding company of KMIL is ‘Kotak Mahindra Bank Limited’)	India
Others	
Kotak Mahindra Bank Limited	India
Kotak Securities Limited	India
Kotak Mahindra Capital Company Limited	India
Infina Finance Private Limited	India
Kotak Mahindra General Insurance Company Limited	India
Kotak Mahindra Life Insurance Company Limited	India
Key Management Personnel	
Sanjay Tibrewala - CEO	
Gauri Bhatkal - CFO	
Kamlesh Rane - Company Secretary	
Mr Chandan Bhattacharya - Independent director**	
Mr Keki Elavia - Independent director**	
Mr Balan Wasudeo - Independent director**	
** Categorised as Key Management Personnel as per definition of IndAS 24, however Directors continue to be Independent Director as defined in section 149 (6) of the Companies Act, 2013.	

B. Transactions with related parties

(Amount in lakhs)

Nature of transaction	Year ended March 31	Entity having joint control over the Company	Others	Key Management Personnel	Total
Term deposits repaid	2024	90,282.58			90,282.58
	2023	1,34,513.70	-	-	1,34,513.70
Term deposits placed	2024	87,447.00			87,447.00
	2023	1,34,458.64	-	-	1,34,458.64
Interest received on term deposits	2024	640.59			640.59
	2023	266.55	-	-	266.55
Other expenses	2024	15.80			15.80
	2023	27.97	-	-	27.97
Remuneration paid	2024	-		389.12	389.12
	2023	-	-	280.90	280.90
Directors Sitting Fee	2024			30.10	30.10
	2023	-	-	30.30	30.30

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 31 RELATED PARTY DISCLOSURES (Continued)

(Amount in lakhs)

Nature of transaction	Year ended March 31	Entity having joint control over the Company	Others	Key Management Personnel	Total
Directors Commission	2024			6.00	6.00
	2023	-	-	6.00	6.00
Interest expense	2024	-	3,132.34	-	3,132.34
	2023	-	1,337.31	-	1,337.31
Loan repaid	2024	-	37,000.00	-	37,000.00
	2023	-	46,656.26	-	46,656.26
Loan taken	2024	-	43,000.00	-	43,000.00
	2023	-	45,000.00	-	45,000.00
Balance Outstanding					
Term deposits	2024	2,464.24	-	-	2,464.24
	2023	5,299.82	-	-	5,299.82
Bank balance in current account	2024	10.14	-	-	10.14
	2023	20.08	-	-	20.08
Loan Outstanding (including outstanding interest)	2024	-	32,567.24	-	32,567.24
	2023	-	26,633.45	-	26,633.45

C. Terms and conditions of transactions with related parties

The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.

D. Compensation of Key management personnel

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Remuneration	389.12	280.90
Post employment benefits*	-	-
Termination benefits	-	-
Total	**389.12**	**280.90**

*Post employment benefits are actuarially determined on overall basis and hence not separately provided.

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 32 LEASE DISCLOSURES

As Lessee:

The Group has taken office under cancellable operating lease on leave and license agreement. The tenor of the lease is 5 years and cancellable under leave and license agreement and are renewable by mutual consent on mutually agreeable terms. Information for leases where Group is leasee is presented below:

A. Right to use asset

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	209.21	280.91
Additions during the year	1,288.18	-
Depreciation charge for the year	(186.67)	(71.70)
Disposals during the year	(139.58)	-
Closing balance	**1,171.14**	**209.21**

B. Lease liability movement

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	222.79	286.31
Additions during the year	1,235.32	-
Interest on lease liability	76.65	23.60
Payment of lease liabilities	(167.78)	(87.12)
Disposals during the year	(159.13)	-
Closing balance	**1,207.85**	**222.79**

C. Maturity analysis of lease liabilities

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Less than 6 months	152.83	43.56
6-12 months	159.78	43.56
1-2 years	328.24	87.12
2-5 years	909.28	79.86
Total undiscounted lease liabilities	**1,550.13**	**254.10**
Lease liabilities included in the statement of financial position	**1,207.86**	**222.79**
Current	297.01	83.29
Non Current	910.85	139.50

D. Amounts recognised in Statement of profit and loss

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on lease liabilities	76.65	23.60
Gain on termination of lease	(19.54)	-
Depreciation charge for the year	186.67	71.70
Total	**243.78**	**95.30**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 32 LEASE DISCLOSURES *(Continued)*

E. Cash flows during the year

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Total cash outflow for leases	167.78	87.12

Note 33 EMPLOYEE BENEFITS

(A) The Group contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Group makes Provident Fund contributions to Recognized Provident Fund for employees. The Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised Rs. 57.24 lakhs (Year ended March 31, 2023 Rs 51.92 lakhs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to the Fund are at rates specified in the Rules of the Scheme.

(ii) Defined Benefit Plan:

Gratuity :- The Group accounts for the liability for future gratuity benefits based on an actuarial valuation. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group's financial statements as at balance sheet date:

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligations (A)	101.46	90.11
Fair Value of plan assets (B)	-	-
Net (asset) / liability recognised in the balance sheet (A-B)	**101.46**	**90.11**

(B) Movement in net defined benefit (asset) / liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) / liability and its components :

(Amount in lakhs)

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) / liability	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Opening balance	90.11	104.41	-	-	90.11	104.41
Included in profit or loss						-
Current service cost	14.08	10.95	-	-	14.08	10.95
Past service cost	-	-	-	-	-	-
Interest cost (income)	5.82	5.90	-	-	5.82	5.90
	110.01	**121.26**	**-**	**-**	**110.01**	**121.26**
Included in OCI						
<u>Remeasurement loss / (gain):</u>						
Actuarial loss / (gain) arising from:						
Demographic assumptions	0.42	0.65	-	-	0.42	0.65
Financial assumptions	0.60	(2.68)	-	-	0.60	(2.68)
Experience adjustment	4.12	(4.18)	-	-	4.12	(4.18)
Return on plan assets excluding interest income	-	-	-	-	-	-
	5.14	**(6.21)**	**-**	**-**	**5.14**	**(6.21)**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 33 EMPLOYEE BENEFITS *(Continued)*

(Amount in lakhs)

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) / liability	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Other						
Contributions paid by the employer	-	-	13.69	24.94	(13.69)	(24.94)
Benefits paid	(13.69)	(24.94)	(13.69)	(24.94)	-	-
Liabilities (settled on divestiture) / assumed on acquisitions	-	-	-	-	-	-
Closing balance	**101.46**	**90.11**	**-**	**-**	**101.47**	**90.11**

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Net defined benefit asset	-	-
Net defined benefit liability	101.47	90.11

(C) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages)

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate	7.20%	7.30%
Salary escalation rate	7.00%	7.00%

Assumptions regarding future mortality have been based on published statistics and mortality tables.

(D) Sensitivity analysis

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

(Amount in lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (50 bps)	(2.91%)	3.07%	(2.36%)	2.47%
Future salary growth (50 bps)	1.93%	(1.92%)	1.48%	(1.45%)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 34 FINANCIAL INSTRUMENTS FAIR VALUES AND RISK MANAGEMENT

A. Financial Insturments by categories:

Carrying amounts of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below.

(Amount in lakhs)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Amotised Cost	FVTOCI	FVTPL	Amotised Cost	FVTOCI	FVTPL
Financial assets						
Cash and cash equivalents	10,931.67	-	-	6,769.58	-	-
Bank balance other than above	1,534.31	-	-	1,548.21	-	-
Trade receivables	3,783.72	-	-	1,287.43	-	-
Loans	67,385.91	-	-	83,815.39	-	-
Investments	-	-	1,44,625.61	-	-	1,02,412.40
Other financial assets	468.47	-	-	410.36	-	-
Total	**84,104.08**	**-**	**1,44,625.61**	**93,830.97**	**-**	**1,02,412.40**
Financial liabilities						
Trade Payables	34.44	-	-	10.78	-	-
Debt securities	59,941.87	-	-	57,105.61	-	-
Borrowings (Other than debt securities)	55,769.05	-	-	53,487.68	-	-
Other Financial liabilities	4,531.20	-	-	3,069.99	-	-
Total	**1,20,276.56**			**1,13,674.06**		

B. Fair value hierarchy for financial instruments

Fair values of financial assets and financial liabilities measured as fair value, including their levels in the fair value hierarchy, are presented below.

(Amount in lakhs)

Particulars	Fair value							
	As at March 31, 2024				As at March 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments	-	-	1,44,625.61	1,44,625.61	-	-	1,02,412.40	1,02,412.40
Total	**-**	**-**	**1,44,625.61**	**1,44,625.61**	**-**	**-**	**1,02,412.40**	**1,02,412.40**

Fair values of financial assets and financial liabilities measured at amortised cost, including their levels in the fair value hierarchy, are presented below.

(Amount in lakhs)

Particulars	As at March 31, 2024					As at March 31, 2023				
	Carrying Value	Level 1	Level 2	Level 3	Fair Value	Carrying Value	Level 1	Level 2	Level 3	Fair Value
Financial assets										
Cash and cash equivalents	10,931.67	-	-	10,931.67	10,931.67	6,769.58	-	-	6,769.58	6,769.58
Bank balance other than above	1,534.31	-	-	1,534.31	1,534.31	1,548.21			1,548.21	1,548.21
Trade receivables	3,783.72	-	-	3,783.72	3,783.72	1,287.43	-	-	1,287.43	1,287.43
Loans	67,385.91	-	-	67,595.70	67,595.70	83,815.39	-	-	84,151.84	84,151.84
Other financial assets	468.47	-	-	468.47	468.47	410.36	-	-	406.40	406.40
Total	**84,104.08**	**-**	**-**	**84,313.87**	**84,313.87**	**93,830.97**	**-**	**-**	**94,163.46**	**94,163.46**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 34 FINANCIAL INSTRUMENTS FAIR VALUES AND RISK MANAGEMENT *(Continued)*

(Amount in lakhs)

Particulars	As at March 31, 2024					As at March 31, 2023				
	Carrying Value	Level 1	Level 2	Level 3	Fair Value	Carrying Value	Level 1	Level 2	Level 3	Fair Value
Trade payables	34.44	-	-	34.44	34.44	10.78	-	-	10.78	10.78
Debt securities	59,941.87	-	-	59,819.11	59,819.11	57,105.61	-	-	57,223.51	57,223.51
Borrowings (other than debt securities)	55,769.05	-	-	56,104.12	56,104.12	53,487.68	-	-	53,487.68	53,487.68
Other financial liabilities	4,531.20	-	-	4,573.66	4,573.66	3,069.99	-	-	3,219.27	3,219.27
Total	**1,20,276.57**	**-**	**-**	**1,20,531.33**	**1,20,531.33**	**1,13,674.06**	**-**	**-**	**1,13,941.24**	**1,13,941.24**

C. Valuation techniques used to determine fair value

The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The categories used are as follows:

Level 1 : Level 1 hierarchy includes financial instruments measured using unadjusted quoted prices in active markets that the Group has the ability to access for the identical assets or liabilities. A financial instrument is classified as a Level 1 measurement if it is listed on an exchange.

Level 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based in observable market data, the instruments is included in level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Group develops Level 3 inputs based on the best information available in the circumstances.

Fair value of financial instruments carried at FVTPL

Investment in Security Receipts(SR)

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

Fair value of financial instruments carried at amortised cost

Loans

The fair values of loans that do not reprice or mature frequently are estimated using discounted cash flow models. The discount rates are based on internal models and consequently for the purposes of level disclosures categorized under Level 3. The Level 3 loans would decrease (increase) in value based upon an increase (decrease) in discount rate. For purposes of these fair value estimates, the fair values of impaired loans were computed by discounting expected cashflows using appropriate yield.

Security deposits and other receivables

For Security deposits with defined maturities and other receivables , the fair values are estimated using discounted cash flow models that apply market interest rates corresponding to similar deposits and timing of maturities.

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 34 FINANCIAL INSTRUMENTS FAIR VALUES AND RISK MANAGEMENT *(Continued)*

Borrowings

The fair values of the Group's borrowings and other debt securities are calculated based on a discounted cash flow model. The discount rates were based on yield curves appropriate for the remaining maturities of the instruments.

Other financial instruments

The respective carrying values of certain on-balance sheet financial instruments approximated their fair value. These financial instruments include cash in hand and bank balances, trade receivables, recoverable from trusts, trade payables, overdraft facility payable on demand certain other assets and liabilities that are considered financial instruments. Carrying values were assumed to approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand.

D. Fair values measurement using significant unobservables inputs (Level 3)

i. The following table shows a reconciliation from the beginning balances to the ending balances for fair valuemeasurements in Level 3 of the fair value hierarchy.

(Amount in lakhs)

Particulars	As at April 1, 2023	Total gains/ (losses) recorded in profit or loss	Purchases	Sales/ Settlements	Transfers in/(out)	As at March 31, 2024
Investments in Security Receipts	1,02,412.40	(2,666.99)	1,16,220.25	(71,340.05)	-	1,44,625.61

(Amount in lakhs)

Particulars	As at April 1, 2022	Total gains/ (losses) recorded in profit or loss	Purchases	Sales/ Settlements	Transfers in/(out)	As at March 31, 2023
Investments in Security Receipts	86,098.32	(4,920.78)	66,582.27	(45,347.41)	-	1,02,412.40

ii. Unobservable inputs used in measuring fair value

Type of financial instrument	Valuation technique	Significant unabsorvable input	Range of estimates	Fair value measurement sensitivity to unabsorvable inputs
Investments in Security Receipts	Discounted cashflow	Net expected cashflows derived from trusts	Varies from trust to trust	Significant increase in net expected cash flows would result in higher fair value

iii. Sensitivity analysis of significant unobservable inputs for fair valuation of financial instruments measured at FVTPL (Level 3)

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects.

(Amount in lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	100 bp increase in net cash flow	100 bp decrease in net cash flow	100 bp increase in net cash flow	100 bp decrease in net cash flow
Investments in Security Receipts	1,446.26	(1,446.26)	1,024.12	(1,024.12)

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 34 FINANCIAL INSTRUMENTS FAIR VALUES AND RISK MANAGEMENT *(Continued)*

E. Financial risk management

The Group has exposure to the following risks arising from financial instruments

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

Management believes that an effective Risk Management Process is the key to sustained operations thereby protecting value for all stakeholders , identifying and mitigating and continuously monitoring risks to business, achieving business objectives, improving governance processes and preparing for unplanned circumstances. Management ensures effective Risk Management by implementing following steps:

1. Adheres to procedures described in various policies approved by the Board from time to time by implementing adequate financial controls.
2. Communicates various policies to the stakeholders through suitable training and communication and periodical review of its relevance in changing business atmosphere.
3. Identifies risks and promotes proactive approach for treating such risks.
4. Allocates adequate and timely resources to mitigate, manage and minimize the risks and their adverse impact on outcomes.
5. Strives towards strengthening the Risk Management System through continuous learning and improvement.
6. Complies with all relevant laws and regulations across the areas of operations of the Group.
7. Optimises risk situations to manage adverse exposure on deliverables and bring them in line with acceptable risk appetite of the Group in consonance with business objectives.
8. Engages Internal Auditors to periodically review various aspects of the internal control systems. The reports of the internal auditors are reviewed by the Audit Committee.
9. The Group has implemented adequate internal financial controls in consultation with with third party consultants.
10. The Group has Board approved ALM Policy.

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans and advances.

The carrying amounts of following financial assets represent the maximum credit risk exposure:-

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables	6,569.12	3,218.19
Loans to borrowers	98,703.79	1,04,797.74
Advance receivable from trust	1,927.57	1,775.25
Bank Balances	10,932.63	8,318.77
Other financial assets	160.42	40.42
Total	**1,18,293.53**	**1,18,150.37**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 34 FINANCIAL INSTRUMENTS FAIR VALUES AND RISK MANAGEMENT *(Continued)*

a. Credit quality analysis

The following table sets out the information about the credit quality of financial assets measured at amortised cost.

(Amount in lakhs)

Particulars	**As at March 31, 2024**				
Trade receivables	**Past due 1–30 days**	**Past due 31–60 days**	**Past due 61–90 days**	**Past due more than 90 days**	**Total**
Gross Carrying amount	493.96	0.34	-	6,074.83	6,569.13
Impairment loss allowance	(44.40)	(0.05)	-	(2,740.96)	(2,785.41)
Carrying amount	**449.56**	**0.29**	**-**	**3,333.87**	**3,783.72**

Particulars	**As at March 31, 2024**				
Loans to borrowers	**12-month ECL**	**Lifetime ECL not credit-impaired**	**Lifetime ECL credit-impaired**	**Purchased credit impaired**	**Total**
Current	4,615.13	-	-	-	4,615.13
Past due 1–30 days	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-
Past due more than 90 days	-	244.69	5,165.75	88,678.22	94,088.66
	4,615.13	244.69	5,165.75	88,678.22	98,703.79
Impairment loss allowance	(66.16)	(3.46)	(5,165.72)	(26,082.53)	(31,317.87)
Carrying amount	**4,548.96**	**241.23**	**0.03**	**62,595.69**	**67,385.92**

Particulars	**As at March 31, 2024**				
Advance receivable from trusts	**12-month ECL**	**Lifetime ECL not credit-impaired**	**Lifetime ECL credit-impaired**	**Purchased credit impaired**	**Total**
Past due 1–30 days	45.95	-	-	-	45.95
Past due 31–60 days	-	36.20	-	-	36.20
Past due 61–90 days	-	0.01	-	-	0.01
Past due more than 90 days	-	-	1,845.41	-	1,845.41
	45.95	36.21	1,845.41	-	1,927.57
Impairment loss allowance	(8.01)	(7.46)	(1,601.72)		(1,617.19)
Carrying amount	**37.94**	**28.75**	**243.69**	**-**	**310.38**

Particulars	**As at March 31, 2024**				
Other financial assets	**12-month ECL**	**Lifetime ECL not credit-impaired**	**Lifetime ECL credit-impaired**	**Purchased credit impaired**	**Total**
Current	11,093.05	-	-	-	11,093.05
Past due 1–30 days	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-
Past due more than 90 days	-	-	-	-	-
	11,093.05	-	-	-	11,093.05
Impairment loss allowance	(3.41)	-	-	-	(3.41)
Carrying amount	**11,089.64**	**-**	**-**	**-**	**11,089.64**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 34 FINANCIAL INSTRUMENTS FAIR VALUES AND RISK MANAGEMENT *(Continued)*

(Amount in lakhs)

Particulars	As at March 31, 2023				
Trade receivables	**Past due 1–30 days**	**Past due 31–60 days**	**Past due 61–90 days**	**Past due more than 90 days**	**Total**
Gross Carrying amount	301.40	136.28	0.01	2,780.51	3,218.19
Impairment loss allowance	(48.26)	(23.88)	-	(1,858.62)	(1,930.76)
Carrying amount	**253.14**	**112.40**	**0.01**	**921.89**	**1,287.43**

Particulars	As at March 31, 2023				
Loans to borrowers	**12-month ECL**	**Lifetime ECL not credit-impaired**	**Lifetime ECL credit-impaired**	**Purchased credit impaired**	**Total**
Current	5,704.55	-	-	2,734.00	8,438.55
Past due 1–30 days	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-
Past due more than 90 days	-	1,206.52	3,907.90	91,244.77	96,359.20
	5,704.55	1,206.52	3,907.90	93,978.77	1,04,797.75
Impairment loss allowance	(89.41)	(18.76)	(3,907.90)	(16,966.29)	(20,982.35)
Carrying amount	**5,615.14**	**1,187.76**	**-**	**77,012.48**	**83,815.40**

Particulars	As at March 31, 2023				
Advance receivable from trust	**12-month ECL**	**Lifetime ECL not credit-impaired**	**Lifetime ECL credit-impaired**	**Purchased credit impaired**	**Total**
Past due 1–30 days	122.75	-	-	-	122.75
Past due 31–60 days	-	10.68	-	-	10.68
Past due 61–90 days	-	-	-	-	-
Past due more than 90 days	-	-	1,641.82	-	1,641.82
	122.75	10.68	1,641.82	-	1,775.25
Impairment loss allowance	(25.21)	(2.66)	(1,376.76)		(1,404.63)
Carrying amount	**97.54**	**8.02**	**265.06**	**-**	**370.62**

Particulars	As at March 31, 2023				
Other financial assets	**12-month ECL**	**Lifetime ECL not credit-impaired**	**Lifetime ECL credit-impaired**	**Purchased credit impaired**	**Total**
Current	8,359.19	-	-	-	8,359.19
Past due 1–30 days	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-
Past due more than 90 days	-	-	-	-	-
	8,359.19	-	-	-	8,359.19
Impairment loss allowance	(1.04)	-	-	-	(1.04)
Carrying amount	**8,358.15**	**-**	**-**	**-**	**8,358.15**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 34 FINANCIAL INSTRUMENTS FAIR VALUES AND RISK MANAGEMENT *(Continued)*

b. Collaterals

The Group holds collateral and other credit enhancements against certain of its credit exposures. The following table sets out the principal types of collateral held against different types of financial assets.

Instrument type	Percentage of exposure that is subject to collateral requirements		Principal type of collateral held
	As at March 31, 2024	As at March 31, 2023	
Loans to Borrowers	100%	100%	Immovable property

Quantitative information of Collateral

(Amount in lakhs)

Loan to Value (LTV) range	As at March 31, 2024	As at March 31, 2023
Less than 50%	98,703.79	1,04,797.74

c. Computation of impairment on financial instruments - Expected credit loss (ECL) model

i. Inputs, assumptions and techniques used for estimating impairment

Inputs considered in the ECL model:

The Group applies various approaches to determine if there has been a significant increase in credit risk. In determining whether credit risk has increased significantly since initial recognition, The Group uses days past due information and forecast information to assess deterioration in credit quality of a financial asset.

The Group categorises Financial assets into stages based on the days past due status.

- Stage 1: 0-30 days past due
- Stage 2: 31- 90 days past due
- Stage 3: More than 90 days past due

The Group has used simplified approach to provide expected credit loss on trade receivables as prescribed by Ind AS 109 which permits use of lifetime expected credit loss provision for all trade receivables. The Group has historic credit loss data to compute ECL.

Assumption considered in the ECL model:

- "Loss given default" (LGD) is an estimate of loss from a transaction given that a default occurs.
- "Probability of default" (PD) is defined as the probability of whether the borrowers will default on their obligations in the future. For assets which are in Stage 1, a 12 month PD is required. For Stage 2 assets a lifetime PD is required while Stage 3 assets are considered to have a 100% PD.
- "Exposure at default " (EAD) represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by the Group.

Forward looking information:

The Group incorporates forward looking information into both assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on the consideration of a variety of external actual and forecast information, the Group forms a ‘base case’ view of the future direction of relevant economic variables such as Gross domestic product, change in gross fixed investments. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents a most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes.

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 34 FINANCIAL INSTRUMENTS FAIR VALUES AND RISK MANAGEMENT *(Continued)*

Assessment of significant increase in credit risk:

The credit risk on a financial asset of the Group are assumed to have increased significantly since initial recognition when contractual payments are more than 30 days past due. Accordingly the financial assets shall be classified as Stage 2, if on the reporting date, it has been 30 days past due.

Definition of default

A default on a financial asset is when the counterparty fails to make the contractual payments within 90 days of when they fall due. This definition of default is determined by considering the business environment in which the Group operates and other micro-economic factors. Accordingly the financial assets shall be classified as Stage 3, if on the reporting date, it has been 90 days past due.

Policy for write-off of loan assets

All loans which are not recoverable in the opinion of management are written off.

ii. Impairment loss allowance

The following table shows reconciliations from the opening to the closing balance of the loss allowances and write offs:

(Amount in lakhs)

Particulars	Past due 1–30 days	Past due 31–60 days	Past due 61–90 days	Past due more than 90 days
Trade receivables				
Balance as at March 31, 2022	**125.44**	**-**	**38.05**	**3,058.22**
New financial assets originated during the year	(46.11)	18.05	0.02	428.63
Net remeasurement of loss allowance	3.82	-	(38.07)	26.95
Financial assets that have been derecognised during the period	(52.94)	-	-	(1,631.30)
Balance as at March 31, 2023	**30.21**	**18.05**	**-**	**1,882.50**
New financial assets originated during the year	-	-	-	-
Net remeasurement of loss allowance	16.41	(18.00)	-	1,257.51
Financial assets that have been derecognised during the period	(2.22)	-	-	(399.05)
Balance as at March 31, 2024	**44.40**	**0.05**	**-**	**2,740.96**

(Amount in lakhs)

Particulars	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Purchased Credit Impaired Assets
Term loans				
Balance as at March 31, 2022	**27.87**	**-**	**3,907.89**	**13,713.49**
New financial assets originated during the year	89.39	-	-	3,895.15
Transfers from Stage 1	(22.06)	22.06	-	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
Net remeasurement of loss allowance	(0.09)	(3.31)	-	991.37
Financial assets that have been derecognised during the period	(5.70)	-	-	(1,633.71)
Balance as at March 31, 2023	**89.41**	**18.75**	**3,907.89**	**16,966.30**
New financial assets originated during the year	24.09	-	-	9,350.48
Transfers from Stage 1	(14.11)	14.11	-	-
Transfers from Stage 2	-	(18.76)	18.76	-
Transfers from Stage 3	-	-	-	-
Net remeasurement of loss allowance	(33.23)	(10.64)	1,239.07	3,304.04
Financial assets that have been derecognised during the period	-	-	-	(3,538.29)
Balance as at March 31, 2024	**66.16**	**3.46**	**5,165.72**	**26,082.53**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 34 FINANCIAL INSTRUMENTS FAIR VALUES AND RISK MANAGEMENT *(Continued)*

(Amount in lakhs)

Particulars	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired
Advance receivable from trust			
Balance as at March 31, 2022	**10.45**	**11.09**	**1,869.84**
New financial assets originated during the year	30.95	6.15	203.07
Transfers from Stage 1	(5.57)	-	5.57
Transfers from Stage 2	-	(0.29)	0.29
Transfers from Stage 3	-	-	-
Net remeasurement of loss allowance	(0.49)	(10.89)	(3.44)
Financial assets that have been derecognised during the period	(10.15)	(3.40)	(698.57)
Balance as at March 31, 2023	**25.19**	**2.66**	**1,376.76**
New financial assets originated during the year	0.57	1.02	31.95
Transfers from Stage 1	-	-	-
Transfers from Stage 2	0.60	(0.60)	-
Transfers from Stage 3	47.25	-	(47.25)
Net remeasurement of loss allowance	(64.31)	4.38	366.67
Financial assets that have been derecognised during the period	(1.29)	-	(126.41)
Balance as at March 31, 2024	**8.01**	**7.46**	**1,601.72**

(Amount in lakhs)

Particulars	Bank Balances	Other financial assets
Balance as at March 31, 2022	**1.18**	**0.62**
Net remeasurement of loss allowance	(0.14)	0.06
Balance as at March 31, 2023	**0.74**	**0.68**
Net remeasurement of loss allowance	0.41	1.58
Balance as at March 31, 2024	**1.15**	**2.26**

iii. Liquidity Risk

Measuring and managing liquidity needs are vital for effective operation of the Group. By ensuring the Group's ability to meet its liabilities as they become due, liquidity management can reduce the probability of an adverse situation developing. Keeping in view management of Liquidity, the Board has fixed an overall borrowing limit for the Group and allowed the management to borrow within the overall limit.

The Group's principal sources of liquidity are cash and cash equivalents, the cash flow that is generated from operations and the unutilised bank lines. The Group believes that the working capital is sufficient to meet its current requirements.

Maturity profile of financial Liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 34 FINANCIAL INSTRUMENTS FAIR VALUES AND RISK MANAGEMENT *(Continued)*

(Amount in lakhs)

Particulars	Carrying amount	Total	On Demand	Less than 6 months	6-12 months	1-2 years	2-5 years
As at March 31, 2024							
Non-derivative financial liabilities							
Trade and other payables	34.44	34.44	34.44	-	-	-	-
Debt securities	59,941.87	89,064.68	-	33,332.57	23,154.53	26,396.12	6,181.46
Borrowings (other than debt securities)	55,769.05	59,920.80	1,617.43	34,259.81	16,119.73	3,961.91	3,961.91
Other financial liabilities	4,531.20	4,338.59	2,805.44	152.83	159.78	328.24	892.30
Loan commitments (undrawn)	-	5,646.60	-	-	5,646.60	-	-

(Amount in lakhs)

Particulars	Carrying amount	Total	On Demand	Less than 6 months	6-12 months	1-2 years	2-5 years
As at March 31, 2023							
Non-derivative financial liabilities							
Trade and other payables	10.78	10.78	10.78	-	-	-	-
Debt securities	57,105.61	72,591.94	-	10,566.11	40,304.99	20,909.58	811.26
Borrowings (other than debt securities)	53,487.68	56,248.46	4,856.40	32,892.03	3,922.83	8,053.69	6,523.51
Other financial liabilities	3,069.99	2,981.39	1,680.16	1,121.07	40.68	75.87	63.61
Loan commitments	-	5,646.60	-	-	5,646.60	-	-

For the liabilities mentioned above where no contractual maturity is available, the Management has done an assessment to arrive at the probable maturity timeline based on some assumptions and estimates. The auditors have relied on this assessment for the purpose of this disclosure.

iv. Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. Interest rate risk consists primarily of risk inherent in ALM activities and relates to the potential adverse impact of changes in market interest rates on future net interest income (NII).

Board of Directors (the Board) of the Group are the guiding body for management of its interest rate risk and sets the overall policy and risk limits. In order to manage/mitigate interest rate risk, the Group has defined Interest Rate Sensitive Gap tolerance limits for each time bucket which is approved by the Board.

The Group undertakes NII analysis to assess the impact of changes in interest rate on the earnings of the Group. The overall yields expected by the Group on its financial assets are significantly higher than the borrowing cost and hence the interest rate risk is quite marginal for the Group.

Exposure to interest rate risk

The exposure of the Group's borrowings to the interest rates risk at the end of the reporting period is as follows:

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 34 FINANCIAL INSTRUMENTS FAIR VALUES AND RISK MANAGEMENT ***(Continued)***

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed-rate instruments		
Financial assets	67,385.91	83,815.39
Financial liabilities	(51,879.60)	(36,864.90)
Variable-rate instruments		
Financial liabilities	(55,769.05)	(53,487.68)
Total Net	**(40,262.74)**	**(6,537.20)**

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

(Amount in lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Variable rate instruments	(557.69)	557.69	(534.88)	534.88
Cash Flow Sensitivity	**(557.69)**	**557.69**	**(534.88)**	**534.88**

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period

v. Capital management

The primary objectives of the capital management policy is to ensure that the Group continuously complies with capital requirements required by regulator, maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to fund growth or comply with regulatory capital requirement, Group depends on internal accrual or may raise additional capital. Group may adjust the amount of dividend payment to shareholders, return capital to shareholders.

Regulatory Capital

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Capital	81,734.81	64,157.64
Risk Weighted assets	2,08,427.32	1,66,815.89
Total capital ratio	**39.22%**	**38.46%**

Liquidity ratio

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current assets	74,257.75	1,08,961.88
Current liabilities	1,18,613.51	1,01,548.01
Liquidity ratio	**0.63**	**1.07**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 35 Revenue from contracts with customers

a. The Group has recognised following amounts relating revenue in the Statement of Profit and Loss:

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from contracts with customers	38,868.26	27,714.29
Revenue from other sources	14,804.17	9,706.96
Total Revenue	**53,672.43**	**37,421.25**
Impairment loss/(gain) on receivables	854.64	(1,290.95)

b. Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by primary geographical market, major products/ service lines and timing of revenue recognition:

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Primary Geographical Market		
India	38,868.26	27,714.29
Total	**38,868.26**	**27,714.29**
Major products/service lines		
Trusteeship fees	31,563.67	23,510.48
Other fees	7,304.59	4,203.81
Total	**38,868.26**	**27,714.29**
Timing of revenue recognition		
At a point in time	38,868.26	27,714.29
Over a period of time	-	-
Total	**38,868.26**	**27,714.29**

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Receivables	3,783.72	1,287.43
Contracts liabilities	10,125.01	4,959.15

Significant changes in contract liabilities balances during the period are as follows:

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	4,959.15	3,763.12
Liabilities recognised during the year	10,125.01	4,959.15
Revenue recognised that was included in the contract liability balance at the beginning of the period	(4,959.15)	(3,763.12)
Closing balance	**10,125.01**	**4,959.15**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 35 Revenue from contracts with customers *(Continued)*

Transaction price allocated to the remaining performance obligation

As of March 31, 2024, the amount of transaction price allocated to remaining performance obligation are as follows. The Group will recognise the revenue as and when management services are rendered.

(Amount in lakhs)

Particulars	March 31, 2024	March 31, 2023
Contracts liabilities	10,125.01	4,959.15

Note 36 INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

The Group has concluded that the Assets Reconstruction Trusts in which it invests, but that it does not consolidate, meet the definition of structured entities because:

- the voting rights in the Trust are not dominant rights in deciding who controls them because the rights relate to administrative tasks only;
- each trust's activities are restricted by its trust deed; and
- the trusts have narrow and well-defined objectives to provide recovery activities to investors.

The following table describes the types of structured entities that the Group does not consolidate but in which it holds an interest.

(Amount in lakhs)

Type of Structured Entity	Nature and purpose	Interest held by the group	As at March 31, 2024		As at March 31, 2023	
			SRs issued by trusts	SRs subscribed by the Company	SRs issued by trusts	SRs subscribed by the Company
Assets Reconstruction Trusts	To acquire stressed assets for the purpose of carrying on the activity of securitisation and asset reconstruction.	Investment in security receipts. Acting as trustee to the trusts	13,95,529.29	1,99,353.60	11,24,121.60	1,46,541.68

The following table sets out an analysis of the carrying amounts of interests held by the Group in unconsolidated structured entities. The maximum exposure to loss is the carrying amount of the assets held.

(Amount in lakhs)

Carrying amounts	As at March 31, 2024	As at March 31, 2023
(i) Investment in security receipts	1,44,625.61	1,02,412.40
(ii) Trade receivables	3,783.72	1,287.43
(iii) Advances recoverable from trusts	310.38	370.62
Total	**1,48,719.70**	**1,04,070.45**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 37 CONTINGENT LIABILITIES

Contingent liabilities outstanding as on 31st March 2024 is Nil (31st March 2023 : Nil)

Commitment to acquire additional non-performing loan upto Rs.1,786 lakhs in case of a demand by the assignor bank (Previous year - Rs.1548 lakhs)

In respect of Software under development, the Group has outstanding total capital commitment of Rs.14 lakhs (Previous year Rs. 42 lakhs) (Refer note 8B).

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 38 COMPARISON BETWEEN PROVISIONS REQUIRED UNDER IRACP AND IMPAIRMENT ALLOWANCES MADE UNDER IND AS 109 PURSUANT TO THE RBI CIRCULAR NO DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 DATED MARCH 13, 2020 *(Continued)*

As at March 31, 2024

(Amount in lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	4,615.12	66.16	4,548.96	-	66.16
	Stage 2	-	-	-	-	-
Subtotal (A)		**4,615.12**	**66.16**	**4,548.96**	**-**	**66.16**
Non-Performing Assets (NPA)						
Substandard	Stage 3	244.69	3.47	241.22	-	3.47
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	5,165.75	5,165.73	0.02	2,121.54	3,044.19
Subtotal for doubtful		**5,165.75**	**5,165.73**	**0.02**	**2,121.54**	**3,044.19**
Loss	Stage 3					
Subtotal for NPA (B)		**5,410.44**	**5,169.19**	**241.25**	**2,121.54**	**3,047.66**
Other items						
Advances to trusts & other financial assets (C)	Stage 1	11,139.00	11.42	11,127.58	37.74	(26.32)
	Stage 2	36.21	7.46	28.75	0.81	6.65
	Stage 3	1,845.41	1,601.72	243.69	1,493.96	107.76
Trade receivables (Simplified Approach) (D)	NA	6,569.13	2,785.41	3,783.72	-	2,785.41
Purchased or Originated Credit Impaired (E)	Purchased or Originated Credit Impaired	88,678.22	26,082.53	62,595.69	2,621.60	23,460.93
Subtotal (F) = (C) + (D) + (E)		**1,08,267.97**	**30,488.54**	**77,779.43**	**4,154.12**	**26,334.43**
Total (G) = (A) + (B) + (F)	**Stage 1**	**15,754.12**	**77.59**	**15,676.54**	**37.74**	**39.85**
	Stage 2	**36.21**	**7.46**	**28.75**	**0.81**	**6.65**
	Stage 3	**7,500.54**	**6,774.38**	**726.16**	**3,615.50**	**3,158.88**
	Others	**95,247.35**	**28,867.94**	**66,379.41**	**2,621.60**	**26,246.34**
	Total	**1,18,538.22**	**35,727.36**	**82,810.86**	**6,275.65**	**29,451.71**

Note 38 COMPARISON BETWEEN PROVISIONS REQUIRED UNDER IRACP AND IMPAIRMENT ALLOWANCES MADE UNDER IND AS 109 PURSUANT TO THE RBI CIRCULAR NO DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 DATED MARCH 13, 2020 ***(Continued)***

As at March 31, 2023 *(Amount in lakhs)*

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	5,704.55	89.41	5,615.14	-	89.41
	Stage 2	1,206.52	18.76	1,187.76	19.50	(0.74)
Subtotal (A)		**6,911.07**	**108.17**	**6,802.90**	**-**	**88.67**
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	3,907.90	3,907.90	-	1,266.53	2,641.37
Subtotal for doubtful		**3,907.90**	**3,907.90**	**-**	**1,266.53**	**2,641.37**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA (B)		**3,907.90**	**3,907.90**	**-**	**1,266.53**	**2,641.37**
Other items						
Advances to trusts & other financial assets (C)	Stage 1	8,481.94	26.25	8,455.70	37.74	(11.49)
	Stage 2	10.68	2.66	8.02	0.81	1.85
	Stage 3	1,641.82	1,376.76	265.06	1,493.96	(117.20)
Trade receivables (Simplified Approach) (D)	NA	3,218.19	1,930.76	1,287.43	-	1,930.76
Loans advances by trust classified as Purchased credit impaired (E)	Purchased or Originated Credit Impaired	93,978.77	16,966.29	77,012.49	2,621.60	14,344.69
Subtotal (F) = (C) + (D) + (E)		**1,07,331.40**	**20,302.72**	**87,028.70**	**4,154.11**	**16,148.61**
Total (G) = (A) + (B) + (F)	**Stage 1**	**14,186.49**	**115.66**	**14,070.84**	**37.74**	**77.92**
	Stage 2	**1,217.20**	**21.42**	**1,195.78**	**20.31**	**1.11**
	Stage 3	**5,549.72**	**5,284.66**	**265.06**	**2,760.49**	**2,524.17**
	Others	**97,196.97**	**18,897.05**	**78,299.92**	**2,621.60**	**16,275.45**
	Total	**1,18,150.38**	**24,318.79**	**93,831.60**	**5,440.14**	**18,878.65**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 38 COMPARISON BETWEEN PROVISIONS REQUIRED UNDER IRACP AND IMPAIRMENT ALLOWANCES MADE UNDER IND AS 109 PURSUANT TO THE RBI CIRCULAR NO DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 DATED MARCH 13, 2020 (Continued)

Management fee receivables amounting to Rs. 2,827.63 lakhs (March 31, 2023: Rs. 2,226.27 lakhs) and corresponding provision amounting to Rs. 2,083.99 lakhs (March 31, 2023: Rs. 1,821.77 lakhs) have been recorded in the Ind-AS financial statements while amounts were unrecorded in the IGAAP books on account of RBI regulations. The management fee amounts are treated as reversal and not a provision as per RBI regulations and accordingly not considered for the above disclosure.

In accordance with Ind-AS 109 Financial Instruments, the interest on impaired assets is accrued and the gross amounts are tested for impairment provision while in the IGAAP books no interest is accrued on impaired assets as required by RBI regulations. This accounting treatment results in higher gross outstanding values as per Ind-AS compared to those reported in IGAAP amounting to Rs. 3,044.89 lakhs (March 31, 2023: Rs. 3,584.28 lakhs). For the purpose of this disclosure the management has compared absolute amounts of provision on the gross loan balance as per Ind-AS with the provision on the gross balance as per IGAAP books disclosed the difference if any.

As at March 31, 2024 *(Amount in lakhs)*

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS 109	Loss allowances (provisions) as required under Ind AS 109	Net carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	**(2)**	**(3)**	**(4)**	**(5)=(3)-(4)**	**(6)**	**(7) = (4)-(6)**
Advances to trusts	Stage 1	52.33	9.13	43.20	24.03	(14.90)
	Stage 2	40.19	8.81	31.38	19.14	(10.33)
	Stage 3	2,468.22	2,220.71	247.51	2,386.63	(165.91)
Total		**2,560.74**	**2,238.65**	**322.09**	**2,429.80**	**(191.15)**

As at March 31, 2023 *(Amount in lakhs)*

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS 109	Loss allowances (provisions) as required under Ind AS 109	Net carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	**(2)**	**(3)**	**(4)**	**(5)=(3)-(4)**	**(6)**	**(7) = (4)-(6)**
Advances to trusts	Stage 1	131.83	27.07	104.77	37.74	(10.67)
	Stage 2	12.71	3.17	9.54	9.56	(6.39)
	Stage 3	2,291.60	1,997.86	293.74	2,119.70	(121.84)
Total		**2,436.14**	**2,028.09**	**408.05**	**2,167.00**	**(138.91)**

* Based on the current year's calculatoin, requirement of impairement reserve is lesser than what was created upto perivious year ending March 31, 2023. However, excess balance has not been trassferred back as per the RBI guidelines on impairement reserve requirements.

Transfer to impairement reserve is only done on Standalone Financial Statement, since there is no consolidation done in IGAAP.

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 39 GROUP INFORMATION

Composition of the Group

Information about the composition of the Group at the end of each reporting period is as follows :

Name of the Entity	Principal Activities	Country of incorporation	Proportion of ownership interest	
			As at March 31, 2024	As at March 31, 2023
Phoenix Trust-FY09-2	Securitisation and asset reconstruction.	India	99.26%	99.26%
Phoenix Trust-FY10-8 - Scheme C	Securitisation and asset reconstruction.	India	50.00%	50.00%
Phoenix Trust-FY11-1 - Scheme K	Securitisation and asset reconstruction.	India	99.78%	99.78%
Phoenix Trust FY 11-6	Securitisation and asset reconstruction.	India	50.00%	50.00%
Phoenix Trust FY 14-12 - Scheme B	Securitisation and asset reconstruction.	India	99.38%	99.38%
Phoenix Trust FY 15-14	Securitisation and asset reconstruction.	India	99.70%	99.70%
Phoenix Trust FY 15-25 - Series A and B	Securitisation and asset reconstruction.	India	75.00%	75.00%
Phoenix Trust FY 15-26	Securitisation and asset reconstruction.	India	99.89%	99.89%
Phoenix Trust FY 16-1 - Scheme C	Securitisation and asset reconstruction.	India	99.80%	99.80%
Phoenix Trust FY 18-1	Securitisation and asset reconstruction.	India	0.00%	99.96%
Phoenix Trust FY 18-1 - Scheme C	Securitisation and asset reconstruction.	India	0.00%	99.96%
Phoenix Trust FY 18-1 - Scheme F	Securitisation and asset reconstruction.	India	99.93%	99.93%
Phoenix Trust FY 18-2	Securitisation and asset reconstruction.	India	99.86%	99.86%
Phoenix Trust FY 18-2 - Scheme C	Securitisation and asset reconstruction.	India	99.92%	99.92%
Phoenix Trust FY 19-5 Scheme D	Securitisation and asset reconstruction.	India	99.95%	99.95%
Phoenix Trust FY 19-5 Scheme M	Securitisation and asset reconstruction.	India	99.89%	99.89%
Phoenix Trust FY 19-7	Securitisation and asset reconstruction.	India	51.00%	51.00%
Phoenix Trust FY 20-5	Securitisation and asset reconstruction.	India	99.73%	99.73%
Phoenix Trust FY 20-7	Securitisation and asset reconstruction.	India	99.93%	99.93%
Phoenix Trust-FY-20-13	Securitisation and asset reconstruction.	India	100.00%	100.00%
Phoenix Trust FY-20-15	Securitisation and asset reconstruction.	India	100.00%	100.00%
Phoenix Trust-FY21-9	Securitisation and asset reconstruction.	India	61.67%	61.67%
Phoenix Trust-FY21-11	Securitisation and asset reconstruction.	India	61.67%	61.67%
Phoenix Trust-FY21-17	Securitisation and asset reconstruction.	India	61.67%	61.67%

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 39 GROUP INFORMATION *(Continued)*

Name of the Entity	Principal Activities	Country of incorporation	Proportion of ownership interest	
			As at March 31, 2024	As at March 31, 2023
Phoenix Trust-FY22-11	Securitisation and asset reconstruction.	India	100.00%	100.00%
Phoenix Trust-FY22-6	Securitisation and asset reconstruction.	India	99.89%	99.89%
Phoenix Trust-FY22-8 - Series B	Securitisation and asset reconstruction.	India	15.00%	15.18%
Phoenix Trust-FY22-17	Securitisation and asset reconstruction.	India	99.95%	99.95%
Phoenix Trust-FY22-18	Securitisation and asset reconstruction.	India	99.88%	99.88%
Phoenix Trust-FY22-21	Securitisation and asset reconstruction.	India	99.92%	99.92%
Phoenix Trust-FY22-14	Securitisation and asset reconstruction.	India	99.99%	99.99%
Phoenix Trust-FY22-24	Securitisation and asset reconstruction.	India	99.96%	99.96%
Phoenix Trust-FY22-19 - Series A and B	Securitisation and asset reconstruction.	India	15.00%	15.00%
Phoenix Trust-FY22-26 - Series A and B	Securitisation and asset reconstruction.	India	0.00%	49.26%
Phoenix Trust-FY23-14	Securitisation and asset reconstruction.	India	99.99%	99.99%
Phoenix Trust-FY23-30	Securitisation and asset reconstruction.	India	99.98%	99.98%
Phoenix Trust-FY23-13 - Series A and B	Securitisation and asset reconstruction.	India	15.00%	51.83%
Phoenix Trust-FY23-23 - Series A and B	Securitisation and asset reconstruction.	India	50.44%	50.44%
Phoenix Trust-FY23-28 - Series A and B	Securitisation and asset reconstruction.	India	13.06%	65.22%
Phoenix Trust-FY23-29 - Series A and B	Securitisation and asset reconstruction.	India	13.05%	65.22%
Phoenix Trust-FY23-34	Securitisation and asset reconstruction.	India	100.00%	0.00%
Phoenix Trust-FY23-35	Securitisation and asset reconstruction.	India	100.00%	0.00%
Phoenix Trust-FY24-3	Securitisation and asset reconstruction.	India	100.00%	0.00%
Phoenix Trust-FY24-9	Securitisation and asset reconstruction.	India	100.00%	0.00%
Phoenix Trust-FY23-12	Securitisation and asset reconstruction.	India	68.77%	0.00%
Phoenix Trust-FY24-15	Securitisation and asset reconstruction.	India	100.00%	0.00%
Phoenix Trust-FY23-33	Securitisation and asset reconstruction.	India	100.00%	0.00%

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 40 THE FOLLOWING DISCLOSURES ARE FROM THE STANDALONE FINANCIAL STATEMENTS AND ARE MADE PURSUANT TO THE RBI GUIDELINES

(i) Names and addresses of the banks / financial institutions from whom the financial assets were acquired through various trusts and the value at which such assets were acquired from each such bank / financial institution:

(Amount in lakhs)

Name of the banks / financial institution	Address	Acquisition Price
Non-sponsors		
Abhyudaya Co-operative Bank Ltd.	K K Tower, G D Ambekar Marg, Parel Village, Mumbai - 400012.	9,610.00
Allahabad Bank (merged with Indian Bank)	1st Floor, Industrial Finance Branch, 17 Parliament Street, New Delhi - 110001.	16,928.80
Alchemist Asset Reconstruction Company Limited	A-270, First & Second Floor Defence Colony New Delhi South Delhi 110024	700.00
Andhra Bank (merged with Union Bank of India)	Dr Pattabhi Bhavan, 5-9-11, Saifabad, Hyderabad - 500004.	30,745.00
Annapurna Finance Private Limited	Plot No. 1215/1401, Khandagiri Bari, Infront Of Jayadev Vatika, Ps/Po- Khandagiri Bhubaneswar Khordha 751030	15,000.00
Arohan Financial Services Limited	PTI Building, 4th Floor,Dp-9, Sector-5 ,Salt Lake Kolkata Parganas Northwest Bengal 700091	21,200.00
Asirvad Micro Finance Limited	9th Floor, No.9,Club House Road Anna Salai Chennai Tamil Nadu 600002	10,630.00
ASREC (India) Limited	Solitaire Corporate Park, Building No.2, Unit No 201/202 A, 200/202 B, Gr Floor, Andheri Ghatkopar Link Rd, Chakala, Andheri (E), Mumbai- 400093	13,940.00
Asset Reconstruction Company (India) Ltd.	Shreepati Arcade, August Kranti Marg, Nana Chowk, Mumbai-400036.	17,258.00
Axis Bank Ltd	Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli Mumbai - 400025.	35,078.11
Bajaj Finance Ltd	Bajaj Auto complex, Mumbai – Pune Road, Akurdi Pune – 411035.	9,061.00
Bandhan Bank	Dn-32, Sector V Salt Lake Kolkata West Bengal 700091	1,54,082.00
Bank of Baroda	Baroda House,Mandovi,Vadodara-390006.	6,322.18
Bank of India	G-Block, C5 Bandra Kurla Complex, Bandra (E), Mumbai - 400051.	52,265.23
Bank of Maharashtra	Lokmangal, 1501,Shivajinagar, Pune-411005.	10,468.00
Barclays Bank PLC	601, Ceejay House, Dr.Annie Besant Road, Worli, Mumbai - 400018	4,914.26
Belstar Microfinance Limited	New No. 33, Old No. 14, 48th Street, 9th Avenue, Ashok Nagar, Chennai Tamil Nadu 600083	8,300.00
Canara Bank	112 JC Road, Bangalore - 560002.	23,143.42
Catholic Syrian Bank Ltd	CSB Bhavan, Post Box No 502, ST Mary's College Road, Thrissur, Kerala - 680020	15,520.00
Central Bank of India	Central Office, Chander Mukhi, Nariman Point, Mumbai- 400021.	46,719.00
CFM Asset Reconstruction Private Limited	Block No. A/1003, West Gate, Near Ymca Club, Sur No. 835/1+3, S.G. Highway, Makarba Ahmedabad Gujarat 380051	5,800.00
Citibank N.A.	7th Floor C-61, Bandra Kurla Complex, G Block, Bandra East, Mumbai 400051.	4,081.25
Clix Capital Services Private Limited	4th Floor, Kailash Building, Kasturba Gandhi Marg,Connaught Place New Delhi North East-110001	15,398.00

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 40 THE FOLLOWING DISCLOSURES ARE FROM THE STANDALONE FINANCIAL STATEMENTS AND ARE MADE PURSUANT TO THE RBI GUIDELINES *(Continued)*

(Amount in lakhs)

Name of the banks / financial institution	Address	Acquisition Price
Non-sponsors		
Clix Finance India Private Ltd. (merged with Clix Capital Services Private Ltd.)	4th Floor, Kailash Building, Kasturba Gandhi Marg,Connaught Place New Delhi North East-110001	11,260.00
Corporation Bank (merged with Union Bank of India)	114, M.G Road, Bangalore.	8,258.37
Dena Bank (merged with Bank of Baroda)	Dena Corporate Centre, C- 10, G Block, Bandra Kurla Complex, Bandra (E), Mumbai- 400051.	29,197.88
Development Bank of Singapore	Fort House, 3rd Floor, 221 Dr. D N Road, Fort, Mumbai - 400001.	1,257.97
Dhanlakshmi Bank	Dhanalakshmi Buildings, Naickanal, Thrissur, Kerala - 680001	10,000.00
Edelweiss Asset Reconstruction Company Ltd	Edelweiss House, Off. C.S.T Road, Kalina, Mumbai 400098	4,306.81
Equitas Small Finance Bank	4th Floor, Phase II, Spencer Plaza No.769, Mount Road, Anna Salai Chennai Tamil Nadu 600002	8,138.00
ESAF Small Finance Bank	Building No. VII/83/8,Esaf Bhavan, Thrissur-Palakkad National Highway, Mannuthy, Thrissur Kerala 680651	20,548.00
Exim Bank	21st Floor, Centre One Building, Cuff Parade-Colaba, Mumbai - 400005, World Trade Centre	1,600.00
Federal Bank Ltd.	21, Variety Hall Road, Dist Coimbatore, Coimbatore - 641001.	59,272.48
Fedbank Financial Services Limited	Unit no.: 1101, 11th Floor, Cignus, Plot No. 71A, Powai, Paspoli, Mumbai – 400087, Maharashtra, India	1,196.00
Fullerton India	Megh Towers, 3rd floor, Old No.307, New No. 165, PH Road, Maduravoyal, Chennai, Tamil Nadu-600095.	129.00
HDFC Bank Ltd.	HDFC Bank House, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400013.	1,96,398.64
Hero Fincorp Limited	34, Community Centre, Basant Lok Vasant Vihar New Delhi Dl 110057	1,300.00
Hinduja Leyland Finance Ltd	27A, Developed Industrial Estate, Guindy, Chennai - 600032.	20,000.00
Honkong and Shanghai Banking Corporation	52/60, MG Road, Fort, Mumbai - 400001.	5,175.00
ICICI Bank Ltd.	ICICI Bank Tower, North East Wing, 2nd Floor, Bandra Kurla Complex, Bandra (East), Mumbai-400051.	86,420.12
IDBI Bank Ltd.	IDBI Tower, 17th Floor, WTC Complex, Cuffe Parade, Mumbai-400005.	13,222.56
IDFC Ltd.	KRM Tower, 8th Floor, No 1, Harrington Road, Chetpet, Chennai.	5,387.50
IFCI Ltd	IFCI Tower, 61, Nehru Place, New Delhi – 110019.	13,793.00
IL&FS Financial Services Ltd	The IL&FS Financial Centre, Plot C-22, G-Block, Bandra Kurla Complex, Bandra East, Mumbai-400051.	1,598.78
IIFL Finance Limited	IIFL House, Sun Infotech Park, Road No. 16v, Plot No.B-23, Thane Industrial Area, Wagle Estate Thane 400604	1,84,500.00
India Infrastructure Finance Co Ltd	8th floor, Hindustan Times house, 18 & 20, Kasturba Gandhi Marg, New Delhi - 110001.	2,900.00
Indian Bank	4th Floor, East Wing Raheja Towers, 26-27 M.G Road, Bangalore - 560001	29,358.96
Indian Overseas Bank	No.5, K.H. Road, Shanti Nagar, Bangalore - 560027.	25,811.95
Indo Star Capital Finance Ltd	One Indiabulls center, 20th Floor, Tower 2A, Jupiter mills compound, S. B. Marg, Lower parel, Mumbai - 400013	79,750.00

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 40 THE FOLLOWING DISCLOSURES ARE FROM THE STANDALONE FINANCIAL STATEMENTS AND ARE MADE PURSUANT TO THE RBI GUIDELINES *(Continued)*

(Amount in lakhs)

Name of the banks / financial institution	Address	Acquisition Price
Non-sponsors		
IndusInd Bank	701 Solitaire Corporate Park, 167 Guru Har Govindji Marg, Andheri East, Mumbai 400093.	15,763.00
Industrial Investment Bank of India Ltd.	19, Netaji Subhas Road, Kolkata 700001.	350.00
ING Vysya Bank Ltd. (merged with Kotak Mahindra Bank)	22, ING House, M.G. Road, Bangalore - 560001	2,325.00
J & K Bank	MA Road,Srinagar 190001.	980.00
Janata Sahakari Bank Ltd	1444, Shukrawar Peth, Thorale Bajirao Road, Pune – 411002.	56,752.00
JP Morgan Chase Bank N.A.	Mafatlal Centre 9th Floor, Nariman Point, Mumbai - 400001.	60.00
Karnataka Bank Ltd.	P B No. 599, Mahaveera Circle, Kankanady, Mangalore - 575002.	21,749.00
Karur Vysya Bank	Erode Road, Karur, Tamil Nadu.	1,321.00
Karvy Financial Services Ltd	705/706, 7th Floor, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Opposite Guru Nanak Hospital, Bandra (E), Mumbai 400051	4,850.00
KKR India Financial Services Private Ltd	Regus Citi Centre, Level 6, 10/11, Dr. Radhakrishna Salai, Chennai, Tamil Nadu - 600004	14,500.00
L&T Finance Ltd	Technopolis, 7th Floor, A-wing, Plot No.-4, Block - BP, Sector -V, Salt lake, Kolkata, West Bengal - 700091	5,47,800.00
L&T Infrastructure Finance Company Ltd. (merged with L&T Finance Ltd.)	Mount Poonamallee Road, Manapakkam, Chennai - 600089	37,673.00
Laxmi Vilas Bank Ltd. (merged with DBS Bank)	Swapna Sadan, Azad Road, Andheri East, Mumbai - 400069.	3,210.00
Lendingkart Finance Limited	Unit Number PS 40 and PS 41, 3rd Floor, Birla Centurion, Pandurang Budhkar Marg, Worli, Mumbai, Maharashtra – 400 030	3,360.00
Maheshwari Investors Private Ltd.	401, Akruti Star Building,Central Main Road,Midc, Pocket No 5, Midc, Central Road, Marol, Andheri (E) Mumbai 400069	14,693.19
Midland Microfin Limited	The Axis, Plot No.1, R.B. Badri Dass Colony, G.T Road Jalandhar Punjab 144001	9,200.00
Motilal Oswal Housing Finance Ltd	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel St Depot, Prabhadevi, Mumbai – 400025	53,001.00
Muthoot Capital Services Limited	3rd Floor, Muthoot Towers, M.G. Road, Kochi - 682035, Kerala, India	11,755.00
NKGSB Co-operative Bank Limited	361, V.P. Road, Girgaum, Mumbai 400004.	900.00
Omkara Assets Reconstruction Private Limited	No.9, M.P.Nagar First Street, Kongu Nagar Extension Tirupur Coimbatore -641607 Tamil Nadu	13,319.80
Oriental Bank of Commerce (merged with Punjab National Bank)	Harsh Bhavan, E-Block, Connaught Place, New Delhi - 110001	12,636.10
Poonawalla Housing Finance Limited	602, 6th Floor, Zero One It Park, Survey No. 79/1, Ghorpadi, Mundhwa Road, Pune 411036	2,987.00
Prudent ARC Limited	611, Sixth Floor, D Mall, Plot No. A-1, Netaji Subhash Palace, Pitampura, New Delhi West Delhi 110034	6,731.00
PTC India Financial Services Ltd (PFS)	7th Floor, Telephone Exchange Building, 8 Bhikaji Cama Place, New Delhi, Delhi - 110066	18,650.00

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 40 THE FOLLOWING DISCLOSURES ARE FROM THE STANDALONE FINANCIAL STATEMENTS AND ARE MADE PURSUANT TO THE RBI GUIDELINES *(Continued)*

(Amount in lakhs)

Name of the banks / financial institution	Address	Acquisition Price
Non-sponsors		
Punjab & Sindh Bank	Head Office at Bank House, 21, Rajendra Place, New Delhi-110008 and, having one of its Zonal Office at 27/29, Ambalal Doshi Marg, Fort, Mumbai 400 001	6,662.00
Punjab National Bank	10th Floor, Atma Ram House, 1- Tolstoy Marg, New Delhi - 110001.	25,707.55
RBL Bank Ltd.	Shahupuri, Kolhapur.	4,310.69
Religare Finvest Ltd	2nd floor, Rajlok Building, 24, Nehru Place, New Delhi - 110019.	6,308.00
Royal Bank of Scotland	Gustav Mahlerlaan 10 Amsterdam 1082 PP The Netherlands through their Indian branches.	3,295.40
Saraswat Cooperative Bank	Saraswat Bank Bhavan, 953, Appasaheb Marathe Bank, Prabhadevi, Mumbai - 400025	53,000.00
Satya MicroCapital Limited	519 5th Floor DLF Prime Towers, Okhla Industrial Area, Phase-1 Delhi South Delhi 110020	15,000.00
SBFC Finance Private Limited	103, 1st Floor, C&B Square, Sangam Complex, Andheri Kurla Road, Village Chakala, Andheri East, Mumbai - 400059	393.00
SK Finance Limited	G 1-2, New Market, Khasa Kothi Jaipur Rajasthan 302001	14,390.00
South Indian Bank Ltd.	SIB House, T.B. Road, Mission Quarter, Thrissur District, Kerela State-680001.	1,24,370.00
Spandana Sphoorty Financial Limited	Galaxy, Wing B, 16th Floor, Plot No.1, Sy No 83/1, Hyderabad Knowledge City,Tsiic, Raidurgpanmaktha, Hyderabad Telangana 500081	22,800.00
Specified Undertaking of Unit Trust of India	UTI Tower, G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400051.	330.00
Standard Chartered Bank	Standard Chartered Tower, 201 B/I , Western Express Highway, Goregaon East, Mumbai 400063.	950.00
State Bank of Bikaner & Jaipur (merged with State Bank of India)	Tilak Marg, Jaipur - 302005.	6,466.00
State Bank of Hyderabad (merged with State Bank of India)	Gunfoundry, Hyderabad.	42,670.00
State Bank of India	Egmore, Stressed Assets Management Branch, Chennai.	1,35,339.99
State Bank of Mauritius Ltd	TSR Tower, Rajbhavan Road, Somajiguda, Hyderabad - 500082	1,250.00
State Bank of Mysore (merged with State Bank of India)	K.G. Road,Banglore-560254.	1,500.00
State Bank of Patiala (merged with State Bank of India)	The Mall, Patiala, Punjab.	8,015.00
State Bank of Travancore (merged with State Bank of India)	Poojapura, Thiruvananthapuram - 695012.	14,462.00
Stressed Asset Stabilisation Fund	IDBI Tower, WTC Complex, Cuffe Parade, Mumbai-400005.	868.75
Svatantra Microfin Private Limited	Sunshine Tower, Level 20, Senapati Bapat Marg, Elphinstone Road Mumbai 400013	2,243.00
Syndicate Bank Ltd (merged with Canara Bank)	Large Corporate Branch, Illaco House, No. 1 Brabourne Road, Ground Floor, Kolkata - 700001	807.75
TATA Capital Financial Services	Peninsula Park, Tower A. 11th Floor, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013	1,527.80

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 40 THE FOLLOWING DISCLOSURES ARE FROM THE STANDALONE FINANCIAL STATEMENTS AND ARE MADE PURSUANT TO THE RBI GUIDELINES *(Continued)*

(Amount in lakhs)

Name of the banks / financial institution	Address	Acquisition Price
Non-sponsors		
Tourism Finance Corporation of India Limited	4th Floor, Tower 1, Nbcc Plaza Pushp Vihar, Sector-5, Saket New Delhi South Delhi 110017	8,603.00
UCO Bank	10, BTM Sarani, Kolkata- 700001.	19,961.00
Union Bank of India	Union Bank Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai - 400021	22,680.20
United Bank of India (merged with Punjab National Bank)	184/192 Sree Durga Towers, R K Mutt Road, Mandaveli, Chennai 600028.	12,990.40
UV Asset Reconstruction Company Limited	704, 7th Floor, Deepali Building, 92 Nehru Place, New Delhi Dl 110019	10,805.00
Vijaya Bank (merged with Bank of Baroda)	41/2, MG Road, Trinity Circle, Bangalore - 560001.	19,634.84
Yes Bank	Yes Bank Tower, IFC -2, 15th Floor, Senapati Bapat Marg, Elphinstone (W), Mumbai, Maharashtra – 400013	11,726.00
Varthana Finance Private Limited	Varasiddhi, 3rd Floor, No. 5bc-110 Service Road, 3rd Block Hrbr Layout, Bangalore 560043	3,917.00
Total		**28,05,495.74**

Note: Above classification is based on the records available with the Company.

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

(Amount in lakhs)

Industry	Acquisition Price	% of Total
Real Estate - Housing	3,26,806.29	11.65%
Retail loans - (Microfinance Loans)	2,87,141.00	10.23%
Retail loans – (PL, BL, STPL, CTG etc)	2,59,124.70	9.24%
Metal	2,45,368.56	8.75%
Infrastructure - Power	2,42,574.89	8.65%
Real Estate - Commercial	2,39,987.20	8.55%
Infrastructure - Roads	1,99,796.11	7.12%
Home Loans/LAP	1,37,365.53	4.90%
Infrastructure - Others	1,34,236.42	4.78%
Auto and Ancilliary	90,710.74	3.23%
Hospitality	83,543.18	2.98%
Textiles	74,326.60	2.65%
Retailing	64,374.81	2.29%
Food Processing	54,157.33	1.93%
Chemicals	36,829.20	1.31%
Pharma	33,612.73	1.20%
Oil Refining	32,812.99	1.17%
Others	2,62,727.45	9.37%
Total	**28,05,495.74**	**100.00%**

Note: Industry classification is based on records available with the Company.

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 40 THE FOLLOWING DISCLOSURES ARE FROM THE STANDALONE FINANCIAL STATEMENTS AND ARE MADE PURSUANT TO THE RBI GUIDELINES *(Continued)*

(iii) Additional disclosure as per RBI notification no. DNBS. PD (SC/RC). 8/CGM (ASR) dated April 21, 2010

(Amount in lakhs)

Particulars	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
Value of financial assets acquired during the financial year either on its own books or in the books of the trust	6,24,342.00	5,21,632.72
Value of financial assets realised during the financial year	4,06,075.20	3,22,075.25
Value of financial assets outstanding for realisation as at the end of the financial year	12,68,090.26	10,49,823.46
Value of Security Receipts-		
Partially redeemed during the year (*)	2,98,812.48	2,08,771.12
Fully redeemed during the year	39,062.26	55,312.35
Written-off during the year	20,995.74	18,798.53
Value of Security Receipts pending for redemption as at the end of the financial year	14,62,893.17	11,97,421.64
Value of Security Receipts which could not be redeemed as a result of non-realisation of the financial assets as per the policy formulated by the Company under Paragraph 7(6)(ii) or 7(6)(iii) of The Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003	38,565.70	50,204.59
Value of land and / or building acquired in ordinary course of business of reconstruction of assets (year wise)	-	-

The values in the table do not include information related to Trusts, where Phoenix has investment in Security Receipts in the capacity of other SR holder only.

The values in the table are in accordance with the quarterly report submitted by the Company to RBI.

(iv) Net of Rs. 23,771.50 lakhs (previous year : Rs. 22,138.44 lakhs), amounts transferred to “SRs fully redeemed during the year” on full redemption of SRs in the current year, which were disclosed as “Partially redeemed during the year” in the respective previous years on part redemptions of SRs.

(v) Restructuring loan disbursed amounting to Rs. 2,341.76 lakhs (previous year: Rs. 997 lakhs) has been classified non-performing asset. A provision of Rs. 929.47 lakhs (previous year: Rs. Nil) has been made in the current year on the same as per RBI guidelines.

Under Ind AS, restructuring loan disbursed amounting to a total exposure of Rs. 5,165.75 lakhs (previous year: Rs. 3,908 lakhs) has been classified credit impaired assets. A loss allowance of Rs. 1,257.85 lakhs (previous year: Rs. Nil) has been provided in the current year.

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 41A FOLLOWING ADDITIONAL DISCLOSURES ARE TAKEN FROM THE STANDALONE FINANCIAL STATEMENTS AND ARE MADE PURSUANT TO THE RBI CIRCULAR NO DNBS (PD) CC. NO. 41/ SCRC / 26.03.001/ 2014-2015 DATED 5TH AUGUST, 2014 (FOR ACQUISITIONS MADE AFTER 5TH AUGUST, 2014):

(i) There have been no acquisitions in the current year, in which the acquisition value of the assets is more than the Book Value.

(ii) The details of the physical assets disposed off by the Company during the year at a discount of more than 20% of the valuation as on the previous year end are as follows:

Name of the account	Reasons
Phoenix Trust-FY15-4 - Arvi Impex	Reserve price for Auction before the valuation date was itself ~22% lower than the valuation. Hence, taking into consideration the last reserve price, the authorised office had put the property for Auction by reducing 10% of the last reserve price due to failure of earlier auction.
Phoenix Trust-FY19-21 - Square Particle Boards Pvt Ltd.	Multiple attempts were made for sale of Plant & Machinery, however the same were failed for want of bids and hence valuer has given the scarp valuation for Plant & Machinery.

Note: This is based on records available with the Company.

(iii) Details of assets where value of SRs has declined more than 20% below the acquisition value in the current year:

(Amount in lakhs)

Name of the account	Amount of SRs outstanding as on 31st March, 2024	NAV of SRs
Phoenix Trust FY 16-17	3.06	0.00%
Phoenix Trust FY 16-12	73.92	0.00%
Phoenix Trust FY 16-1 - Scheme D	245.38	0.00%
Phoenix Trust FY 16-26	327.18	0.00%
Phoenix Trust FY 16-16	630.80	0.00%
Phoenix Trust FY 17-4	633.60	0.00%
Phoenix Trust-FY23-31	1,525.24	70.70%
Phoenix Trust FY 18-1 - Scheme E	1,675.52	75.00%
Phoenix Trust FY 16-25	1,763.71	0.00%
Phoenix Trust-FY23-15	1,969.81	72.40%
Phoenix Trust-FY22-4	2,132.90	50.00%
Phoenix Trust FY 16-15 - Scheme B	2,692.00	0.00%
Phoenix Trust-FY23-23 Series A	2,775.50	75.00%
Phoenix Trust FY 17-11	2,851.20	25.00%
Phoenix Trust FY 16-15	3,764.70	0.00%
Phoenix Trust-FY23-23 Series B	4,638.00	0.00%
Phoenix Trust-FY22-13	4,839.73	72.24%
Phoenix Trust-FY23-21	5,436.50	71.12%
Phoenix Trust-FY23-12 Series B	6,500.00	75.00%
Phoenix Trust-FY23-24	7,921.20	72.39%
Phoenix Trust-FY23-36	8,604.00	71.65%
Phoenix Trust-FY23-25	9,099.28	73.45%
Phoenix Trust FY 20-4	9,149.20	5.00%
Phoenix Trust-FY23-8	10,084.50	0.00%
Phoenix Trust-FY23-11	10,245.00	70.37%
Phoenix Trust-FY23-22	10,999.10	72.89%
Phoenix Trust-FY23-18	13,995.00	74.41%
Phoenix Trust FY 16-23	16,191.00	0.00%
Phoenix Trust-FY23-37	1,06,317.50	75.00%

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 41B FOLLOWING ADDITIONAL DISCLOSURES ARE MADE PURSUANT TO THE RBI/2022-23/182 DOR. ACC.REC.No.104/21.07.001/2022-23 DATED 20TH FEBRUARY, 2023

Disclosure for ageing of the unrealised management fee recognised in the books :

(Amount in lakhs)

Name of the account	As at March 31, 2024	As at March 31, 2023
Outstanding amount of unrealised management fee	6,678.54	3,464.01
1. Out of the above, amount outstanding for:		
(a) Amounts where the net asset value of the security receipts has fallen below 50 per cent of the face value	1,294.33	1,372.26
(b) Other amounts unrealized for:		
(i) More than 180 days but upto 1 year	724.81	74.85
(ii) More them 1 year but upto 3 years	101.41	314.17
(iii) More than 3 years	735.45	465.26
Allowance held for unrealized management fee	(2,882.18)	(2,070.10)
Net unrealized management fee receivable	**3,796.36**	**1,393.91**

Note 42

Loans and advances - others, pertain to financial assistance provided to borrowers in terms of the restructuring/ settlement agreement for enabling the borrowers to restructure their business operations.

Note 43

i. The Group does not have any pending litigations which would impact its financial position.

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

iv. The Group has not been declared as wilful defaulter by any bank or financial institutions or government or any government authority.

v. The Group has no transactions with the companies struck off under the Companies Act, 2013.

vi. No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act,1988 (45 of 1988) and Rules made thereunder.

vii. The Group has complied with the number of layers prescribed under the Companies Act, 2013.

viii. The Group has not entered into any scheme of arrangement which has an accounting impact on current orprevious financial year.

ix. (A) During the year, the Group has not advanced or loaned or invested funds (either borrowed funds or share premium or anyother sources or kind of funds) to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or

- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(B) During the year, the Group has 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 Group shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 43 *(Continued)*

x. There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961,that has not been recorded in the books of account.

xi. The Group has not traded or invested in crypto currency or virtual currency during the current and the previous year.

xii. The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.

xiii. There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

xiv. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the group's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. The Group operates in one business segment, viz. Asset Reconstruction and one geographical segment, hence there are no reportable segments.

xv. As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014 the Group uses only such accounting software for maintaining its books of account that have a feature of recording audit trail of each and every transaction creating an edit log of each change made in the books of account along with the date when such changes were made within such accounting software. This feature of recording audit trail has operated throughout the year and was not tampered with during the year. In respect of one cloud based accounting software, the Service Organization Control Report does not cover whether audit trial was enabled or not as per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014 for direct data changes. The Group has established and maintained an adequate internal control framework and based on its assessment, believes that this was effective as of March 31, 2024.

xvi. Figures for the previous year have been regrouped / reclassified whereever necessary to conform to current years presentations.

For Manohar Chowdhry & Associates
Chartered Accountants
Firm Registration No. 001997S

Ameet N Patel
Partner
Membership No. 039157

Place : Mumbai
Date : April 25, 2024

For and on behalf of the Board of Directors of Phoenix ARC Private Limited

Balan Wasudeo
Director
DIN: 00073697

Keki Elavia
Director
DIN: 00003940

Sanjay Tibrewala
Chief Executive Officer

Gauri Bhatkal
Chief Financial Officer

Kamlesh Rane
Company Secretary
Membership No. A29339

INDEPENDENT AUDITOR'S REPORT

To the Members of **PHOENIX ARC PRIVATE LIMITED**

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of Phoenix ARC Private Limited ("the Company") which comprises the Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Ind AS Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, and its profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Ind AS Financial Statements for the financial year ended 31st March, 2024. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
(a) Impairment of financial instruments (loans, trade receivables and advances recoverable from Trusts) (Refer K of the material accounting policies)	
Loans, trade receivables and advances recoverable from trusts amounting to INR 9,066.83 lakhs (net of impairment provision) at 31st March, 2024 as disclosed in the Standalone Ind AS Financial Statements.	• Our audit procedures included considering the Company's board approved policies for impairment of financial instruments and assessing compliance with the policies in terms of Ind AS 109.

Key audit matters	How our audit addressed the key audit matter
Ind AS 109 on Financial instruments requires the Company to provide for impairment of its financial instruments (designated as amortized cost or fair value through other comprehensive income) using the Expected Credit Loss (ECL) approach. Such ECL allowance is required to be measured considering the guiding principles mentioned in the Standard. In the process of applying such principles and other requirements of the Standard, a significant degree of judgement has been applied by the management in respect of following matters: a) Grouping of the trade receivables and advances recoverable from trusts under homogenous pools in order to determine probability of default (PD) on a collective basis. b) Determining the staging of loans, trade receivables and recoverable from trust. c) Determining effect of past defaults on future probability of default. d) Estimation of management overlay for macroeconomic factors which could impact the ECL provisions. e) Estimation of loss given default (LGD) based on past recovery rates. Given the complexity and significant judgement involved in the estimation of impairment of financial instruments, we have considered this area as a key audit matter.	• We understood the process of ECL estimation and tested the design and operating effectiveness of key controls around data extraction and validation. • We understood the methodology used by the management to arrive at their ECL provision and examined certain assumptions used by the Company in their model for grouping and staging of financial assets into various categories and default buckets and for determining the PD and LGD rates including the macro-economic factors. • We tested the operating effectiveness of the controls for staging of loans and receivables based on their past-due status. • We tested the arithmetical accuracy of computation of ECL provision performed by the Company in spread sheets. • We assessed the disclosures included in the Standalone Ind AS Financial Statements with respect to such allowance / estimate are in accordance with the requirements of Ind AS 109 and Ind AS 107.

Key audit matters	How our audit addressed the key audit matter
(b) Fair valuation of Security Receipts (SR) (Refer note N of the material accounting policies)	
The Company holds investments in the form of Security Receipts (SR) which represent the investments in underlying pool of assets. The fair valuation of these investments at 31st March, 2024 amounts to INR 1,97,533.08 lakhs as disclosed in the Standalone Ind AS Financial Statements. These investments are classified as fair value through profit and loss. In accordance with Ind AS 113 on Fair Value Measurement, the objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions.	• Our audit procedures included an assessment of internal controls over measurement of fair value and we have understood the management process of providing key inputs to the CRAs such as resolution plan, security value, projected cash flows, restructuring plans, etc. in determining the fair value. • We tested the operating effectiveness of the controls for the purpose of fair valuation of SR.

Key audit matters	How our audit addressed the key audit matter
As required by RBI regulations, these SRs are valued on a half yearly basis by eligible credit rating agencies ("CRA"). These CRA perform an independent evaluation of the underlying assets based on certain estimates and judgements and provide range of recovery of these underlying assets. The management then decides the fair value of the SR based on its best estimate of recovery, and the range of recovery provided by the CRA. The Management and CRA have done an assessment to ascertain future recoverability estimates of the underlying assets while assessing the value of these SR. In making these assessments, the management and CRA have used several estimates, assumptions and sources of information (both internal and external). These assumptions, estimates and information used by the Management and CRA may have an uncertainty and the actual results may differ from the estimates and assumptions made. Given the significance of fair valuation of investments in SR to overall Standalone Ind AS financial statements and the degree of Management's judgement involved in the estimate and involvement of external CRA in the fair value estimation and the uncertainty on the recoverability of the SR, we have considered this area as a key audit matter.	• We have performed testing on a sample basis of key inputs as mentioned above to validate the reasonableness of the input values. • We have understood the valuation process followed by the CRAs and tested the fair valuation of sample cases. We understood the key inputs, judgements and discounting factors applied by the CRAs and independently verified sample cases including key inputs used to ascertain fair valuation of the SR. • We have tested, on a sample basis, the rationale for declaring the fair value of the SR as per the range provided by CRA, to assess for reasonableness of the NAV declared. • We have tested on a sample basis the assumptions and inputs used for this assessment with the help of our valuation experts. The assumptions and estimates used by the Management on future recoverability may vary and actual results may differ from the estimates and assumptions. • We assessed disclosures included in the Standalone Ind AS Financial Statements with respect to such fair valuation of SR are in accordance with the requirements of Ind AS 113 and Ind AS 107.

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

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Annual Report including Annexures thereto but does not include the Standalone Ind AS Financial Statements, Consolidated Ind AS Financial Statement and our auditor's report thereon.

Our opinion on the Standalone Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS 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 the Board of Directors 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.

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS 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)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Ind AS Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Standalone Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS Financial Statements for the financial year ended 31st March, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015, as amended.

   e. On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 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 with reference to Standalone Ind AS Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our Report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Ind AS Financial Statements;

   g. With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act, in our opinion and according to the information and explanation given to us, the limit prescribed by section 197 for maximum permissible managerial remuneration is not applicable to a private limited company.

   h. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entity, including foreign entities (‘Intermediaries’), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend to 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 persons or entity, including foreign entities (‘Funding Parties’), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (‘Ultimate Beneficiaries’) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

v. There were no dividends declared or paid during the year by the Company;

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. The Company has used cloud-based accounting software for maintaining its books of account and in the absence of service organization controls report for the period April 01, 2023 to March 31, 2024, we are unable to comment whether the audit trail feature of the aforesaid software was enabled and operated throughout the year for direct data changes. Further, for accounting software other than the aforesaid databases, we did not notice any instance of the audit trail feature being tampered with (Refer Note 42 to the Financial Statements).

vii. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For **Manohar Chowdhry & Associates**
Chartered Accountants
Firm’s registration No. 001997S

Ameet N. Patel
Partner
Membership No. 039157
UDIN: 24039157BKCLUM2697

Place: Mumbai
Date: 25th April, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and regulatory Requirements' section of our report to the members of Phoenix ARC Private Limited of even date)

(i) (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) All Property, Plant and Equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification

(c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company

(d) According to information and explanations given to us and books of accounts and records examined by us, Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended 31st March, 2024

(e) According to information, explanation given to us and our verification of records of the company, no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company is into the services sector, primarily rendering asset reconstruction and securitization services and as such does not hold any inventories. Accordingly, reporting under of clause 3(ii)(a) of the Order is not applicable

(b) The Company holds investments in the form of security receipts in various Trusts. Such investments are classified as available for sale in accordance with RBI guidelines. The Company has been sanctioned working capital from banks in excess of five crore rupees during the year. Investments in security receipts are provided as security for availing such working capital facilities. As per the information and explanation given to us and examination of books of account and other records produced before us, in our opinion, the quarterly returns and statements filed by the Company with such banks are in agreement with the books of account of the Company.

(iii) The Company is registered under section 3 of 'Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002' (SARFAESI Act) under the RBI regulation, as an 'Asset Reconstruction Company'. During the year, the Company has made investments in security receipts, granted secured loans for restructuring, and given advances to the various trusts managed by it/ where it is trustee during the course of business for restructuring:

In our opinion and according to the information and explanations given to us:

(a) The Company's principal activity is asset reconstruction, securitization and give loans for restructuring of acquired loans as permitted by Reserve Bank of India, Clause 3(iii)(a) on providing of loan, advances or guarantee is not applicable to the Company.

(b) The Company has made investments and given advances to the various trusts managed by it / where it is trustee during the course of business and granted loans directly to other parties whose accounts are acquired under SARFAESI Act. In our opinion, considering the nature of the business of the Company, the terms and conditions of grant of loans are not prejudicial to the interest of the Company.

(c) In respect of the loans granted by the Company to parties whose accounts are acquired under SARFAESI Act, the schedule of repayment of principal and payment of interest has been stipulated and the repayment of principal amount and receipts of interest have generally been regular, except in respect of the following:

Sl. No.	Name of the entity	Principal outstanding (Amount in Lakhs)*	Due date	Extent of delay (In days)
1	Karni Developer and Construction Co Ltd	282.29	03-10-15	3102
2	Dhanalaxmi Builders and Developers	455.61	15-04-16	2907
3	Vijayent Group	50.00	15-03-16	2938
4	Sovereign Developers	209.17	31-10-16	2708
5	JCT Limited	1,100.00	27-11-22	491

* Excluding interest

(d) The following amounts are overdue for more than 90 days from companies to whom loan has been granted, and reasonable steps have been taken by the Company for the recovery of the overdue amount of principal and interest.

Sl. No.	Name of the entity	Principal amount overdue (Amount in Lakhs) *
1	Karni Developer and Construction Co Ltd	282.29
2	Dhanalaxmi Builders and Developers	455.61
3	Vijayent Group	50.00
4	Sovereign Developers	209.17
5	JCT Limited	1100.00

* Excluding interest

(e) In our opinion and considering the nature of business of the Company, Clause 3(iii)(e) of the Order dealing withrenewal, grant of fresh loan to settle the over dues of existing loans is not applicable to the Company.

(f) According to the information and explanation given to us, the Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment. Accordingly, the requirement to report on clause 3(iii)(f) is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted loans, made investments or provided guarantees which require compliance with 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 neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act, for the business activities carried out by the Company. Accordingly, reporting under clause 3 (vi) of the Order is not applicable to the Company.

(vii) In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues including 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 other material statutory dues applicable to it with the appropriate authorities.

According to the information and explanations given to us and based on audit procedures performed by us, there were no undisputed amounts payable 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 other material statutory dues in arrears as at 31st March, 2024 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above as on 31st March, 2024 on account of disputes are given below:

Nature of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount in lakh
The Income Tax Act, 1961	Income Tax	Commissioner of Income tax (Appeal)	AY 2018-19	2718.94*
* Entire sum has been paid/adjusted against income tax refund receivable by the Company.				

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) In our opinion, and according to the information and explanation given and books of account and records examined by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) In our opinion, and according to the information and explanation given to us, the Company is not declared as a wilful defaulter by any bank or financial institution or other lender. Accordingly, reporting on paragraphs 3 (ix) (b)of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given, and records examined by us, the Company has raised additional term loan and the same were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company and considering the business nature of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken loan from bank or financial institution to meet the obligation as such of the various trusts managed by it / various trusts where it is trustee. Accordingly, reporting on paragraphs 3 (ix) (e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and procedures performed by us and considering the nature of the business, we report that the Company has raised loans during the year on the pledge of securities (i.e. Investment in Security Receipts) held in its trusts. However there is no default as such in the repayment of such loans raised by the Company. Accordingly, reporting on paragraphs 3(ix) (f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer, further public offer (including debt instruments). Hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company

(xi) According to the information and explanations given to us and the records examined by us,

(a) Based upon the audit procedures performed by us, no material fraud by the Company or any material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of Section 143 of the Act has been filed by cost auditors / secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is 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 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) According to the information and explanations given to us and the records examined by us,

(a) 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, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of Section 192 of the Companies Act 2013 are not applicable to the Company.

(xvi)(a) The Company is exempted from the provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company;

(b) The Company is registered under Section 3 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 and is regulated by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, there is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly, paragraph 3(xvi) (d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year and immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly, requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in Note 34 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) As disclosed by management in Note 30 of the financial statements and as verified by us, the gross amount required to be spent by the Company towards Corporate Social Responsibility (CSR) has been duly spent during the year. Hence, reporting under clause (xx)(a) and clause (xx)(b) of the Order is not applicable to the Company;

(xxi) Reporting under clause (xxi) of the Order is not applicable as the same is required to be reported only in case of consolidated financial statement.

For **Manohar Chowdhry & Associates**
Chartered Accountants
Firm's registration No. 001997S

Ameet N. Patel
Partner
Membership No. 039157
UDIN: 24039157BKCLUM2697

Place: Mumbai
Date: 25th April, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF PHOENIX ARC PRIVATE LIMITED

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report)

Report on the Internal Financial Controls with reference to the Standalone Ind AS Financial Statements 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 with reference to the Standalone Ind AS Financial Statements of Phoenix ARC Private Limited ("the Company") as of 31st March, 2024 in conjunction with our audit of the Standalone Ind AS 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 are responsible for establishing and maintaining internal financial controls with reference to the Standalone Ind AS Financial Statements 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 (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to the Standalone Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to the Standalone Ind AS Financial Statements were 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 with reference to the Standalone Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to the Standalone Ind AS Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these Standalone Ind AS Financial Statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to the Standalone Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to the Standalone Ind AS Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to the Standalone Ind AS Financial Statements 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 Standalone Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to the Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to the Standalone Ind AS Financial Statements, 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 with reference to the Standalone Ind AS Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to the Standalone Ind AS Financial Statements 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 with reference to the Standalone Ind AS Financial Statements and such internal financial controls over financial reporting with reference to the Standalone Ind AS Financial Statements were operating effectively as at 31st March, 2024, based on the internal control over financial reporting with reference to Standalone Ind AS Financial Statements 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 ICAI.

For **Manohar Chowdhry & Associates**
Chartered Accountants
Firm's registration No. 001997S

Ameet N. Patel
Partner
Membership No. 039157
UDIN: 24039157BKCLUM267

Place: Mumbai
Date: 25th April, 2024

PhoenixARC

PHOENIX ARC PRIVATE LIMITED

STANDALONE BALANCE SHEET AS AT MARCH 31, 2024

(Amount in lakhs)

Particulars	Note no.	As at March 31, 2024	As at March 31, 2023
Assets			
Financial assets			
Cash and cash equivalents	2A	5,876.92	3,778.80
Bank balance other than above	2B	1,534.31	1,548.21
Receivable			
Trade receivables	3	3,796.36	1,393.97
Loans	4	4,790.21	9,538.97
Investments	5	1,97,533.08	1,53,169.71
Other financial assets	6	480.26	447.80
Sub total		**2,14,011.14**	**1,69,877.46**
Non-financial assets			
Current tax assets (net)		672.75	1,444.67
Deferred tax assets (net)	26	7,559.36	5,866.81
Property, plant and equipment	7	1,432.82	255.99
Intangible assets under development	8B	56.00	28.00
Other intangible assets	8A	6.34	12.67
Other non-financial assets	9	40.07	25.51
Sub total		**9,767.34**	**7,633.65**
Total assets		**2,23,778.48**	**1,77,511.11**
Liabilities and equity			
Liabilities			
Financial liabilities			
Payables			
Trade payables			
a. total outstanding dues of micro, small, and medium enterprises	10	7.57	1.24
b. total outstanding dues of creditors other than micro, small, and medium enterprises		26.87	9.54
Debt securities	11	51,879.60	36,864.90
Borrowings (other than debt securities)	12	55,769.05	53,487.68
Other financial liabilities	13	4,193.25	2,831.39
Sub total		**1,11,876.34**	**93,194.75**
Non-financial liabilities			
Current tax liabilities (net)		8,722.96	7,241.21
Provisions	14	114.02	101.94
Other non-financial liabilities	15	10,284.71	5,108.86
Sub total		**19,121.69**	**12,452.01**
Equity			
Equity share capital	16	16,800.00	16,800.00
Other equity	17	75,980.45	55,064.35
Sub total		**92,780.45**	**71,864.35**
Total liabilities and equity		**2,23,778.48**	**1,77,511.11**
Material accounting policies & notes on accounts	1		

In terms of our report attached.

For Manohar Chowdhry & Associates
Chartered Accountants
Firm Registration No. 001997S

Ameet N Patel
Partner
Membership No. 039157

Place : Mumbai
Date : April 25, 2024

For and on behalf of the Board of Directors of Phoenix ARC Private Limited

Balan Wasudeo
Director
DIN: 00073697

Keki Elavia
Director
DIN: 00003940

Sanjay Tibrewala
Chief Executive Officer

Gauri Bhatkal
Chief Financial Officer

Kamlesh Rane
Company Secretary
Membership No. A29339

PHOENIX ARC PRIVATE LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(Amount in lakhs)

Sr. No.	Particulars	Note no.	For the year ended March 31, 2024	For the year ended March 31, 2023
	Revenue from operations			
	Interest income	18	2,486.45	1,592.25
	Fees and commission income	19	40,476.43	28,280.90
(I)	**Total revenue from operations**		**42,962.88**	**29,873.15**
(II)	**Other income**	21	**151.97**	**221.46**
(III)	**Total income (I + II)**		**43,114.85**	**30,094.61**
	Expenses			
	Finance costs	22	8,549.17	4,628.76
	Net loss on fair value changes	20	1,790.79	2,040.32
	Impairment on financial instruments	23	1,588.58	(1,507.89)
	Employee benefits expense	24	2,278.60	1,528.56
	Depreciation, amortization and impairment	7 & 8	226.39	99.67
	Other expenses	25	638.24	527.01
(IV)	**Total expenses**		**15,071.77**	**7,316.43**
(V)	**Profit / (loss) before exceptional items and tax (III-IV)**		**28,043.08**	**22,778.18**
(VI)	**Exceptional items**		-	-
(VII)	**Profit/(loss) before tax (V -VI)**		**28,043.08**	**22,778.18**
(VIII)	**Tax expense**	26		
	(1) Current tax		8,814.38	5,610.88
	(2) Deferred tax		(1,691.25)	223.12
	Total tax expense (1+2)		**7,123.13**	**5,834.00**
(IX)	**Profit/(loss) for the year (VII-VIII)**		**20,919.95**	**16,944.18**
(X)	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	- Remeasurements of the defined benefit plans		(5.15)	6.21
			(5.15)	**6.21**
	- Income tax relating to items that will not be reclassified to profit or loss	26	1.30	(1.56)
			(3.85)	**4.65**
(XI)	**Total comprehensive income for the year (IX+X)**		**20,916.10**	**16,948.83**
(XII)	**Earnings per equity share**	27		
	Basic and diluted earnings per share (Rs)		12.45	10.09

In terms of our report attached.

For Manohar Chowdhry & Associates
Chartered Accountants
Firm Registration No. 001997S

For and on behalf of the Board of Directors of Phoenix ARC Private Limited

Ameet N Patel
Partner
Membership No. 039157

Balan Wasudeo
Director
DIN: 00073697

Keki Elavia
Director
DIN: 00003940

Sanjay Tibrewala
Chief Executive Officer

Place : Mumbai
Date : April 25, 2024

Gauri Bhatkal
Chief Financial Officer

Kamlesh Rane
Company Secretary
Membership No. A29339

PHOENIX ARC PRIVATE LIMITED

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flow from operating activities		
Profit before tax	28,043.08	22,778.18
Adjustments to reconcile profit before tax to net cash generated from / (used in) operating activities		
Depreciation and amortisation expense	226.39	99.67
Net gain on sale of investments	(7,622.84)	(1,087.21)
Net loss on fair value changes	9,413.63	3,127.53
Impairment (gain) / loss on financial instruments	1,588.58	(1,507.89)
Net loss/gain on sale of property, plant and equipment	8.48	(3.35)
Interest income (other than loans and advances)	(650.03)	(266.55)
Finance costs	8,472.52	4,605.16
Gain on termination of lease	(19.54)	-
Interest on lease liability	76.65	23.60
Gratuity provision	19.90	16.85
Operating profit before working capital changes	**39,556.83**	**27,785.99**
Working capital adjustments		
Adjustments for (increase) / decrease in operating assets		
Loans and advances	4,220.46	(7,965.25)
Trade receivables	(3,250.10)	1,286.04
Other assets	(312.43)	196.73
Adjustments for increase / (decrease) in operating liabilities		
Trade payables	23.66	8.99
Provisions	(12.97)	(49.06)
Other liabilities	5,551.42	2,864.09
	6,220.04	(3,658.46)
Cash from operations	**45,776.87**	**24,127.53**
Income tax paid (net of refund)	(6,560.72)	(3,143.01)
Net cash from operating activities	**39,216.15**	**20,984.52**
Cash flow from investing activities		
Purchase of property, plant and equipments	(284.28)	(44.10)
Sale of property, plant and equipments	0.74	3.35
Purchase of investments	(1,41,913.30)	(97,002.96)
Proceeds from sale of investments	95,759.13	57,656.03
Bank deposits with original maturity greater than three months	13.90	(1,548.21)
Interest received on fixed deposits with bank	650.03	266.55
Net cash (used in) / generated from investing activities	**(45,773.78)**	**(40,669.34)**
Cash flow from financing activities		
Proceeds from borrowings	73,749.03	71,026.61
Repayment of borrowings	(53,664.49)	(50,631.31)

PHOENIX ARC PRIVATE LIMITED

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024 *(Continued)*

(Amount in lakhs)

Particulars	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
Net proceeds from bank overdraft facility & working capital loans	(3,238.96)	1,749.29
Finance costs	(8,022.05)	(4,635.12)
Payment of lease liability (including interest thereon)	(167.78)	(87.12)
Net cash flow from financing activities	**8,655.75**	**17,422.34**
Net (decrease) / increase in cash and cash equivalents	**2,098.12**	**(2,262.48)**
Cash and cash equivalents at the beginning of the year	3,778.80	6,041.28
Cash and cash equivalents at the end of the year	5,876.92	3,778.80
Reconciliation of cash and cash equivalents with the balance sheet		
Cash and cash equivalents as per balance sheet (refer note 02)		
Cash on hand	0.19	0.06
Balances with banks in current account	10.14	20.08
Balance in term deposit < 3 months	5,143.71	3,759.40
Balances in overdraft facility	724.03	-
Less: Impairment loss allowance	(1.15)	(0.74)
Cash and cash equivalents as at the year end	**5,876.92**	**3,778.80**

The above Cash flow statement has been prepared under the 'Indirect Method' as set out in Ind AS 7 - 'Cash Flow Statements'.

In terms of our report attached.

For Manohar Chowdhry & Associates
Chartered Accountants
Firm Registration No. 001997S

Ameet N Patel
Partner
Membership No. 039157

Place : Mumbai
Date : April 25, 2024

For and on behalf of the Board of Directors of Phoenix ARC Private Limited

Balan Wasudeo
Director
DIN: 00073697

Keki Elavia
Director
DIN: 00003940

Sanjay Tibrewala
Chief Executive Officer

Gauri Bhatkal
Chief Financial Officer

Kamlesh Rane
Company Secretary
Membership No. A29339

PHOENIX ARC PRIVATE LIMITED

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

A. Equity share capital

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the reporting year	16,800.00	16,800.00
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	**16,800.00**	**16,800.00**

B. Other equity

(Amount in lakhs)

Particulars	Other Equity				Total
	Securities premium	Debenture redemption reserve	Impairment reserve	Retained earnings	
Balance as at March 31, 2022	**3,006.10**	**805.62**	**249.67**	**34,054.13**	**38,115.52**
Profit for the year	-	-	-	16,944.18	**16,944.18**
Other comprehensive income for the year (net of tax)	-	-	-	4.65	**4.65**
Total Comprehensive Income for the year ended March 31, 2023	**-**	**-**	**-**	**16,948.83**	**16,948.83**
Transfer/utilisations					
Transfer to debenture redemption reserve	-	353.03	-	(353.03)	**-**
Balance as at March 31, 2023	**3,006.10**	**1,158.65**	**249.67**	**50,649.93**	**55,064.35**
Profit for the year	-	-	-	20,919.95	**20,919.95**
Other comprehensive income for the year (net of tax)	-	-	-	(3.85)	**(3.85)**
Total Comprehensive Income for the year ended March 31, 2024	**-**	**-**	**-**	**20,916.10**	**20,916.10**
Transfer/utilisations					
Transfer to debenture redemption reserve	-	804.41	-	(804.41)	**-**
Balance as at March 31, 2024	**3,006.10**	**1,963.06**	**249.67**	**70,761.62**	**75,980.45**

In terms of our report attached.

For Manohar Chowdhry & Associates
Chartered Accountants
Firm Registration No. 001997S

For and on behalf of the Board of Directors of Phoenix ARC Private Limited

Ameet N Patel
Partner
Membership No. 039157

Balan Wasudeo
Director
DIN: 00073697

Keki Elavia
Director
DIN: 00003940

Sanjay Tibrewala
Chief Executive Officer

Place : Mumbai
Date : April 25, 2024

Gauri Bhatkal
Chief Financial Officer

Kamlesh Rane
Company Secretary
Membership No. A29339

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

1. General information

Phoenix ARC Private Limited ('the Company') is a company domiciled in India and incorporated on March 2, 2007. The Company is registered with the Reserve Bank of India ('RBI') under section 3 of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act).

The Company is incorporated to carry on the business of securitization of assets and reconstruction thereof under the provisions of the SARFAESI Act and the various guidelines issued by RBI from time to time.

2. Basis of Preparation

A. Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Companies Act, 2013 (The Act). The company presents its financial statements in compliance with the Division III of the Schedule III of the Act.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the financial years presented in the financial statements. These standalone financial statements were authorized for issue by the Company's Board of Director's on April 25, 2024.

B. Functional and presentation currency & Rounding of amounts

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All values are rounded to the nearest lakhs with two decimals, except when otherwise indicated.

C. Basis of measurement

The financial statements have been prepared on a historical cost basis except for the following:

- Certain financial assets and liabilities – measured at fair value (refer accounting policy regarding financial instruments).

D. Use of estimates and judgements

The preparation of financial statements in accordance with Ind AS requires use of estimates, judgements and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The actual amounts realized may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

Judgement, estimates, and assumptions are required in particular for:

i. Recognition of revenue over time or at a point in time

The Company recognizes revenue from trusteeship fee at a point in time because the performance obligations are satisfied once the service is provided by the Company.

ii. Determination of useful lives of property, plant and equipment

Useful lives of property, plant and equipment are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

iii. Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial valuation. Key actuarial assumptions which form the basis of above valuation includes discount rate, trends in salary escalation, demographics and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Further details are disclosed in note 33.

iv. Recognition of deferred tax assets and liabilities

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, carry-forward losses and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences i.e., unabsorbed depreciation and unused tax credits could be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based on the likely timing and the level of future taxable profits together with future tax planning strategies.

v. Recognition and measurement of provisions and contingencies

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

The recognition and measurement of other provisions are based on judgements and the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may vary from the amount included in other provisions.

vi. Discounting of long-term financial assets/liabilities

All financial assets/liabilities are required to be measured at fair value on initial recognition. In case of financial assets which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest rate (EIR) method.

vii. Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value refer to note 34.

viii. Business model assessment

Classification and measurement of financial assets depends on the results of the Solely Payment of Principal and Interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through Other Comprehensive Income (OCI) that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

ix. Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given /taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

x. Impairment of financial assets

The Company recognizes loss allowances for Expected Credit Losses (ECL) on its financial assets measured at amortised cost and Fair Value through Other Comprehensive Income (FVOCI) except investment in equity instruments. At each reporting date, the Company assesses whether the above financial assets are credit-impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Company's ECL calculations are outputs of statistical models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies such as macroeconomic scenarios and collateral values.

The Company regularly reviews its models in the context of past experiences and adjusts when necessary.

xi. Determination of lease term

Ind AS 116 – Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

xii. Discount rate for lease liability

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

3. Amendments to existing Ind AS

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The material accounting policy information used in preparation of the standalone financial statements have been discussed hereunder.

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

4. Material accounting policies

A. Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and demand deposits with banks. It also comprises of short-term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

B. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment (PPE) are measured at cost less accumulated depreciation and any accumulated impairment losses.

f any significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and its cost can be measured reliably. Repairs and maintenance are recognized in the statement of profit and loss as incurred

iii. Depreciation

Deprecation is provided on a pro-rata basis on a straight-line method over the estimated useful life of the assets at rates which are equal to or higher than the rates prescribed under Schedule II of the Companies Act, 2013 in order to reflect the actual usage of the assets. Estimated useful lives of assets based on technical evaluation by management are as follows:

Nature of Assets	Useful Life
Furniture and Fixtures	6 years
Vehicles	4 years
Computers	3 years
Office equipment	5 years

Assets costing less than INR 5,000 are fully depreciated in the year of purchase.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

iv. Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The carrying amount of those components which have been separately recognized as assets is derecognized at the time of replacement thereof. Any gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

C. Intangible assets

i. Recognition and measurement

Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

iii. Amortisation

The intangible assets are amortised over the estimated useful lives as given below

Nature of Assets	Useful Life
Software (including development) expenditure	3 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

iv. Gain / Loss on disposal

Any gain or loss on disposal of an item of Intangible asset is recognized in the statement of profit & loss.

D. Revenue recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115 - Revenue from contracts with customers

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

i. Trusteeship and other fees are recognised on accrual basis as per terms of the relevant trust deed / offer document when it is probable that consideration would be collected while considering the customer's ability and intention to pay when it is due.

ii. Realisation/returns on assets over acquisition price is recognized at a point in time as per terms of the relevant trust deed/offer document

Interest Income

Interest income on financial assets is recognized on an accrual basis using effective interest method. Interest income is continued to be recognized at the original effective interest rate applied on the gross carrying amount of assets classified as (i) no significant increase in credit risk, (ii) significant increase in credit risk (not credit impaired) and (iii) credit impaired

E. Leases

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of identified asset;
(ii) the Company has substantially all the economic benefits from the use of the asset through the period of lease; and
(iii) the Company has right to direct the use of the asset.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company considers incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method.

The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification.

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

Lease liability and the right of use asset have been separately presented in the balance sheet and lease payments have been classified as financing activities.

The Company recognizes short term lease payments of 12 months or less as an expense on a straight-line basis over the lease term.

As a Lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor’s net investment in the lease.

F. Employee benefits

Defined Contribution Plan

Provident Fund

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

Defined Benefit Plan

(i) Gratuity

The Company provides for gratuity, covering employees in accordance with the Payment of Gratuity Act, 1972, service regulations and service awards as the case may be. The Company’s liability is actuarially determined (using Projected Unit Credit Method) at the Balance Sheet date. The Company carries a provision based on actuarial valuation in its books of accounts.

Remeasurement of all defined benefit plans, which comprise actuarial gains and losses are recognised immediately in other comprehensive income in the year they are incurred. Net interest expense/(income) on the net defined liability/(assets) is computed by applying the discount rate, used to measure the net defined liability/(asset), to the net defined liability/(asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments made during the year. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

(ii) Compensated Absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date using the Projected Unit Credit Method.

Other Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentives.

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

G. Income Tax

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income (OCI).

Current tax

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961.

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss either in other comprehensive income or in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset only if the Company has a legally enforceable right to set off the recognised amounts, and it intends to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax assets are also recognised with respect to carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be utilised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the way the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only if:

a. the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

b. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

H. Earnings per share

Basic earnings per share is computed by dividing the net profit or loss after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

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

I. Impairment of non-financial assets

The carrying values of assets at each balance sheet date are reviewed for impairment if any indication of impairment exists based on internal/external factors. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount in the Statement of Profit and Loss.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

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

J. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

All regular way purchase or sale of financial instruments are recognised and derecognised on a trade date basis. Purchase or sale of unquoted instrument is recognised on the closing date or as and when the transaction is completed as per terms mentioned in relevant transaction agreement /document.

Recognition, and initial measurement

Financial assets and financial liabilities are initially measured at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification

The Company classifies its financial assets as subsequently measured at either amortised cost or fair value based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The Company determines business model in which an asset is held consistent with the way in which business is managed and information provided to management. The information considered includes:

- the objectives for the portfolio, in particular, management's strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity
- the risks that affect the performance of the business model, the financial assets held within that business model and how those risks are managed

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of assessing contractual cash flows, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

Subsequent measurement

The Company classifies its financial assets in the following measurement categories:

1. **Financial assets at amortised cost**

   - A financial asset is measured at amortised cost using the EIR method only if both of the following conditions are met:
   - it is held within a business model whose objective is to hold assets in order to collect contractual cash flows
   - the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest
   - Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR and reported as part of interest income in the statement of profit and loss. The losses if any, arising from impairment are recognised in the statement of profit and loss.

2. **Financial assets at Fair Value through Other Comprehensive Income (FVOCI)**

   Financial asset with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI. The interest income, impairment losses & reversals, if any, are recognized through profit and loss account. The loss allowance is recognized in other comprehensive income and does not reduce the carrying value of the financial asset.

3. **Financial asset at Fair Value Through Profit and Loss (FVTPL)**

   Any financial asset which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified to be measured at FVTPL.

   Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Financial liabilities and equity instruments:

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost, except when designated to be measured at FVTPL. Liabilities which are classified at fair value through profit or loss, Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

K. Impairment of Financial Assets

Methodology for computation of Expected Credit Losses (ECL)

The financial instruments covered within the scope of ECL include financial assets measured at amortised cost and FVOCI, such as trade receivables, loans, advances recoverable from trust, security deposit, balances with banks and other financial assets. ECL has not been determined on financial assets measured at FVTPL.

The loss allowance has been measured using lifetime ECL except for financial assets on which there has been no significant increase in credit risk since initial recognition. In such cases, loss allowance has been measured at 12-month ECL.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and FVOCI is credit-impaired. A financial asset is credit- impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred since initial recognition. Evidence that a financial asset is credit-impaired includes the observable data such as Days Past Due (‘DPD’) or default event.

ECL is a probability weighted estimate of credit losses, measured as follows:

- Financial assets that are not credit impaired at the reporting date –

  ECL has been estimated by determining the probability of default (‘PD’), Exposure At Default (‘EAD’) and Loss Given Default (‘LGD’). PD has been computed using observed history of default and converted into forward looking PD’s using suitable macro-economic variable data.

- Financial assets that are credit impaired at the reporting date –

  ECL has been estimated as the difference between the gross carrying amount and the present value of estimated future cash flows.

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Financial assets that are Purchased or Originated Credit Impaired (‘POCI’):

On initial recognition, POCI assets do not carry any impairment allowance. Lifetime ECL are incorporated in the calculation of effective interest rate. The cash flows are estimated on annual basis. Any changes in expected cash flows are discounted using the original credit-adjusted effective interest rate and the resulting changes are recognised as impairment gains or losses. Favorable changes in lifetime ECL are recognised as an impairment gain, even if the favorable changes are more than the amount, if any, previously recognised in profit or loss account as impairment losses.

For trade receivables, the Company applies a simplified approach. It recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Criteria used for determination of movement from stage 1 (12 month ECL) to stage 2 (lifetime ECL) and stage 3 (lifetime ECL)

The Company applies a three-stage approach to measure ECL on financial assets measured at amortised cost and FVOCI. The assets migrate through the following three stages based on an assessment of qualitative and quantitative considerations:

- Stage 1: 12 month ECL

  For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Interest income is accrued using the effective interest rate on the gross carrying amount.

- Stage 2: Lifetime ECL (not credit impaired):

  At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Company uses days past due (DPD) information and other qualitative factors to assess deterioration in credit quality of a financial asset.

  For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised. Interest income is accrued using the effective interest rate on the gross carrying amount.

- Stage 3: Lifetime ECL (credit impaired):

  Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of loss allowance).

  If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the Expected Credit Loss reverts from lifetime ECL to 12-months ECL.

  Manner in which forward looking assumptions has been incorporated in ECL estimates:

  The Company considers its historical loss experience and adjusts it for current observable data. In addition, the Company uses reasonable forecasts of future economic conditions including expert judgement to estimate the amount of expected credit losses. The methodology and assumptions including any forecasts of future economic conditions are periodically reviewed and changes, if any, are accounted for prospectively.

The Company's ECL calculations are outputs of number of underlying assumptions regarding the choice of variable inputs and their interdependencies such as macroeconomic scenarios and collateral values.

L. Write-offs

Financial assets are written off either partially or in their entirety when there is no realistic prospect of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in statement of profit and loss. However, financial assets that are written off may be subject to enforcement activities to comply with the Company's procedures for recovery of amounts due.

M. Derecognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the financial asset have expired, or
- The Company has transferred its rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in statement of profit or loss.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expires.

The difference between the carrying value of the original financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, is recognised in the statement of profit and loss.

Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in statement of profit and loss. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income or other gain or loss as appropriate.

Financial liabilities

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit or loss.

N. Measurement of fair values

The Company’s accounting policies and disclosures require measurement of fair values for the financial instruments. The Company has an established control framework with respect to measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses evidence obtained from third parties to support the conclusion that such valuations meet the requirements of Ind AS, including level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the lowest level inputs that are significant to the measurements, used in the valuation techniques as follows.

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Investments in Security Receipts (SRs) held by the Company are classified as FVTPL and are recorded at Net Asset Value (NAV).

O. Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made of the amount of the obligation. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made (other than in its capacity as Trustee) when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or present obligation in respect of which the likelihood of outflow of resource is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed in the standalone financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the assets and related income are recognized in the period in which the change occurs.

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

P. Cash flows statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing, and financing activities of the Company are segregated based on the available information.

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 2A CASH AND CASH EQUIVALENTS (refer note 34)

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	0.19	0.06
Balances with banks in current account	10.14	20.08
Balance in term deposit < 3 months	5,143.71	3,759.40
Balances in overdraft facility	724.03	-
Sub total	**5,878.07**	**3,779.54**
Less: Impairment loss allowance	(1.15)	(0.74)
Total	**5,876.92**	**3,778.80**

Note 2B BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS (refer note 34)

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance in term deposit > 3 months	1,534.61	1,548.51
Sub total	**1,534.61**	**1,548.51**
Less: Impairment loss allowance	(0.30)	(0.30)
Total	**1,534.31**	**1,548.21**

Note 3 TRADE RECEIVABLES (refer note 34)

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good	494.18	437.67
Which have significant increase in credit risk	8.71	0.01
Credit impaired - ovedue for more than 90 days	6,175.65	2,997.96
Sub total	**6,678.54**	**3,435.64**
Less: Impairment loss allowance	(2,882.18)	(2,041.67)
Total	**3,796.36**	**1,393.97**

For trade receivables, the Company assessed expected credit loss using simplified approach at a collective level and not on an individual basis. In accordance with Ind AS 109, trade receivables that are past due more than 90 days has been disclosed separately.

(Amount in lakhs)

Particulars	As at March 31, 2024					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	494.18	-	-	-	-	494.18
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	8.71	-	-	-	-	8.71
(iii) Undisputed Trade Receivables - Credit Impaired	269.46	3,842.64	280.94	101.47	1,681.14	6,175.65
Total	**772.35**	**3,842.64**	**280.94**	**101.47**	**1,681.14**	**6,678.54**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 3 TRADE RECEIVABLES (refer note 34) ***(Continued)***

(Amount in lakhs)

Particulars	As at March 31, 2023					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	437.67	-	-	-	-	**437.67**
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	0.01	-	-	-	-	**0.01**
(iii) Undisputed Trade Receivables - Credit Impaired	942.71	237.01	78.93	548.64	1,190.67	**2,997.96**
Total	**1,380.39**	**237.01**	**78.93**	**548.64**	**1,190.67**	**3,435.64**

Note 4 LOANS (AT AMORTISED COST) (refer note 34)

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Term Loans	10,025.57	13,552.97
Total Gross	**10,025.57**	**13,552.97**
Less: Impairment loss allowance	(5,235.36)	(4,014.00)
Total Net	**4,790.21**	**9,538.97**
Out of above		
(i) Secured by tangible assets	10,025.57	13,551.40
(ii) Unsecured		1.57
Total Gross	**10,025.57**	**13,552.97**
Less: Impairment loss allowance	(5,235.36)	(4,014.00)
Total Net	**4,790.21**	**9,538.98**
Out of above		
Loans in India		
Public Sector	-	-
Other than public sector	10,025.57	13,552.97
Total Gross	**10,025.57**	**13,552.97**
Less: Impairment loss allowance	(5,235.36)	(4,014.00)
Total Net	**4,790.21**	**9,538.97**
Total	**4,790.21**	**9,538.97**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 4 LOANS (AT AMORTISED COST) (refer note 34) *(Continued)*

Gross carrying value reconciliation

(Amount in lakhs)

Particulars	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired Loans (POCI)
Balance as at March 31, 2022	**1,679.82**	-	**3,907.90**	-
Transfers	(1,130.00)	1,130.00	-	-
Net remeasurement of existing financial asset	(32.59)	76.52	-	720.66
New financial assets originated during the year	6,425.00	-	-	10,688.51
Financial assets that have been derecognised/ repaid during the period	(1,237.68)	-	-	(8,675.18)
Balance as at March 31, 2023	**5,704.55**	**1,206.52**	**3,907.90**	**2,734.00**
Transfers	(907.40)	(299.12)	1,206.52	-
Net remeasurement of existing financial asset	16.19	(7.40)	51.33	-
New financial assets originated during the year	4,728.60	-	-	-
Financial assets that have been derecognised/ repaid during the period	(4,926.81)	(655.31)	-	(2,734.00)
Balance as at March 31, 2024	**4,615.13**	**244.69**	**5,165.75**	-

Note 5 INVESTMENTS (AT FAIR VALUE THROUGH PROFIT OR LOSS) (refer note 34)

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(A) At Fair Value through profit or loss		
Unquoted		
Investments in Security Receipts(available for sale)*	1,97,533.08	1,53,169.71
Investments in Equity Shares**	-	-
Total Gross (A)	**1,97,533.08**	**1,53,169.71**
(B) Out of above		
Investments in India	1,97,533.08	1,53,169.71
Total (B)	**1,97,533.08**	**1,53,169.71**
Total (net of provisions)	**1,97,533.08**	**1,53,169.71**

*During the year, the Company has writen-off investments in Security Receipts amounting to Rs. 4,397.42 lacs.

**Equity shares of value Rs. 229.23 lacs have been fully provided for in the year ending March 31, 2023.

Investments in Security Receipts are provided as a security for Debt securities and Secured borrowings availed as on 31st March 2024. Refer note 11 & 12 for fair value of Security Receipts offered for each Debt securities and Secured borrowings.

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 6 OTHER FINANCIAL ASSETS (refer note 34)

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advances recoverable from trusts	2,560.75	2,436.14
Other receivables	5.33	4.33
Security deposits	155.09	36.09
	2,721.17	2,476.56
Less: Impairment loss allowance	(2,240.91)	(2,028.76)
Total	**480.26**	**447.80**

Note 7 PROPERTY, PLANT AND EQUIPMENT

(Amount in lakhs)

Particulars	Right to use asset (ROU) - Building*	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
Balance as at April 1, 2022	**358.69**	**17.44**	**50.66**	**6.62**	**39.26**	**472.67**
Additions during the year	-	-	-	0.63	5.57	6.20
Disposals during the year	-	-	(13.05)	-	-	(13.05)
Balance as at March 31, 2023	**358.69**	**17.44**	**37.61**	**7.25**	**44.83**	**465.82**
Accumulated depreciation as at April 1, 2022	**77.78**	**5.57**	**18.40**	**4.01**	**23.79**	**129.55**
Depreciation for the year	71.70	2.59	9.81	1.19	8.05	93.34
Disposals during the year	-	-	(13.05)	-	-	(13.05)
Accumulated depreciation as at March 31, 2023	**149.48**	**8.16**	**15.16**	**5.20**	**31.84**	**209.83**
Net carrying amount as at March 31, 2023	**209.21**	**9.28**	**22.45**	**2.06**	**12.99**	**255.99**
Balance as at April 1, 2023	**358.69**	**17.44**	**37.61**	**7.25**	**44.83**	**465.82**
Additions during the year	1,288.18	158.48	47.80	14.38	35.62	**1,544.46**
Disposals during the year	(358.69)	(18.21)	-	(2.76)	(9.14)	**(388.80)**
Balance as at March 31, 2024	**1,288.18**	**157.71**	**85.41**	**18.87**	**71.31**	**1,621.48**
Accumulated depreciation as at April 1, 2023	**149.48**	**8.16**	**15.16**	**5.20**	**31.84**	**209.84**
Depreciation for the year	186.67	6.20	15.57	1.62	9.99	**220.05**
Disposals during the year	(219.11)	(11.05)	-	(1.93)	(9.14)	**(241.23)**
Accumulated depreciation as at March 31, 2024	**117.04**	**3.31**	**30.73**	**4.89**	**32.69**	**188.66**
Net carrying amount as at March 31, 2024	**1,171.14**	**154.40**	**54.68**	**13.98**	**38.62**	**1,432.82**

*The ROU assets includes office premises taken on long term lease. Refer note 32 for disclosures on leases.

Impairment loss and reversal of impairment loss

Management has assessed for impairment indicators and there is no impairment loss that is required to be recognised.

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 8 (A) OTHER INTANGIBLE ASSETS

Particulars	Computer Software
Balance as at April 1, 2022	**9.97**
Additions during the year	19.00
Disposals during the year	-
Balance as at March 31, 2023	**28.97**
Accumulated depreciation and impairment as at April 1, 2022	**9.97**
Depreciation for the year	6.33
Disposals during the year	-
Accumulated depreciation and impairment as at March 31, 2023	**16.30**
Net carrying amount as at March 31, 2023	**12.67**
Balance as at April 1, 2023	**28.97**
Additions during the year	
Disposals during the year	(7.89)
Balance as at March 31, 2024	**21.08**
Accumulated depreciation and impairment as at April 1, 2023	**16.30**
Depreciation for the year	6.33
Disposals during the year	(7.89)
Accumulated depreciation and impairment as at March 31, 2024	**14.74**
Net carrying amount as at March 31, 2024	**6.34**

Impairment loss and reversal of impairment loss

Management has assessed for impairment indicators and there is no impairment loss that is required to be recognised.

(B) Intangible assets under development (refer note 37)

March 31, 2024 *(Amount in lakhs)*

Ageing Schedule	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	28.00	28.00	-	-	**56.00**
Projects temporarily suspended	-	-	-	-	**-**
Total	**28.00**	**28.00**	**-**	**-**	**56.00**

March 31, 2023 *(Amount in lakhs)*

Ageing Schedule	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	28.00	-	-	-	**28.00**
Projects temporarily suspended	-	-	-	-	**-**
Total	**28.00**	**-**	**-**	**-**	**28.00**

The Company does not have any intangible assets under development whose completion is overdue or whose costs have exceeded its original plan

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 9 OTHER NON-FINANCIAL ASSETS

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	40.07	25.51
Total	**40.07**	**25.51**

Note 10 TRADE PAYABLE

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Dues to MSME	7.57	1.24
Dues to others	26.87	9.54
Total	**34.44**	**10.78**

(Amount in lakhs)

Particulars	As at March 31, 2024				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME	7.57	-	-	-	7.57
(ii) Undisputed dues - Others	26.87	-	-	-	26.87
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**34.44**	**-**	**-**	**-**	**34.44**

(Amount in lakhs)

Particulars	As at March 31, 2023				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME	1.24	-	-	-	1.24
(ii) Undisputed dues - Others	9.54	-	-	-	9.54
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**10.78**	**-**	**-**	**-**	**10.78**

Dues payable to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act 2006:

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	7.57	1.24
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond appointed day.	-	-

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 10 TRADE PAYABLE *(Continued)*

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(iv) The amount of interest due and payable for the year.	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-
Total	**7.57**	**1.24**

Note 11 DEBT SECURITIES (AT AMORTISED COST) (refer note 34)

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
6.95% Non-Convertible Debentures*	-	2,543.97
6.95% Non-Convertible Debentures*	-	5,087.17
7.55% Non-Convertible Debentures*	9,742.59	9,740.66
9.25% Non-Convertible Debentures*	9,730.20	9,727.18
9.10% Non-Convertible Debentures*	10,542.39	-
Commercial Paper	21,864.42	9,765.92
Total	**51,879.60**	**36,864.90**
Out of above		
Debt securities in India	51,879.60	36,864.90
Debt securities outside India	-	-
Total	**51,879.60**	**36,864.90**
Out of above		
Secured	30,015.18	27,098.98
Unsecured	21,864.42	9,765.92
Total	**51,879.60**	**36,864.90**

*Debentures are secured againts hypothecation of Security Receipts at NAV. All debentures are redeemable at par.

NAV pledged

Non Convertible Debentures	March 31, 2024	March 31, 2023	Repayment
6.95% Non-Convertible Debentures	-	3,527.32	29-12-2023
6.95% Non-Convertible Debentures	-	5,976.92	28-12-2023
7.55% Non-Convertible Debentures	11,534.79	11,595.78	04-11-2024
7.55% Non-Convertible Debentures			29-11-2024
9.25% Non-Convertible Debentures	11,125.30	11,680.37	20-06-2024
9.10% Non-Convertible Debentures	12,118.13	-	21-02-2025

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 12 BORROWINGS OTHER THAN DEBT SECURITIES (AT AMORTISED COST)

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings		
Term Loans from banks	21,584.38	15,663.77
Loans from related parties	32,567.24	24,089.18
Loans repayable on demand from banks	1,617.43	13,734.73
Total	**55,769.05**	**53,487.68**
Out of above		
Borrowings in India	55,769.05	53,487.68
Borrowings outside India	-	-
Total	**55,769.05**	**53,487.68**
Out of above		
Secured	25,756.26	33,463.27
Unsecured	30,012.79	20,024.41
Total	**55,769.05**	**53,487.68**

*Facilities are secured against hypothecation of Security Receipts at NAV.

HDFC bank	Amount	NAV pledged	ROI
Term loans (Rs. 625.00 lacs quarterly repayment till 30-09-2025)	3,149.58	28,639.01	9.60%
Term loans (Rs. 625.00 lacs quarterly repayment till 31-03-2027)	7,558.88		9.00%
Loans repayable on demand	4,877.45		9.55%

Kotak Mahindra bank (Loan from related parties)	Amount	NAV pledged	ROI
Term loans (Rs. 93.75 lacs quarterly repayment till 30-09-2025)	567.69	3,319.97	9.50%
Term loans (Rs. 281.25 lacs quarterly repayment till 30-09-2025)	1,986.76		9.60%

Infina Finance Pvt Ltd (Loan from related parties)	Amount	NAV pledged	ROI
Term loans (Rs. 10,000 lacs each on 26-05-2024 & 06-06-2024 respectively)	20,000.00	Unsecured	9.60%
Term loans (Rs. 10,000 16-01-2025)	10,012.79	Unsecured	10.40%

Punjab National Bank	Amount	NAV pledged	ROI
Loans repayable on demand	7,615.90	12,702.21	8.55%

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 13 OTHER FINANCIAL LIABILITIES

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liability	1,207.86	222.79
Employee related accruals	1,519.28	928.44
Others	1,466.11	1,680.16
Total	**4,193.25**	**2,831.39**

Note 14 PROVISIONS

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Gratuity	101.46	90.11
Compensated absences	12.56	11.83
Total	**114.02**	**101.94**

Note 15 OTHER NON-FINANCIAL LIABILITIES

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advances received	10,125.00	4,959.15
Statutory liabilities	159.71	149.71
Total	**10,284.71**	**5,108.86**

Note 16 EQUITY SHARE CAPITAL

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised		
2,500 lakhs (March 31, 2023: 2,500 lakhs) equity shares of Rs 10 each with voting rights	25,000.00	25,000.00
Issued, subscribed and paid up		
1,680 lakhs (March 31, 2023: 1,680 lakhs) equity shares of Rs 10 each fully paid up with voting rights	16,800.00	16,800.00

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

(Amount in lakhs)

Particulars	No. of shares (In lakhs)	Amount
Equity shares of Rs 10 each, fully paid-up		
As at March 31, 2022	**1,680.00**	**16,800.00**
Add/(less) : Movement during the year	-	-
As at March 31, 2023	**1,680.00**	**16,800.00**
Add/(less) : Movement during the year	-	-
As at March 31, 2024	**1,680.00**	**16,800.00**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 16 EQUITY SHARE CAPITAL *(Continued)*

b. Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is entitled to one vote per share held. The Company declares and pays dividends if any, in Indian rupees. The dividend proposed by the Board of Directors if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. However, no preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shares held by each shareholder holding more than 5% shares in the Company

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares (in lakhs)	% Holding	Number of shares (in lakhs)	% Holding
Equity shares with voting rights				
Kotak Mahindra Investments Limited	504.00	30.00%	504.00	30.00%
Kotak Mahindra Prime Limited	334.32	19.90%	334.32	19.90%
Anjum Gafulbhai Bilakhia	94.50	5.63%	94.50	5.63%
Rajesh Khanna and Ashu Khanna	84.50	5.03%	84.50	5.03%
Total	**1,017.32**	**60.56%**	**1,017.32**	**60.56%**

d. Disclosures of Shareholding of Promoters - Shares held by the Promoters:

Promoter name	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	%of total shares	No. of Shares	%of total shares
Kotak Mahindra Investments Limited	504.00	30.00%	504.00	30.00%
Kotak Mahindra Prime Limited	334.32	19.90%	334.32	19.90%
Total	**838.32**	**49.90%**	**838.32**	**49.90%**

Note 17 OTHER EQUITY

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Securities premium	3,006.10	3,006.10
Debenture redemption reserve	1,963.06	1,158.65
Impairment reserve	249.67	249.67
Retained earnings	70,761.62	50,649.93
Total	**75,980.45**	**55,064.35**

Note 17.1 Nature and purpose of reserve

Securities premium

Premium collected on issue of securities are accumulated as part of securities premium. Utilisation of such reserve is restricted by the Companies Act, 2013.

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 17.1 Nature and purpose of reserve *(Continued)*

Debenture redemption reserve

The Companies Act 2013 requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. The Company is required to transfer a specified percentage (as provided in the Companies Act, 2013) of the outstanding redeemable debentures to debenture redemption reserve. The amounts credited to the debenture redemption reserve shall not be utilised except to redeem debentures.

Impairment reserve

As directed by RBI, where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), Company shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'.

Retained earnings

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to share-holders.

Note 17.2 Other equity movement

(Amount in lakhs)

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
(i) Securities premium		
Opening balance	3,006.10	3,006.10
Addition during the year	-	-
Closing balance	**3,006.10**	**3,006.10**
(ii) Debenture redemption reserve		
Opening balance	1,158.65	805.62
Transfer from retained earnings	804.41	353.03
Closing balance	**1,963.06**	**1,158.65**
(iv) Impairment reserve		
Opening balance	249.67	249.67
Transfer from retained earnings	-	-
Closing balance	**249.67**	**249.67**
(iv) Retained earnings*		
Opening balance	50,649.93	34,054.13
Net profit for the year	20,919.95	16,944.18
Net remeasurement (gain)/loss on defined benefit plans	(3.85)	4.65
Transfer to debenture redemption reserve	(804.41)	(353.03)
Closing balance	**70,761.62**	**50,649.93**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 17.2 Other equity movement *(Continued)*

*** Includes Remeasurement gain / (loss) of Employee Benefit Obligation recognised in Other Comprehensive Income**

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	(26.03)	(30.68)
Other Comprehensive Income for the year	(5.15)	6.21
Income tax relating to above	1.30	(1.56)
Closing balance	**(29.88)**	**(26.03)**

Note 18 INTEREST INCOME (AT AMORTISED COST)

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income on financial assets measured at amortised cost		
Interest on loans	1,523.71	1,077.66
Interest on advances (net)	302.38	246.15
Interest on deposits with banks	650.03	266.55
Other interest income	10.33	1.89
Total	**2,486.45**	**1,592.25**

Note 19 FEES AND COMMISSION INCOME

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Trusteeship fees	32,842.97	24,020.53
Other fees	7,633.46	4,260.37
Total	**40,476.43**	**28,280.90**

Note 20 NET LOSS ON FAIR VALUE CHANGES

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net loss on financial instruments at fair value through profit or loss		
- Fair value loss on investments	(1,790.79)	(2,040.32)
Total Net loss on fair value changes	**(1,790.79)**	**(2,040.32)**
Fair value changes:		
- Realised	7,622.84	1,087.21
- Unrealised	(9,413.63)	(3,127.53)
Total Net loss on fair value changes	**(1,790.79)**	**(2,040.32)**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 21 OTHER INCOME

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net profit on sale of property, plant & equipment	0.16	3.35
Other income	151.81	218.11
Total	**151.97**	**221.46**

Note 22 FINANCE COSTS (AMORTISED COST)

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on borrowings	4,559.99	2,004.23
Interest on debt securities	3,882.90	2,589.73
Interest on lease liability	76.65	23.60
Other borrowing costs	29.63	11.20
Total	**8,549.17**	**4,628.76**

Note 23 IMPAIRMENT ON FINANCIAL INSTRUMENTS (AMORTISED COST)

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Loans	528.31	78.23
Trade receivables	840.51	(1,241.30)
Recoverables from trusts	210.54	(344.73)
Others	9.22	(0.09)
Total	**1,588.58**	**(1,507.89)**

Note 24 EMPLOYEE BENEFITS EXPENSE

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, bonus and allowances	2,176.63	1,434.61
Contribution to provident fund and other funds	57.24	51.92
Gratuity	19.90	16.85
Staff welfare expenses	24.83	25.18
Total	**2,278.60**	**1,528.56**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 25 OTHER EXPENSES

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Auditor's fees (refer note 29)	31.18	31.18
Electricity expenses	16.37	12.38
Rent	1.32	1.50
Rates and taxes	2.03	(0.51)
Director fees	45.25	36.30
Travelling and conveyance	18.47	17.89
Professional fees	99.18	144.83
CSR expenditure (refer note 30)	257.00	104.00
Loss on sale of fixed assets	8.64	-
Others	158.80	179.44
Total	**638.24**	**527.01**

Note 26 TAX EXPENSE

(a) Amounts recognised in profit and loss

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax expense		
Current period	8,813.80	5,190.59
Changes in estimated related to prior years	0.58	420.29
Total current tax expense (A)	**8,814.38**	**5,610.88**
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(1,691.25)	643.41
Changes in estimates related to prior years		(420.29)
Deferred tax expense (B)	**(1,691.25)**	**223.12**
Total tax expense for the year (A)+(B)	**7,123.13**	**5,834.00**

(b) Amounts recognised in other comprehensive income

(Amount in lakhs)

Particulars	For the year ended March 31, 2024			For the year ended March 31, 2023		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability/(asset)	(5.15)	1.30	**(3.85)**	6.21	(1.56)	**4.65**
Total	**(5.15)**	**1.30**	**(3.85)**	**6.21**	**(1.56)**	**4.65**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 26 TAX EXPENSE *(Continued)*

(c) Reconciliation of effective tax rate

(Amount in lakhs)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Amount	% terms	Amount	% terms
Profit before tax as per statement of profit and loss	28,043.08	-	22,778.18	-
Tax using the Company's domestic tax rate (Current year and Previous Year 25.168%)	7,057.88	25.17%	5,732.81	25.17%
Tax effect of:				
Tax effects of amounts which are not deductible for taxable income	64.68	0.23%	26.19	0.11%
Changes in estimates related to prior years (Including change in tax rate)	0.58	0.00%	-	0.00%
Others	(0.01)	0.00%	75.00	0.33%
Total tax expense	**7,123.13**	**25.40%**	**5,834.00**	**25.61%**

(d) Movement in deferred tax balances

(Amount in lakhs)

Particulars	As at March 31, 2024					
	Net balance March 31, 2023	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset/ (liabilities)						
Property, plant and equipment	11.16	1.21	-	12.37	12.37	-
Receivables	415.43	799.00	-	1,214.43	1,214.43	-
Employee benefits	258.40	150.20	1.30	409.90	409.90	-
Investments	9,207.29	2,369.23	-	11,576.52	11,576.52	-
Borrowings	(1.31)	(1.48)	-	(2.79)	-	(2.79)
Loans	472.31	(45.09)	-	427.21	427.21	-
Leases	4.88	16.45	-	21.34	21.34	-
Share of income of trust on accrual basis	(4,501.46)	(1,598.32)	-	(6,099.78)	-	(6,099.78)
Other items	0.11	0.05	-	0.16	0.16	-
Total	**5,866.81**	**1,691.25**	**1.30**	**7,559.36**	**13,661.93**	**(6,102.57)**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 26 TAX EXPENSE *(Continued)*

(Amount in lakhs)

Particulars	As at March 31, 2023					
	Net balance March 31, 2022	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset/ (liabilities)						
Property, plant and equipment	12.37	(1.21)	-	11.16	11.16	-
Receivables	814.64	(399.21)	-	415.43	415.43	-
Employee benefits	132.85	127.11	(1.56)	258.40	258.40	-
Investments	8,420.16	787.13	-	9,207.29	9,207.29	-
Borrowings	(2.95)	1.64	-	(1.31)	-	(1.31)
Loans	440.73	31.58	-	472.31	472.31	-
Leases	3.33	1.55	-	4.88	4.88	-
Share of income of trust on accrual basis	(3,729.73)	(771.73)	-	(4,501.46)	-	(4,501.46)
Other items	0.09	0.02	-	0.11	0.11	-
Total	**6,091.49**	**(223.12)**	**(1.56)**	**5,866.81**	**10,369.58**	**(4,502.77)**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Note 27 EARNINGS PER EQUITY SHARE

Basic EPS is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net profit attributable to equity holders	20,919.95	16,944.18
Weighted average number of ordinary shares	1,680.00	1,680.00
Face value per share	10.00	10.00
Basic and Diluted earnings per share	**12.45**	**10.09**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 28 MATURITY ANALYSIS

(Amount in lakhs)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	5,876.92	-	5,876.92	3,778.80	-	3,778.80
Bank balance other than above	1,534.31	-	1,534.31	1,548.21		1,548.21
Trade receivables	3,796.36	-	3,796.36	1,393.97	-	1,393.97
Loans	4,790.21	-	4,790.21	7,989.65	1,549.32	9,538.97
Investments	77,100.00	1,20,433.08	1,97,533.08	68,200.00	84,969.71	1,53,169.71
Other financial assets	325.17	155.09	480.26	411.71	36.09	447.80
Sub total	**93,422.97**	**1,20,588.17**	**2,14,011.14**	**83,322.34**	**86,555.12**	**1,69,877.46**
Non-financial assets						
Current tax assets (net)	-	672.75	672.75	-	1,444.67	1,444.67
Deferred tax assets (net)	-	7,559.36	7,559.36	-	5,866.81	5,866.81
Property, plant and equipment	-	1,432.82	1,432.82	-	255.99	255.99
Intangible assets under development	-	56.00	56.00	-	28.00	28.00
Other intangible assets	-	6.34	6.34	-	12.67	12.67
Other non-financial assets	40.07	-	40.07	25.51	-	25.51
Sub total	**40.07**	**9,727.27**	**9,767.34**	**25.51**	**7,608.14**	**7,633.65**
Total assets	**93,463.04**	**1,30,315.44**	**2,23,778.48**	**83,347.85**	**94,163.26**	**1,77,511.11**
LIABILITIES						
Financial liabilities						
Trade payables						
total outstanding dues of micro enterprises and small enterprises	7.57	-	7.57	1.24	-	1.24
total outstanding dues of creditors other than micro enterprises and small enterprises	26.87	-	26.87	9.54	-	9.54
Debt securities	51,879.60	-	51,879.60	17,867.48	18,997.42	36,864.90
Borrowings (other than debt securities)	49,737.80	6,031.25	55,769.05	40,331.43	13,156.25	53,487.68
Other financial liabilities	3,282.40	910.85	4,193.25	2,691.89	139.50	2,831.39
Sub total	**1,04,934.23**	**6,942.10**	**1,11,876.34**	**60,901.58**	**32,293.17**	**93,194.75**

Note 28 MATURITY ANALYSIS *(Continued)*

(Amount in lakhs)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Non-Financial liabilities						
Current tax liabilities (Net)	8,722.96	-	8,722.96	7,241.21	-	7,241.21
Provisions	17.22	96.80	114.02	23.50	78.44	101.94
Other non-financial liabilities	10,284.71	-	10,284.71	5,108.86	-	5,108.86
Sub total	**19,024.89**	**96.80**	**19,121.69**	**12,373.57**	**78.44**	**12,452.01**
Total Liabilities	**1,23,959.13**	**7,038.90**	**1,30,998.03**	**73,275.15**	**32,371.61**	**1,05,647.21**

For the assets and liabilities mentioned above where no contractual maturity is available, the Manamement has done an assessment to arrive at the probable maturity timeline based on assumptions and estimates.

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 29 PAYMENT TO AUDITORS

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Payment to the auditor as:		
Audit fees	31.05	31.05
Out of pocket expenses	0.13	0.13
Goods and Service Tax	5.59	5.59
Less: Input tax credit	(5.59)	(5.59)
Total	**31.18**	**31.18**

Note 30 CORPORATE SOCIAL RESPONSIBILITY (CSR)

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Foundation of Mother and Child Health	35.00	70.00
Cancer Patients Aid Association	122.00	34.00
Vision Foundation of India	50.00	-
Ratna Nidhi Charitable Trust	50.00	-
Total	**257.00**	**104.00**

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Corporate Social Responsibility expenses for the period	257.00	104.00
Various Head of expenses included in above:		
Other expenses (CSR Expenditure)	257.00	104.00
Amount Required to be spent during the year as per the Companies Act 2013	256.04	102.64
Gross amount approved by the Board of Directors for the year	257.00	104.00
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	257.00	104.00
Details of related party transactions	NA	NA
<u>Provision for CSR Expenses</u>		
Opening Balance	-	-
Add: Provision created during the year	-	-
Less: Provision utilised during the year	-	-
Closing Balance	**-**	**-**
The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	NA	NA
The total of previous years' shortfall amounts	NA	NA
The reason for above shortfalls by way of a note	NA	NA
The nature of CSR activities undertaken by the Company	Promoting Healthcare	

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 31 RELATED PARTY DISCLOSURE

Related party disclosures, as required by Ind AS 24 - 'Related Party Disclosures' are given below:

A. Names of Related Parties

Sr. No.	Particulars	Country of Incorporation	Proportion of ownership interest
(a)	**Trusts over which Company has Control:**		
	Phoenix Trust-FY09-2	India	99.26%
	Phoenix Trust-FY10-8 - Scheme C	India	50.00%
	Phoenix Trust-FY11-1 - Scheme K	India	99.78%
	Phoenix Trust-FY11-6	India	50.00%
	Phoenix Trust-FY14-12 - Scheme B	India	99.38%
	Phoenix Trust-FY15-14	India	99.70%
	Phoenix Trust-FY15-25	India	66.67%
	Phoenix Trust-FY15-26	India	99.89%
	Phoenix Trust-FY16-1 - Scheme C	India	99.80%
	Phoenix Trust-FY18-1 - Scheme F	India	99.93%
	Phoenix Trust-FY18-2	India	99.86%
	Phoenix Trust-FY18-2 - Scheme C	India	99.92%
	Phoenix Trust-FY19-5 - Scheme D	India	99.95%
	Phoenix Trust-FY19-5 - Scheme M	India	99.89%
	Phoenix Trust-FY19-7	India	51.00%
	Phoenix Trust-FY20-5	India	99.73%
	Phoenix Trust-FY20-15	India	100.00%
	Phoenix Trust-FY21-9	India	61.67%
	Phoenix Trust-FY21-11	India	61.67%
	Phoenix Trust-FY21-17	India	61.67%
	Phoenix Trust-FY22-11	India	100.00%
	Phoenix Trust-FY22-6	India	99.89%
	Phoenix Trust-FY22-17	India	99.95%
	Phoenix Trust-FY22-18	India	99.88%
	Phoenix Trust-FY22-21	India	99.92%
	Phoenix Trust-FY22-14	India	99.99%
	Phoenix Trust-FY22-24	India	99.96%
	Phoenix Trust-FY23-14	India	100.00%
	Phoenix Trust-FY23-30	India	99.98%
	Phoenix Trust-FY23-23	India	45.60%
	Phoenix Trust-FY23-34	India	100.00%
	Phoenix Trust-FY23-35	India	100.00%
	Phoenix Trust-FY24-3	India	100.00%
	Phoenix Trust-FY24-9	India	100.00%
	Phoenix Trust-FY23-12	India	68.77%
	Phoenix Trust-FY24-15	India	100.00%
	Phoenix Trust-FY23-33	India	100.00%

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 31 RELATED PARTY DISCLOSURE *(Continued)*

Sr. No.	Particulars	Country of Incorporation
(b)	**Entity having Joint control over the Company**	
	Kotak Mahindra Investments Limited (holding company of KMIL is 'Kotak Mahindra Bank Limited')	India
(c)	**Others**	
	Kotak Mahindra Bank Limited	India
	Kotak Securities Limited	India
	Kotak Mahindra Capital Company Limited	India
	Infina Finance Private Limited	India
	Kotak Mahindra General Insurance Company Limited	India
	Kotak Mahindra Life Insurance Company Limited	India
(d)	**Key Management Personnel**	
	Sanjay Tibrewala - CEO	
	Gauri Bhatkal - CFO	
	Kamlesh Rane - Company Secretary	
	Mr Chandan Bhattacharya - Independent director*	
	Mr Keki Elavia - Independent director*	
	Mr Balan Wasudeo - Independent director*	
	* Categorised as Key Management Personnel as per IndAS 24. However, directors continue to be Independent Director as defined in section 149 (6) of the Companies Act, 2013.	

B. Transactions with related parties

(Amount in lakhs)

Nature of transaction	Year ended March 31	Entity having joint control over the Company	Trusts over which Company has control	Others	Key Management Personnel	Total
Term deposits repaid	2024	90,282.58				90,282.58
	2023	1,34,513.70	-	-	-	1,34,513.70
Term deposits placed	2024	87,447.00				87,447.00
	2023	1,34,458.64	-	-	-	1,34,458.64
Interest received on term deposits	2024	640.59				640.59
	2023	266.55	-	-	-	266.55
Other expenses	2024	15.80				15.80
	2023	27.97	-	-	-	27.97
Remuneration paid	2024	-			389.12	389.12
	2023	-	-	-	280.90	280.90
Directors Sitting Fee	2024				30.10	30.10
	2023	-	-	-	30.30	30.30

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 31 RELATED PARTY DISCLOSURE *(Continued)*

(Amount in lakhs)

Nature of transaction	Year ended March 31	Entity having joint control over the Company	Trusts over which Company has control	Others	Key Management Personnel	Total
Directors Commission	2024				6.00	6.00
	2023	-	-	-	6.00	6.00
Fees income	2024	-	1,608.16	-	-	1,608.16
	2023	-	566.62	-	-	566.62
Profit from SR holder	2024	-	2,860.30	-	-	2,860.30
	2023	-	2,278.83	-	-	2,278.83
Interest income	2024	-	24.11	-	-	24.11
	2023	-	-	-	-	-
Interest expense	2024	-	-	3,132.34	-	3,132.34
	2023	-	-	1,337.31	-	1,337.31
Loan repaid	2024	-	-	37,000.00	-	37,000.00
	2023	-	-	46,656.26	-	46,656.26
Loan taken	2024	-	-	43,000.00	-	43,000.00
	2023	-	-	45,000.00	-	45,000.00
Investment in SRs	2024	-	52,421.00	-	-	52,421.00
	2023	-	36,118.42	-	-	36,118.42
Redemption of SRs	2024	-	28,913.24	-	-	28,913.24
	2023	-	15,498.17	-	-	15,498.17
Balance Outstanding						
Term deposits	2024	2,464.24	-	-	-	2,464.24
	2023	5,299.82	-	-	-	5,299.82
Bank balance in current account	2024	10.14	-	-	-	10.14
	2023	20.08	-	-	-	20.08
Security receipts	2024	-	55,623.24	-	-	55,623.24
	2023	-	51,479.17	-	-	51,479.17
Advances recoverable	2024	-	630.10	-	-	630.10
	2023	-	659.52	-	-	659.52
Trade receivable	2024	-	118.79	-	-	118.79
	2023	-	217.45	-	-	217.45
Loan Outstanding (including outstanding interest)	2024	-	-	32,567.24	-	32,567.24
	2023	-	-	26,633.45	-	26,633.45

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 31 RELATED PARTY DISCLOSURE *(Continued)*

C. Terms and conditions of transactions with related parties

The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.

D. Compensation of Key management personnel

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Remuneration	389.12	280.90
Post employment benefits*	-	-
Termination benefits	-	-
Total	**389.12**	**280.90**

*Post employment benefits are actuarially determined on overall basis and hence not separately provide

Note 32 LEASE DISCLOSURES

The Company has taken office under cancellable operating lease or leave and license agreement. The tenure of the lease is 5 years and cancellable under leave and license agreement and are renewable by mutual consent on mutually agreeable terms. Information for leases where Company is lessee is presented below:

A) Right to use asset

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	209.21	280.91
Additions during the year	1,288.18	-
Depreciation charge for the year	(186.67)	(71.70)
Disposals during the year	(139.58)	-
Closing balance	**1,171.14**	**209.21**

B) Lease liability movement

The following is the movement in lease liabilities for the year ended March 31, 2024 and Mach 31, 2023.

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	222.79	286.31
Additions during the year	1,235.32	-
Interest on lease liability	76.65	23.60
Payment of lease liabilities	(167.78)	(87.12)
Disposals during the year	(159.13)	-
Closing balance	**1,207.85**	**222.79**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 32 LEASE DISCLOSURES *(Continued)*

C) Maturity analysis of lease liabilities

(Amount in lakhs)

Particulars	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
Less than 6 months	152.83	43.56
6-12 months	159.78	43.56
1-2 years	328.24	87.12
2-5 years	909.28	79.86
Total undiscounted lease liabilities	**1,550.13**	**254.10**
Lease liabilities included in the statement of financial position	**1,207.86**	**222.79**
Current	297.01	83.29
Non Current	910.85	139.50

D) Amounts recognised in Statement of profit and loss

(Amount in lakhs)

Particulars	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
Interest on lease liabilities	76.65	23.60
Gain on termination of lease	(19.54)	-
Depreciation charge for the year	186.67	71.70
Total	**243.78**	**95.30**

E) Cash flows during the year

(Amount in lakhs)

Particulars	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
Total cash outflow for leases	167.78	87.12

Note 33 EMPLOYEE BENEFITS

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company makes Provident Fund contributions to Recognized Provident Fund for employees. The Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 57.24 lakhs (Year ended March 31, 2023 Rs 51.92 lakhs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to the Fund are at rates specified in the Rules of the Scheme.

(ii) Defined Benefit Plan:

Gratuity :- The Company accounts for the liability for future gratuity benefits based on an actuarial valuation. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company’s financial statements as at balance sheet date:

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 33 EMPLOYEE BENEFITS *(Continued)*

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligations (A)	101.46	90.11
Fair Value of plan assets (B)	-	-
Net (asset) / liability recognised in the Balance Sheet (A-B)	**101.46**	**90.11**

Movement in net defined benefit (asset) / liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components.

(Amount in lakhs)

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) / liability	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Opening balance	90.11	104.41	-	-	90.11	104.41
Included in profit or loss						-
Current service cost	14.08	10.95	-	-	14.08	10.95
Past service cost	-	-	-	-	-	-
Interest cost (income)	5.82	5.90	-	-	5.82	5.90
	110.01	**121.26**	-	-	**110.01**	**121.26**
Included in OCI						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:		-				
Demographic assumptions	0.42	0.65	-	-	0.42	0.65
Financial assumptions	0.60	(2.68)	-	-	0.60	(2.68)
Experience adjustment	4.12	(4.18)	-	-	4.12	(4.18)
Return on plan assets excluding interest income	-	-	-	-	-	-
	5.14	**(6.21)**	-	-	**5.14**	**(6.21)**
Other						
Contributions paid by the employer	-	-	13.69	24.94	(13.69)	(24.94)
Benefits paid	(13.69)	(24.94)	(13.69)	(24.94)	-	-
Liabilities (settled on divestiture) / assumed on acquisitions	-	-	-	-	-	-
Closing balance	**101.46**	**90.11**	-	-	**101.46**	**90.11**

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Net defined benefit asset	-	-
Net defined benefit liability	101.46	90.11

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 33 EMPLOYEE BENEFITS *(Continued)*

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averaes)

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate	7.20%	7.30%
Salary escalation rate	7.00%	7.00%

Assumptions regarding future mortality have been based on published statistics and mortality tables.

Sensitivity analysis

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (50 bps)	-2.91%	3.07%	-2.36%	2.47%
Future salary growth (50 bps)	1.93%	-1.92%	1.48%	-1.45%

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Note 34 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A. Financial Insturments by categories:

Carrying amounts of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below :

(Amount in lakhs)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Amotised Cost	FVTOCI	FVTPL	Amotised Cost	FVTOCI	FVTPL
Financial assets						
Cash and cash equivalents	5,876.92	-	-	3,778.80	-	-
Bank balance other than above	1,534.31			1,548.21		
Trade receivables	3,796.36	-	-	1,393.97	-	-
Loans	4,790.21	-	-	9,538.97	-	-
Investments	-	-	1,97,533.08	-	-	1,53,169.71
Other financial assets	480.26	-	-	447.80	-	-
Total	**16,478.06**	**-**	**1,97,533.08**	**16,707.75**	**-**	**1,53,169.71**
Financial liabilities						
Trade payables	34.44	-	-	10.78	-	-
Debt securities	51,879.60	-	-	36,864.90	-	-
Borrowings (other than debt securities)	55,769.05	-	-	53,487.68	-	-
Other financial liabilities	4,193.25	-	-	2,831.39	-	-
Total	**1,11,876.34**	**-**	**-**	**93,194.75**	**-**	**-**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 34 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT *(Continued)*

B. Fair value hierarchy for financial instruments

Fair values of financial assets and financial liabilities measured as fair value, including their levels in the fair value hierarchy, are presented below.

(Amount in lakhs)

Particulars	Fair value							
	As at March 31, 2024				As at March 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments	-	-	1,97,533.08	1,97,533.08	-	-	1,53,169.71	1,53,169.71
Total	**-**	**-**	**1,97,533.08**	**1,97,533.08**	**-**	**-**	**1,53,169.71**	**1,53,169.71**

Fair values of financial assets and financial liabilities measured at amortised cost, including their levels in the fair value hierarchy, are presented below.

(Amount in lakhs)

Particulars	As at March 31, 2024					As at March 31, 2023				
	Carrying Value	Fair Value				Carrying Value	Fair Value			
		Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total
Financial assets										
Cash and cash equivalents	5,876.92	-	-	5,876.92	5,876.92	3,778.80	-	-	3,778.80	3,778.80
Bank balance other than above	1,534.31	-	-	1,534.31	1,534.31	1,548.21			1,548.21	1,548.21
Trade receivables	3,796.36	-	-	3,796.36	3,796.36	1,393.97	-	-	1,393.97	1,393.97
Loans	4,790.21	-	-	4,999.99	4,999.99	9,538.97	-	-	9,875.42	9,875.42
Other financial assets	480.26	-	-	480.26	480.26	447.80	-	-	443.84	443.84
Total	**16,478.06**	**-**	**-**	**16,687.84**	**16,687.84**	**16,707.75**	**-**	**-**	**17,040.24**	**17,040.24**
Financial liabilities										
Trade payables	34.44	-	-	34.44	34.44	10.78	-	-	10.78	1.79
Debt securities	51,879.60	-	-	51,924.20	51,924.20	36,864.90	-	-	36,703.45	36,703.45
Borrowings (other than debt securities)	55,769.05	-	-	56,104.12	56,104.12	53,487.68	-	-	57,604.18	57,604.18
Other financial liabilities	4,193.25	-	-	4,259.91	4,259.91	2,831.39	-	-	2,832.84	2,832.84
Total	**1,11,876.34**	**-**	**-**	**1,12,322.67**	**1,12,322.67**	**93,194.75**	**-**	**-**	**97,151.25**	**97,151.25**

C. Valuation techniques used to determine fair value:

The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The categories used are as follows:

Level 1 : Level 1 hierarchy includes financial instruments measured using unadjusted quoted prices in active markets that the Company has the ability to access for the identical assets or liabilities. A financial instrument is classified as a Level 1 measurement if it is listed on an exchange.

Level 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 34 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT ***(Continued)***

for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instruments is included in level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Company develops Level 3 inputs based on the best information available in the circumstances.

Fair value of financial instruments carried at FVTPL

Investment in Security Receipts (SR)

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

Fair value of financial instruments carried at amortised cost

Loans

The fair values of loans that do not reprice or mature frequently are estimated using discounted cash flow models. The discount rates are based on internal models and consequently for the purposes of level disclosures categorized under Level 3. The Level 3 loans would decrease (increase) in value based upon an increase (decrease) in discount rate. For purposes of these fair value estimates, the fair values of impaired loans were computed by discounting expected cashflows using appropriate yield.

Security deposits and other receivables

For Security deposits with defined maturities and other receivables, the fair values are estimated using discounted cash flow models that apply market interest rates corresponding to similar deposits and timing of maturities.

Borrowings

The fair values of the Company's borrowings and other debt securities are calculated based on a discounted cash flow model. The discount rates were based on yield curves appropriate for the remaining maturities of the instruments.

Other financial instruments

The respective carrying values of certain on-balance sheet financial instruments approximated their fair value. These financial instruments include cash in hand and bank balances, trade receivables, recoverable from trusts, trade payables, overdraft facility payable on demand certain other assets and liabilities that are considered financial instruments. Carrying values were assumed to approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand.

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 34 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT *(Continued)*

D. Fair values measurement using significant unobservables inputs (Level 3)

i. The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

(Amount in lakhs)

Particulars	As at April 1, 2023	Total gains/ (losses) recorded in profit or loss	Purchases	Sales/ Settlements	Transfers in/ (out)	As at March 31, 2024
Investments in Security Receipts	1,53,169.71	(1,790.79)	1,41,913.30	(95,759.13)	-	1,97,533.08

Particulars	As at April 1, 2022	Total gains/ (losses) recorded in profit or loss	Purchases	Sales/ Settlements	Transfers in/ (out)	As at March 31, 2023
Investments in Security Receipts	1,15,633.75	(1,810.97)	97,002.96	(57,656.03)	-	1,53,169.71

ii. Unabsorvable inputs used in measuring fair value

Type of financial instrument	Valuation technique	Significant unabsorvable input	Range of estimates	Fair value measurement sensitivity to unabsorvable inputs
Investments in Security Receipts	Discounted cashflow	Net expected cashflows derived from trusts	Varies from trust to trust	Significant increase in net expected cash flows would result in higher fair value

iii. Sensitivity analysis of significant unobserbale inputs for fair valuation of financial instruments measured at FVTPL (Level 3)

Although the Company believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects.

(Amount in lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	100 bp increase in net cash flow	100 bp decrease in net cash flow	100 bp increase in net cash flow	100 bp decrease in net cash flow
Investments in Security Receipts	1,975.33	(1,975.33)	1,531.70	(1,531.70)

E. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 34 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT ***(Continued)***

i. Risk management framework

Management believes that an effective Risk Management Process is the key to sustained operations thereby protecting value for all stakeholders , identifying and mitigating and continuously monitoring risks to business, achieving business objectives, improving governance processes and preparing for unplanned circumstances. Management ensures effective Risk Management by implementing following steps:

1. Adheres to procedures described in various policies approved by the Board from time to time by implementing adequate financial controls.
2. Communicates various policies to the stakeholders through suitable training and communication and periodical review of its relevance in changing business atmosphere.
3. Identifies risks and promotes proactive approach for treating such risks.
4. Allocates adequate and timely resources to mitigate, manage and minimize the risks and their adverse impact on outcomes.
5. Strives towards strengthening the Risk Management System through continuous learning and improvement.
6. Complies with all relevant laws and regulations across the areas of operations of the Company.
7. Optimises risk situations to manage adverse exposure on deliverables and bring them in line with acceptable risk appetite of the Company in consonance with business objectives.
8. Engages Internal Auditors to periodically review various aspects of the internal control systems. The reports of the internal auditors are reviewed by the Audit Committee.
9. The Company has implemented adequate internal financial controls in consultation with third party consultants
10. The Company has Board approved ALM Policy.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances.

The carrying amounts of following financial assets represent the maximum credit risk exposure:-

(Amount in lakhs)

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Trade receivables	6,678.54	3,435.64
Loans to borrowers	10,025.57	13,552.97
Advance receivable from trusts	2,560.75	2,436.14
Bank balances	5,877.88	5,327.99
Other financial assets	160.42	40.42
Total	**25,303.16**	**24,793.16**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 34 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT *(Continued)*

a. Credit quality analysis

The following table sets out the information about the credit quality of financial assets measured at amortised cost:

(Amount in lakhs)

Particulars	As at March 31, 2024				
	Past due 1–30 days	Past due 31–60 days	Past due 61–90 days	Past due more than 90 days	Total
Trade receivables					
Gross Carrying amount	494.18	8.71	-	6,175.65	6,678.54
Impairment loss allowance	(44.40)	(1.17)	-	(2,836.61)	(2,882.18)
Carrying amount	449.78	7.54	-	3,339.04	3,796.36

(Amount in lakhs)

Particulars	As at March 31, 2024				
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Purchased or Originated Credit Impaired Loans (POCI)	Total
Loans to borrowers					
Current	4,615.13	-	-	-	4,615.13
Past due 1–30 days	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-
Past due more than 90 days	-	244.69	-	-	244.69
Others	-	-	5,165.75	-	5,165.75
	4,615.13	244.69	5,165.75	-	10,025.57
Impairment loss allowance	(66.15)	(3.46)	(5,165.75)	-	(5,235.36)
Carrying amount	4,548.98	241.23	-	-	4,790.21

(Amount in lakhs)

Particulars	As at March 31, 2024				
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Purchased or Originated Credit Impaired Loans (POCI)	Total
Advance receivable from trusts					
Past due 1–30 days	52.33	-	-	-	52.33
Past due 31–60 days	-	40.18	-	-	40.18
Past due 61–90 days	-	0.01		-	0.01
Past due more than 90 days	-	-	2,468.22	-	2,468.22
	52.33	40.19	2,468.22	-	2,560.74
Impairment loss allowance	(9.13)	(8.81)	(2,220.71)	-	(2,238.65)
Carrying amount	43.20	31.38	247.51	-	322.09

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 34 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT *(Continued)*

(Amount in lakhs)

Particulars	As at March 31, 2024				
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Purchased or Originated Credit Impaired Loans (POCI)	Total
Other financial assets					
Current	6,038.30	-	-	-	6,038.30
	6,038.30	**-**	**-**	**-**	**6,038.30**
Impairment loss allowance	(3.75)	-	-	-	(3.75)
Carrying amount	**6,034.55**	**-**	**-**	**-**	**6,034.55**

(Amount in lakhs)

Particulars	As at March 31, 2023				
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Purchased or Originated Credit Impaired Loans (POCI)	Total
Trade receivables					
Gross carrying amount	301.40	136.28	0.01	2,997.94	3,435.63
Impairment loss allowance	(30.21)	(18.04)	-	(1,993.41)	(2,041.67)
Carrying amount	**271.18**	**118.23**	**0.01**	**1,004.53**	**1,393.96**

(Amount in lakhs)

Particulars	As at March 31, 2023				
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Purchased or Originated Credit Impaired Loans (POCI)	Total
Loan to borrowers					
Current	5,704.55	-	-	2,734.00	8,438.55
Past due 1–30 days	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-
Past due more than 90 days	-	-	-	-	-
Others	-	1,206.52	3,907.90	-	5,114.42
	5,704.55	**1,206.52**	**3,907.90**	**2,734.00**	**13,552.97**
Impairment loss allowance	(89.42)	(18.75)	(3,907.90)	2.07	(4,013.99)
Carrying amount	**5,615.13**	**1,187.77**	**-**	**2,736.07**	**9,538.98**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 34 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT *(Continued)*

(Amount in lakhs)

Particulars	As at March 31, 2023				
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Purchased or Originated Credit Impaired Loans (POCI)	Total
Advance receivable from trusts					
Past due 1–30 days	131.83	-	-	-	131.83
Past due 31–60 days	-	12.71	-	-	12.71
Past due 61–90 days	-	-	-	-	-
Past due - more than 90 days	-	-	2,291.60	-	2,291.60
	131.83	**12.71**	**2,291.60**	**-**	**2,436.14**
Impairment loss allowance	(27.07)	(3.17)	(1,997.86)		(2,028.09)
Carrying amount	**104.77**	**9.54**	**293.74**	**-**	**408.05**

(Amount in lakhs)

Particulars	As at March 31, 2023				
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Purchased or Originated Credit Impaired Loans (POCI)	Total
Other financial assets					
Current	5,368.41	-	-	-	5,368.41
Past due 1–30 days	-	-	-	-	-
Past due 31–60 days	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-
Past due - more than 90 days	-	-	-	-	-
	5,368.41	**-**	**-**	**-**	**5,368.41**
Impairment loss allowance	(1.71)	-	-	-	(1.71)
Carrying amount	**5,366.70**	**-**	**-**	**-**	**5,366.70**

b. Collaterals

The company holds collateral and other credit enhancements against certain of its credit exposures. The following table sets out the principal types of collateral held against different types of financial assets.

Instrument type	Percentage of exposure that is subject to collateral requirements		Principal type of collateral held
	As at March 31, 2024	As at March 31, 2023	
Loans to borrowers	100%	100%	Immovable property

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 34 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT *(Continued)*

Quantitative information of Collateral

(Amount in lakhs)

Loan to Value (LTV) range	As at March 31, 2024	As at March 31, 2023
Less than 50%	10,025.57	13,552.97

c. Computation of impairment on financial instruments - Expected credit loss (ECL) model

i. Inputs, assumptions and techniques used for estimating impairment

Inputs considered in the ECL model:

The Company applies various approaches to determine if there has been a significant increase in credit risk. In determining whether credit risk has increased significantly since initial recognition, The Company uses days past due information and forecast information to assess deterioration in credit quality of a financial asset.

The company categorises Financial assets into stages based on the days past due status.

- Stage 1: 0-30 days past due
- Stage 2: 31- 90 days past due
- Stage 3: More than 90 days past due

The Company has used simplified approach to provide expected credit loss on trade receivables as prescribed by Ind AS 109 which permits use of lifetime expected credit loss provision for all trade receivables. The Company has historic credit loss data to compute ECL.

Assumption considered in the ECL model:

- "Loss given default" (LGD) is an estimate of loss from a transaction given that a default occurs.
- "Probability of default" (PD) is defined as the probability of whether the borrowers will default on their obligations in the future. For assets which are in Stage 1, a 12 month PD is required. For Stage 2 assets a lifetime PD is required while Stage 3 assets are considered to have a 100% PD.
- "Exposure at default" (EAD) represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by the Company.

Forward looking information:

The Company incorporates forward looking information into both assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on the consideration of a variety of external actual and forecast information, the Company forms a ‘base case’ view of the future direction of relevant economic variables such as Gross domestic product, change in gross fixed investments. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents a most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes.

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 34 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT *(Continued)*

Assessment of significant increase in credit risk:

The credit risk on a financial asset of the Company are assumed to have increased significantly since initial recognition when contractual payments are more than 30 days past due. Accordingly the financial assets shall be classified as Stage 2, if on the reporting date, it has been 30 days past due.

Definition of default

A default on a financial asset is when the counterparty fails to make the contractual payments within 90 days of when they fall due. This definition of default is determined by considering the business environment in which the company operates and other micro-economic factors. Accordingly the financial assets shall be classified as Stage 3, if on the reporting date, it has been 90 days past due.

Policy for write-off of loan assets

All loans which are not recoverable in the opinion of management are written off.

ii. Movement of provision for impairment (ECL):

The following table shows reconciliations of the loss allowances for different categories of financial assets:

(Amount in lakhs)

Particulars	Past due 1–30 days	Past due 31–60 days	Past due 61–90 days	Past due more than 90 days
Trade Receivables				
Balance as at March 31, 2022	**126.35**	**-**	**38.07**	**3,118.55**
Net remeasurement of loss allowance	(47.02)	18.05	0.01	268.48
New financial assets originated during the year	3.82	-	-	237.69
Financial assets that have been derecognised during the period	(52.94)	-	(38.07)	(1,631.27)
Written off during the year	-	-	-	-
Balance as at March 31, 2023	**30.22**	**18.05**	**0.01**	**1,993.46**
Net remeasurement of loss allowance	(5.26)	(17.99)	-	324.89
New financial assets originated during the year	21.66	1.17	-	944.27
Financial assets that have been derecognised during the period	(2.22)	(0.05)	(0.01)	(426.01)
Written off during the year	-	-	-	-
Balance as at March 31, 2024	**44.40**	**1.17**	**-**	**2,836.61**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 34 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT *(Continued)*

(Amount in lakhs)

Particulars	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Purchased or Originated Credit Impaired Loans
Loans				
Balance as at March 31, 2022	**27.86**	**-**	**3,907.90**	**-**
New financial assets originated during the year	89.39	-	-	(2.07)
Transfers from Stage 1	(22.06)	22.06	-	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
Net remeasurement of loss allowance	(0.09)	(3.30)	-	-
Financial assets that have been derecognised during the period	(5.70)	-	-	-
Balance as at March 31, 2023	**89.40**	**18.76**	**3,907.90**	**(2.07)**
New financial assets originated during the year	24.49	-	-	-
Transfers from Stage 1	(14.11)	14.11	-	-
Transfers from Stage 2	-	(18.76)	18.76	-
Transfers from Stage 3	-	-	-	-
Net remeasurement of loss allowance	(33.64)	(10.65)	1,239.09	-
Financial assets that have been derecognised during the period	-	-	-	2.07
Balance as at March 31, 2024	**66.15**	**3.46**	**5,165.75**	**-**

(Amount in lakhs)

Particulars	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired
Advance receivable from trust			
Balance as at March 31, 2022	**10.49**	**18.18**	**2,344.14**
New financial assets originated during the year	**7.65**	**1.53**	**90.33**
Transfers from Stage 1	(0.78)	0.06	0.72
Transfers from Stage 2	-	(17.59)	17.59
Transfers from Stage 3	319.20	29.46	(348.66)
Net remeasurement of loss allowance	(308.14)	(28.18)	620.76
Financial assets that have been derecognised during the period	(1.35)	(0.29)	(353.19)
Written off during the year	-		(373.85)
Balance as at March 31, 2023	**27.07**	**3.16**	**1,997.86**
New financial assets originated during the year	0.68	1.50	32.61
Transfers from Stage 1	(3.15)	0.18	2.97
Transfers from Stage 2	3.15	(3.15)	
Transfers from Stage 3	163.59	52.28	(215.87)
Net remeasurement of loss allowance	(180.71)	(45.16)	532.59
Financial assets that have been derecognised during the period	(1.50)	(0.00)	(129.46)
Written off during the year	-	-	-
Balance as at March 31, 2024	**9.13**	**8.81**	**2,220.71**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 34 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT *(Continued)*

(Amount in lakhs)

Particulars	Bank Balances	Other financial assets
Balance as at March 31, 2022	**1.18**	**0.62**
Net remeasurement of loss allowance	(0.14)	0.05
Balance as at March 31, 2023	**1.04**	**0.67**
Net remeasurement of loss allowance	0.11	1.59
Balance as at March 31, 2024	**1.15**	**2.26**

iii. Liquidity Risk

Measuring and managing liquidity needs are vital for effective operation of the Company. By ensuring the Company's ability to meet its liabilities as they become due, liquidity management can reduce the probability of an adverse situation developing. Keeping in view management of Liquidity, the Board has fixed an overall borrowing limit for the Company and allowed the management to borrow within the overall limit.

The Company's principal sources of liquidity are cash and cash equivalents, the cash flow that is generated from operations and the unutilised bank lines. The Company believes that the working capital is sufficient to meet its current requirements.

Maturity Profile of Financial Liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

(Amount in lakhs)

Particulars	Carrying amount	Total	On Demand	Less than 6 months	6-12 months	1-2 years	2-5 years
As at March 31, 2024							
Non-derivative financial liabilities							
Trade and other Payables	34.44	34.44	34.44	-	-	-	-
Debt securities	51,879.60	53,980.37	-	33,332.57	20,647.80	-	-
Borrowings (other than debt securities)	55,769.05	58,618.12	1,617.43	34,259.81	16,119.73	3,961.91	2,659.24
Other financial liabilities	4,193.25	4,535.52	2,985.39	152.83	159.78	328.24	909.28
Loan commitments (undrawn)	-	8,236.13	-	-	8,236.13	-	-

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 34 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT *(Continued)*

(Amount in lakhs)

Particulars	Carrying amount	Total	On Demand	Less than 6 months	6-12 months	1-2 years	2-5 years
As at March 31, 2023							
Non-derivative financial liabilities							
Trade and other payables	10.78	10.78	10.78	-	-	-	-
Debt securities	36,864.90	39,029.37	-	10,566.11	8,820.14	19,643.12	
Borrowings (other than debt securities)	53,487.68	56,248.46	4,856.40	32,892.03	3,992.83	8,053.69	6,523.51
Other financial liabilities	2,831.39	2,981.39	1,680.16	1,121.07	40.68	75.87	63.61
loan commitments (undrawn)	-	5,646.60	-	-	5,646.60	-	-

For the liabilities mentioned above where no contractual maturity is available, the manamement has done an assessment to arrive at the probable maturity timeline based on some assumptions and estimates.

iv. Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. Interest rate risk consists primarily of risk inherent in ALM activities and relates to the potential adverse impact of changes in market interest rates on future net interest income (NII).

Board of Directors (the Board) of the Company is the guiding body for management of its interest rate risk and sets the overall policy and risk limits. In order to manage/mitigate interest rate risk, the Company has defined Interest Rate Sensitive Gap tolerance limits for each time bucket which is approved by the Board.

The Company undertakes NII analysis to assess the impact of changes in interest rate on the earnings of the Company. The overall yields expected by the Company on its financial assets are significantly higher than the borrowing cost and hence the interest rate risk is quite marginal for the Company.

Exposure to interest rate risk

The exposure of the Company's borrowings to the interest rates risk at the end of the reporting period is as follows:

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed-rate instruments		
Financial assets	4,790.21	9,538.97
Financial liabilities	(51,879.60)	(36,864.90)
Variable-rate instruments		
Financial liabilities	(55,769.05)	(53,487.68)
Net exposure	**(1,02,858.44)**	**(80,813.61)**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 34 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT *(Continued)*

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

(Amount in lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Variable rate instruments	(557.69)	557.69	(534.88)	534.88
Cash Flow Sensitivity	**(557.69)**	**557.69**	**(534.88)**	**534.88**

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

v. Capital management

The primary objectives of the capital management policy is to ensure that the Company continuously complies with capital requirements required by regulators, maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to fund growth or comply with regulatory capital requirement, Company depends on internal accrual or may raise additional capital. Company may adjust the amount of dividend payment to shareholders, return capital to shareholders.
Regulatory Capital

Regulatory Capital

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Capital	81,734.81	64,157.64
Risk Weighted assets	2,08,427.32	1,66,815.89
Total capital ratio	**39.22%**	**38.46%**

Note: Debenture redemption reserve created earlier has been considered while arriving at the Net owned funds.

Liquidity ratio

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current assets	93,463.04	83,347.85
Current liabilities	1,13,834.12	68,315.99
Liquidity ratio	**0.82**	**1.22**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 35 REVENUE FROM CONTRACTS WITH CUSTOMERS

a) The Company has recognised following amounts relating to revenue in the Statement of Profit and Loss:

(Amount in lakhs)

Particulars	For the year ended	
	March 31,2024	March 31,2023
Revenue from contracts with customers	40,476.43	28,280.90
Revenue from other sources	2,638.42	1,813.71
Total Revenue	**43,114.85**	**30,094.61**
Impairment loss/(gain) on receivables	840.51	(1,241.30)

b) Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by primary geographical market, major products/service lines and timing of revenue recognition:

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Primary Geographical Market		
India	40,476.43	28,280.90
Total	**40,476.43**	**28,280.90**
Major service lines		
Trusteeship fees	32,842.97	24,020.53
Other fees	7,633.46	4,260.37
Total	**40,476.43**	**28,280.90**
Timing of revenue recognition		
At a point in time	40,476.43	28,280.90
Over a period of time	-	-
Total	**40,476.43**	**28,280.90**

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Receivables	6,678.54	3,435.64
Contracts liabilities	10,125.00	4,959.15

Significant changes in contract liabilities balances during the period are as follows:

(Amount in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	4,959.15	3,763.12
Liabilities recognised during the year	10,125.00	4,959.15
Revenue recognised that was included in the contract liability balance at the beginning of the period	(4,959.15)	(3,763.12)
Closing balance	**10,125.00**	**4,959.15**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 35 REVENUE FROM CONTRACTS WITH CUSTOMERS *(Continued)*

Transaction price allocated to the remaining performance obligation

As of March 31, 2024, the amount of transaction price allocated to remaining performance obligation are as follows. The Company will recognise the revenue as and when management services are rendered.

(Amount in lakhs)

Particulars	March 31, 2024	March 31, 2023
Contracts liabilities	10,125.00	4,959.15

Note 36 INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

The Company has concluded that the Assets Reconstruction Trusts in which it invests, but that it does not consolidate, meet the definition of structured entities because:

- the voting rights in the Trusts are not dominant rights in deciding who controls them because the rights relate to administrative tasks only;
- each trust's activities are restricted by its trust deed;
- insufficient equity to permit the structured entity to finance its activities without subordinated financial support; and
- the Trusts have narrow and well-defined objectives to provide recovery activities to investors.

The following table describes the types of structured entities that the Company does not consolidate but in which it holds an interest.

(Amount in lakhs)

<table>
<tr><th rowspan="2">Type of Structured Entity</th><th rowspan="2">Nature and purpose</th><th rowspan="2">Interest held by the Company</th><th colspan="2">As at March 31, 2024</th><th colspan="2">As at March 31, 2023</th></tr>
<tr><th>SRs issued by trusts</th><th>SR subscribed by the Company</th><th>SRs issued by trusts</th><th>SR subscribed by the Company</th></tr>
<tr><td rowspan="2">Assets Reconstruction Trusts</td><td rowspan="2">To acquire stressed assets for the purpose of carrying on the activity of securitisation and asset reconstruction.</td><td>Investment in security receipts</td><td rowspan="2">14,62,893.17</td><td rowspan="2">2,55,841.97</td><td rowspan="2">11,97,421.64</td><td rowspan="2">1,98,885.99</td></tr>
<tr><td>Acting as trustee to the trusts</td></tr>
</table>

The following table sets out an analysis of the carrying amounts of interests held by the Company in unconsolidated structured entities. The maximum exposure to loss is the carrying amount of the assets held.

(Amount in lakhs)

Carrying amount	As at March 31, 2024	As at March 31, 2023
Investment in security receipts	1,97,533.08	1,53,169.71
Trade receivables	3,796.36	1,393.97
Advances recoverable from trusts	322.09	408.06
Total	**2,01,651.53**	**1,54,971.74**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 37 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities outstanding as on 31st March 2024 is Nil (31st March 2023 : Nil)

Commitment to acquire additional non-performing loan upto Rs. 1,786 lakhs in case of a demand by the assignor banks (Previous year - Rs. 1,548 lakhs).

In respect of Software under development, the Company has outstanding capital commitment of Rs.14 lacs (Previous year - Rs. 42 lacs). (Refer note 8B)

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 38 COMPARISON BETWEEN PROVISIONS REQUIRED UNDER IRACP AND IMPAIRMENT ALLOWANCES MADE UNDER IND AS 109 PURSUANT TO THE RBI CIRCULAR NO DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 DATED MARCH 13, 2020

As at March 31, 2024

(Amount in lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	4,615.13	66.15	4,548.98	-	66.15
	Stage 2	-	-	-	-	-
Subtotal (A)		4,615.13	66.15	4,548.98	-	66.15
Non-Performing Assets (NPA)						
Substandard	Stage 3	244.69	3.46	-	24.47	(21.01)
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	5,165.75	5,165.75	-	2,097.07	3,068.68
Subtotal for doubtful		5,165.75	5,165.75	-	2,097.07	3,068.68
Loss	Stage 3					
Subtotal for NPA (B)		5,410.44	5,169.21	-	2,121.54	3,047.67
Other items						
Advances to trusts & other financial assets (C)	Stage 1	6,090.63	12.88	6,077.75	24.03	(11.15)
	Stage 2	40.19	8.81	31.38	19.14	(10.33)
	Stage 3	2,468.22	2,220.71	247.51	2,386.63	(165.91)
Trade receivables (Simplified Approach) (D)	NA	6,678.54	2,882.18	3,796.36	-	2,882.18
Purchased or Originated Credit Impaired Loans (POCI) (E)	Purchased or Originated Credit Impaired	-	-	-	-	-
Subtotal (F) = (C) + (D) + (E)		**15,277.58**	**5,124.58**	**10,153.00**	**2,429.80**	**2,694.78**
Total (G) = (A) + (B) + (F)	**Stage 1**	**10,705.76**	**79.03**	**10,626.73**	**24.03**	**55.00**
	Stage 2	**40.19**	**8.81**	**31.38**	**19.14**	**(10.33)**
	Stage 3	**8,123.35**	**7,393.37**	**247.51**	**4,532.63**	**2,860.74**
	Others	**6,678.54**	**2,882.18**	**3,796.36**	**-**	**2,882.18**
	Total	**25,547.84**	**10,363.40**	**14,701.98**	**4,575.81**	**5,787.59**

Note 38 COMPARISON BETWEEN PROVISIONS REQUIRED UNDER IRACP AND IMPAIRMENT ALLOWANCES MADE UNDER IND AS 109 PURSUANT TO THE RBI CIRCULAR NO DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 DATED MARCH 13, 2020 *(Continued)*

As at March 31, 2023

(Amount in lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	**(2)**	**(3)**	**(4)**	**(5)=(3)-(4)**	**(6)**	**(7) = (4)-(6)**
Performing Assets						
Standard	Stage 1	5,704.55	89.42	5,615.13	-	89.42
	Stage 2	1,206.52	18.75	1,187.77	-	18.75
Subtotal (A)		6,911.07	108.17	6,802.90	-	108.17
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	3,907.90	3,907.90	-	1,286.03	2,621.88
Subtotal for doubtful		3,907.90	3,907.90	-	1,286.03	2,621.88
Loss	Stage 3					
Subtotal for NPA (B)		3,907.90	3,907.90	-	1,286.03	2,621.88
Other items						
Advances to trusts & other financial assets (C)	Stage 1	5,500.24	28.78	5,471.47	37.74	(8.96)
	Stage 2	12.71	3.17	9.54	9.56	(6.39)
	Stage 3	2,291.60	1,997.86	293.74	2,119.70	(121.84)
Trade receivables (Simplified Approach) (D)	NA	3,435.63	2,041.67	1,393.96	-	2,041.67
Subtotal (E) = (C) + (D)	Purchased or Originated Credit Impaired	2,734.00	(2.07)	2,736.07	-	(2.07)
Total (F) = (A) + (B) + (E)		**13,974.19**	**4,069.40**	**9,904.78**	**2,167.00**	**1,902.40**
	Stage 1	**11,204.79**	**118.19**	**11,086.60**	**37.74**	**80.45**
	Stage 2	**1,219.23**	**21.92**	**1,197.31**	**9.56**	**12.36**
	Stage 3	**6,199.50**	**5,905.76**	**293.74**	**3,405.73**	**2,500.04**
	Others	**6,169.63**	**2,039.60**	**4,130.03**	**-**	**2,039.60**
	Total	**24,793.15**	**8,085.47**	**16,707.68**	**3,453.03**	**4,632.45**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 38 COMPARISON BETWEEN PROVISIONS REQUIRED UNDER IRACP AND IMPAIRMENT ALLOWANCES MADE UNDER IND AS 109 PURSUANT TO THE RBI CIRCULAR NO DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 DATED MARCH 13, 2020 *(Continued)*

Management fee receivables amounting to Rs. 2,827.63 Lakhs (March 31, 2023: Rs. 2,226.27 lakhs) and corresponding provision amounting to Rs. 2,083.99 lakhs (March 31, 2023: Rs. 1,821.77 lakhs) have been recorded in the Ind-AS financial statements while amounts were unrecorded in the IGAAP books on account of RBI regulations. The management fee amounts are treated as reversal and not a provision as per RBI regulations and accordingly not considered for the above disclosure.

In accordance with Ind-AS 109 Financial Instruments, the interest on impaired assets is accrued and the gross amounts are tested for impairment provision while in the IGAAP books no interest is accrued on impaired assets as required by RBI regulations. This accounting treatment results in higher gross outstanding values as per Ind-AS compared to those reported in IGAAP amounting to Rs. 3,044.89 lakhs (March 31, 2023: Rs. 3,584.28 lakhs). For the purpose of this disclosure the management has compared absolute amounts of provision on the gross loan balance as per Ind-AS with the provision on the gross balance as per IGAAP books disclosed the difference if any.

Reconciliation to Impairment reserve

As at March 31, 2024

(Amount in lakhs)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS 109	Loss allowances (provisions) as required under Ind AS 109	Net carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms*
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Advances to trusts	Stage 1	52.33	9.13	43.20	24.03	(14.90)
	Stage 2	40.19	8.81	31.38	19.14	(10.33)
	Stage 3	2,468.22	2,220.71	247.51	2,386.63	(165.91)
Total		**2,560.74**	**2,238.65**	**322.09**	**2,429.80**	**(191.15)**

As at March 31, 2023

(Amount in lakhs)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS 109	Loss allowances (provisions) as required under Ind AS 109	Net carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms*
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Advances to trusts	Stage 1	131.83	27.07	104.77	37.74	(10.67)
	Stage 2	12.71	3.17	9.54	9.56	(6.39)
	Stage 3	2,291.60	1,997.86	293.74	2,119.70	(121.84)
Total		**2,436.14**	**2,028.09**	**408.05**	**2,167.00**	**(138.91)**

* Based on the current year's calculatoin, requirement of impairement reserve is lesser than what was created upto perivious year ending March 31, 2023. However, excess balance has not been trassferred back as per the RBI guidelines on impairement reserve requirements.

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 39 THE FOLLOWING DISCLOSURES ARE MADE PURSUANT TO THE RBI GUIDELINES:

(i) Names and addresses of the banks / financial institutions from whom the financial assets were acquired through various trusts and the value at which such assets were acquired from each such bank / financial institution:

(Amount in lakhs)

Name of the banks / financial institution	Address	Acquisition Price
Non-sponsors		
Abhyudaya Co-operative Bank Ltd.	K K Tower, G D Ambekar Marg, Parel Village, Mumbai - 400012.	9,610.00
Allahabad Bank (merged with Indian Bank)	1st Floor, Industrial Finance Branch, 17 Parliament Street, New Delhi - 110001.	16,928.80
Alchemist Asset Reconstruction Company Limited	A-270, First & Second Floor Defence Colony New Delhi South Delhi 110024	700.00
Andhra Bank (merged with Union Bank of India)	Dr Pattabhi Bhavan, 5-9-11, Saifabad, Hyderabad - 500004.	30,745.00
Annapurna Finance Private Limited	Plot No. 1215/1401, Khandagiri Bari, Infront Of Jayadev Vatika, Ps/Po- Khandagiri Bhubaneswar Khordha 751030	15,000.00
Arohan Financial Services Limited	Pti Building, 4th Floor,Dp-9, Sector-5 ,Salt Lake Kolkata Parganas Northwest Bengal 700091	21,200.00
Asirvad Micro Finance Limited	9th Floor, No.9,Club House Road Anna Salai Chennai Tamil Nadu 600002	10,630.00
ASREC (India) Limited	Solitaire Corporate Park, Building No.2, Unit No 201/202 A, 200/202 B, Gr Floor, Andheri Ghatkopar Link Rd, Chakala, Andheri (E), Mumbai- 400093	13,940.00
Asset Reconstruction Company (India) Ltd.	Shreepati Arcade, August Kranti Marg, Nana Chowk, Mumbai-400036.	17,258.00
Axis Bank Ltd	Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli Mumbai - 400025.	35,078.11
Bajaj Finance Ltd	Bajaj Auto complex, Mumbai – Pune Road, Akurdi Pune – 411035.	9,061.00
Bandhan Bank	Dn-32, Sector V Salt Lake Kolkata West Bengal 700091	1,54,082.00
Bank of Baroda	Baroda House,Mandovi,Vadodara-390006.	6,322.18
Bank of India	G-Block, C5 Bandra Kurla Complex, Bandra (E), Mumbai - 400051.	52,265.23
Bank of Maharashtra	Lokmangal, 1501,Shivajinagar, Pune-411005.	10,468.00
Barclays Bank PLC	601, Ceejay House, Dr.Annie Besant Road, Worli, Mumbai - 400018	4,914.26
Belstar Microfinance Limited	New No. 33, Old No. 14, 48th Street, 9th Avenue, Ashok Nagar, Chennai Tamil Nadu 600083	8,300.00
Canara Bank	112 JC Road, Bangalore - 560002.	23,143.42
Catholic Syrian Bank Ltd	CSB Bhavan, Post Box No 502, ST Mary's College Road, Thrissur, Kerala - 680020	15,520.00
Central Bank of India	Central Office, Chander Mukhi, Nariman Point, Mumbai-400021.	46,719.00

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 39 THE FOLLOWING DISCLOSURES ARE MADE PURSUANT TO THE RBI GUIDELINES: *(Continued)*

(Amount in lakhs)

Name of the banks / financial institution	Address	Acquisition Price
Non-sponsors		
CFM Asset Reconstruction Private Limited	Block No. A/1003, West Gate, Near Ymca Club, Sur No. 835/1+3, S.G. Highway, Makarba Ahmedabad Gujarat 380051	5,800.00
Citibank N.A.	7th Floor C-61, Bandra Kurla Complex, G Block, Bandra East, Mumbai 400051.	4,081.25
Clix Capital Services Private Limited	4th Floor, Kailash Building, Kasturba Gandhi Marg,Connaught Place New Delhi North East-110001	15,398.00
Clix Finance India Private Ltd. (merged with Clix Capital Services Private Ltd.)	4th Floor, Kailash Building, Kasturba Gandhi Marg,Connaught Place New Delhi North East-110001	11,260.00
Corporation Bank (merged with Union Bank of India)	114, M.G Road, Bangalore.	8,258.37
Dena Bank (merged with Bank of Baroda)	Dena Corporate Centre, C- 10, G Block, Bandra Kurla Complex, Bandra (E), Mumbai- 400051.	29,197.88
Development Bank of Singapore	Fort House, 3rd Floor, 221 Dr. D N Road, Fort, Mumbai - 400001.	1,257.97
Dhanlakshmi Bank	Dhanalakshmi Buildings, Naickanal, Thrissur, Kerala - 680001	10,000.00
Edelweiss Asset Reconstruction Company Ltd	Edelweiss House, Off. C.S.T Road, Kalina, Mumbai 400098	4,306.81
Equitas Small Finance Bank	4th Floor, Phase II, Spencer Plaza No.769, Mount Road, Anna Salai Chennai Tamil Nadu 600002	8,138.00
ESAF Small Finance Bank	Building No. VII/83/8,Esaf Bhavan, Thrissur-Palakkad National Highway, Mannuthy, Thrissur Kerala 680651	20,548.00
Exim Bank	21st Floor, Centre One Building, Cuff Parade-Colaba, Mumbai - 400005, World Trade Centre	1,600.00
Federal Bank Ltd.	21, Variety Hall Road, Dist Coimbatore, Coimbatore - 641001.	59,272.48
Fedbank Financial Services Limited	Unit no.: 1101, 11th Floor, Cignus, Plot No. 71A, Powai, Paspoli, Mumbai – 400087, Maharashtra, India	1,196.00
Fullerton India	Megh Towers, 3rd floor, Old No.307, New No. 165, PH Road, Maduravoyal, Chennai, Tamil Nadu-600095.	129.00
HDFC Bank Ltd.	HDFC Bank House, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400013.	1,96,398.64
Hero Fincorp Limited	34, Community Centre, Basant Lok Vasant Vihar New Delhi Dl 110057	1,300.00
Hinduja Leyland Finance Ltd	27A, Developed Industrial Estate, Guindy, Chennai - 600032.	20,000.00
Honkong and Shanghai Banking Corporation	52/60, MG Road, Fort, Mumbai - 400001.	5,175.00
ICICI Bank Ltd.	ICICI Bank Tower, North East Wing, 2nd Floor, Bandra Kurla Complex, Bandra (East), Mumbai-400051.	86,420.12
IDBI Bank Ltd.	IDBI Tower, 17th Floor, WTC Complex, Cuffe Parade, Mumbai-400005.	13,222.56
IDFC Ltd.	KRM Tower, 8th Floor, No 1, Harrington Road, Chetpet, Chennai.	5,387.50

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 39 THE FOLLOWING DISCLOSURES ARE MADE PURSUANT TO THE RBI GUIDELINES: *(Continued)*

(Amount in lakhs)

Name of the banks / financial institution	Address	Acquisition Price
Non-sponsors		
IFCI Ltd	IFCI Tower, 61, Nehru Place, New Delhi – 110019.	13,793.00
IL&FS Financial Services Ltd	The IL&FS Financial Centre, Plot C-22, G-Block, Bandra Kurla Complex, Bandra East, Mumbai-400051.	1,598.78
IIFL Finance Limited	IIFL House, Sun Infotech Park, Road No. 16v, Plot No.B-23, Thane Industrial Area, Wagle Estate Thane 400604	1,84,500.00
India Infrastructure Finance Co Ltd	8th floor, Hindustan Times house, 18 & 20, Kasturba Gandhi Marg, New Delhi - 110001.	2,900.00
Indian Bank	4th Floor, East Wing Raheja Towers, 26-27 M.G Road, Bangalore - 560001	29,358.96
Indian Overseas Bank	No.5, K.H. Road, Shanti Nagar, Bangalore - 560027.	25,811.95
Indo Star Capital Finance Ltd	One Indiabulls center, 20th Floor, Tower 2A, Jupiter mills compound, S. B. Marg, Lower parel, Mumbai - 400013	79,750.00
IndusInd Bank	701 Solitaire Corporate Park, 167 Guru Har Govindji Marg, Andheri East, Mumbai 400093.	15,763.00
Industrial Investment Bank of India Ltd.	19, Netaji Subhas Road, Kolkata 700001.	350.00
ING Vysya Bank Ltd. (merged with Kotak Mahindra Bank)	22, ING House, M.G. Road, Bangalore - 560001	2,325.00
J & K Bank	MA Road,Srinagar 190001.	980.00
Janata Sahakari Bank Ltd	1444, Shukrawar Peth, Thorale Bajirao Road, Pune – 411002.	56,752.00
JP Morgan Chase Bank N.A.	Mafatlal Centre 9th Floor, Nariman Point, Mumbai - 400001.	60.00
Karnataka Bank Ltd.	P B No. 599, Mahaveera Circle, Kankanady, Mangalore - 575002.	21,749.00
Karur Vysya Bank	Erode Road, Karur, Tamil Nadu.	1,321.00
Karvy Financial Services Ltd	705/706, 7th Floor, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Opposite Guru Nanak Hospital, Bandra (E), Mumbai 400051	4,850.00
KKR India Financial Services Private Ltd	Regus Citi Centre, Level 6, 10/11, Dr. Radhakrishna Salai, Chennai, Tamil Nadu - 600004	14,500.00
L&T Finance Ltd	Technopolis, 7th Floor, A-wing, Plot No.-4, Block - BP, Sector -V, Salt lake, Kolkata, West Bengal - 700091	5,47,800.00
L&T Infrastructure Finance Company Ltd. (merged with L&T Finance Ltd.)	Mount Poonamallee Road, Manapakkam, Chennai - 600089	37,673.00
Laxmi Vilas Bank Ltd. (merged with DBS Bank)	Swapna Sadan, Azad Road, Andheri East, Mumbai - 400069.	3,210.00
Lendingkart Finance Limited	Unit Number PS 40 and PS 41, 3rd Floor, Birla Centurion, Pandurang Budhkar Marg, Worli, Mumbai, Maharashtra – 400 030	3,360.00

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 39 THE FOLLOWING DISCLOSURES ARE MADE PURSUANT TO THE RBI GUIDELINES: ***(Continued)***

(Amount in lakhs)

Name of the banks / financial institution	Address	Acquisition Price
Non-sponsors		
Maheshwari Investors Private Ltd.	401, Akruti Star Building,Central Main Road,Midc, Pocket No 5, Midc, Central Road, Marol, Andheri (E) Mumbai 400069	14,693.19
Midland Microfin Limited	The Axis, Plot No.1, R.B. Badri Dass Colony, G.T Road Jalandhar Punjab 144001	9,200.00
Motilal Oswal Housing Finance Ltd	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel St Depot, Prabhadevi, Mumbai – 400025	53,001.00
Muthoot Capital Services Limited	3rd Floor, Muthoot Towers, M.G. Road, Kochi - 682035, Kerala, India	11,755.00
NKGSB Co-operative Bank Limited	361, V.P. Road, Girgaum, Mumbai 400004.	900.00
Omkara Assets Reconstruction Private Limited	No.9, M.P.Nagar First Street, Kongu Nagar Extension Tirupur Coimbatore -641607 Tamil Nadu	13,319.80
Oriental Bank of Commerce (merged with Punjab National Bank)	Harsh Bhavan, E-Block, Connaught Place, New Delhi - 110001	12,636.10
Poonawalla Housing Finance Limited	602, 6th Floor, Zero One It Park, Survey No. 79/1, Ghorpadi, Mundhwa Road, Pune 411036	2,987.00
Prudent ARC Limited	611, Sixth Floor, D Mall, Plot No. A-1, Netaji Subhash Palace, Pitampura, New Delhi West Delhi 110034	6,731.00
PTC India Financial Services Ltd (PFS)	7th Floor, Telephone Exchange Building, 8 Bhikaji Cama Place, New Delhi, Delhi - 110066	18,650.00
Punjab & Sindh Bank	Head Office at Bank House, 21, Rajendra Place, New Delhi-110008 and, having one of its Zonal Office at 27/29, Ambalal Doshi Marg, Fort, Mumbai 400 001	6,662.00
Punjab National Bank	10th Floor, Atma Ram House, 1- Tolstoy Marg, New Delhi - 110001.	25,707.55
RBL Bank Ltd.	Shahupuri, Kolhapur.	4,310.69
Religare Finvest Ltd	2nd floor, Rajlok Building, 24, Nehru Place, New Delhi - 110019.	6,308.00
Royal Bank of Scotland	Gustav Mahlerlaan 10 Amsterdam 1082 PP The Netherlands through their Indian branches.	3,295.40
Saraswat Cooperative Bank	Saraswat Bank Bhavan, 953, Appasaheb Marathe Bank, Prabhadevi, Mumbai - 400025	53,000.00
Satya MicroCapital Limited	519 5th Floor DLF Prime Towers, Okhla Industrial Area, Phase-1 Delhi South Delhi 110020	15,000.00
SBFC Finance Private Limited	103, 1st Floor, C&B Square, Sangam Complex, Andheri Kurla Road, Village Chakala, Andheri East, Mumbai - 400059	393.00
SK Finance Limited	G 1-2, New Market, Khasa Kothi Jaipur Rajasthan 302001	14,390.00
South Indian Bank Ltd.	SIB House, T.B. Road, Mission Quarter, Thrissur District, Kerela State-680001.	1,24,370.00

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 39 THE FOLLOWING DISCLOSURES ARE MADE PURSUANT TO THE RBI GUIDELINES: ***(Continued)***

(Amount in lakhs)

Name of the banks / financial institution	Address	Acquisition Price
Non-sponsors		
Spandana Sphoorty Financial Limited	Galaxy, Wing B, 16th Floor, Plot No.1, Sy No 83/1, Hyderabad Knowledge City,Tsiic, Raidurgpanmaktha, Hyderabad Telangana 500081	22,800.00
Specified Undertaking of Unit Trust of India	UTI Tower, G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400051.	330.00
Standard Chartered Bank	Standard Chartered Tower, 201 B/I , Western Express Highway, Goregaon East, Mumbai 400063.	950.00
State Bank of Bikaner & Jaipur (merged with State Bank of India)	Tilak Marg, Jaipur - 302005.	6,466.00
State Bank of Hyderabad (merged with State Bank of India)	Gunfoundry, Hyderabad.	42,670.00
State Bank of India	Egmore, Stressed Assets Management Branch, Chennai.	1,35,339.99
State Bank of Mauritius Ltd	TSR Tower, Rajbhavan Road, Somajiguda, Hyderabad - 500082	1,250.00
State Bank of Mysore (merged with State Bank of India)	K.G. Road,Banglore-560254.	1,500.00
State Bank of Patiala (merged with State Bank of India)	The Mall, Patiala, Punjab.	8,015.00
State Bank of Travancore (merged with State Bank of India)	Poojapura, Thiruvananthapuram - 695012.	14,462.00
Stressed Asset Stabilisation Fund	IDBI Tower, WTC Complex, Cuffe Parade, Mumbai-400005.	868.75
Svatantra Microfin Private Limited	Sunshine Tower, Level 20, Senapati Bapat Marg, Elphinstone Road Mumbai 400013	2,243.00
Syndicate Bank Ltd (merged with Canara Bank)	Large Corporate Branch, Illaco House, No. 1 Brabourne Road, Ground Floor, Kolkata - 700001	807.75
TATA Capital Financial Services	Peninsula Park, Tower A. 11th Floor, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013	1,527.80
Tourism Finance Corporation of India Limited	4th Floor, Tower 1, Nbcc Plaza Pushp Vihar, Sector-5, Saket New Delhi South Delhi 110017	8,603.00
UCO Bank	10, BTM Sarani, Kolkata- 700001.	19,961.00
Union Bank of India	Union Bank Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai - 400021	22,680.20
United Bank of India (merged with Punjab National Bank)	184/192 Sree Durga Towers, R K Mutt Road, Mandaveli, Chennai 600028.	12,990.40
UV Asset Reconstruction Company Limited	704, 7th Floor, Deepali Building, 92 Nehru Place, New Delhi Dl 110019	10,805.00
Vijaya Bank (merged with Bank of Baroda)	41/2, MG Road, Trinity Circle, Bangalore - 560001.	19,634.84
Yes Bank	Yes Bank Tower, IFC -2, 15th Floor, Senapati Bapat Marg, Elphinstone (W), Mumbai, Maharashtra – 400013	11,726.00
Varthana Finance Private Limited	Varasiddhi, 3rd Floor, No. 5bc-110 Service Road, 3rd Block Hrbr Layout, Bangalore 560043	3,917.00
Total		**28,05,495.74**

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 39 THE FOLLOWING DISCLOSURES ARE MADE PURSUANT TO THE RBI GUIDELINES: *(Continued)*

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

(Amount in lakhs)

Industry	Acquisition Price	% of Total
Real Estate - Housing	3,26,806.29	11.65%
Retail loans - (Microfinance Loans)	2,87,141.00	10.23%
Retail loans – (PL, BL, STPL, CTG etc)	2,59,124.70	9.24%
Metal	2,45,368.56	8.75%
Infrastructure - Power	2,42,574.89	8.65%
Real Estate - Commercial	2,39,987.20	8.55%
Infrastructure - Roads	1,99,796.11	7.12%
Home Loans/LAP	1,37,365.53	4.90%
Infrastructure - Others	1,34,236.42	4.78%
Auto and Ancilliary	90,710.74	3.23%
Hospitality	83,543.18	2.98%
Textiles	74,326.60	2.65%
Retailing	64,374.81	2.29%
Food Processing	54,157.33	1.93%
Chemicals	36,829.20	1.31%
Pharma	33,612.73	1.20%
Oil Refining	32,812.99	1.17%
Others	2,62,727.45	9.37%
Total	**28,05,495.74**	**100.00%**

Note: Industry classification is based on records available with the Company.

(iii) Additional disclosure as per RBI notification no. DNBS. PD (SC/RC). 8/CGM (ASR) dated April 21, 2010

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Value of financial assets acquired during the financial year either on its own books or in the books of the trust	6,24,342.00	5,21,632.72
Value of financial assets realised during the financial year	4,06,075.20	3,22,075.25
Value of financial assets outstanding for realisation as at the end of the financial year	12,68,090.26	10,49,823.46
Value of Security Receipts-		
Partially redeemed during the year (*)	2,98,812.48	2,08,771.12
Fully redeemed during the year	39,062.26	55,312.35
Written-off during the year	20,995.74	18,798.53
Value of Security Receipts pending for redemption as at the end of the financial year	14,62,893.17	11,97,421.64

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 39 THE FOLLOWING DISCLOSURES ARE MADE PURSUANT TO THE RBI GUIDELINES: *(Continued)*

(Amount in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Value of Security Receipts which could not be redeemed as a result of non-realisation of the financial assets as per the policy formulated by the Company under Paragraph 7(6)(ii) or 7(6)(iii) of The Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003	38,565.70	50,204.59
Value of land and / or building acquired in ordinary course of business of reconstruction of assets (year wise)	-	-

The values in the table do not include information related to Trusts, where Phoenix has investment in Security Receipts in the capacity of other SR holder only.

The values in the table are in accordance with the quarterly report submitted by the Company to RBI.

(iv) Net of Rs. 23,771.50 lakhs (previous year : Rs. 22,138.44 lakhs), amounts transferred to “SRs fully redeemed during the year” on full redemption of SRs in the current year, which were disclosed as “Partially redeemed during the year” in the respective previous years on part redemptions of SRs.

(v) Restructuring loan disbursed amounting to Rs. 2,341.76 lakhs (previous year: Rs. 997 lakhs) has been classified non-performing asset. A provision of Rs. 929.47 lakhs (previous year: Rs. Nil) has been made in the current year on the same as per RBI guidelines.

Under Ind AS, restructuring loan disbursed amounting to a total exposure of Rs. 5,165.75 lakhs (previous year: Rs. 3,908 lakhs) has been classified credit impaired assets. A loss allowance of Rs. 1,257.85 lakhs (previous year: Rs. Nil) has been provided in the current year.

Note 40A FOLLOWING ADDITIONAL DISCLOSURES ARE TAKEN FROM THE STANDALONE FINANCIAL STATEMENTS AND ARE MADE PURSUANT TO THE RBI CIRCULAR NO DNBS (PD) CC. NO. 41/ SCRC / 26.03.001/ 2014-2015 DATED 5TH AUGUST, 2014 (FOR ACQUISITIONS MADE AFTER 5TH AUGUST, 2014)

(i) There have been no acquisitions in the current year, in which the acquisition value of the assets is more than the Book Value.

(ii) The details of the physical assets disposed off by the Company during the year at a discount of more than 20% of the valuation as on the previous year end are as follows:

Name of the account	Reasons
Phoenix Trust-FY15-4 - Arvi Impex	Reserve price for Auction before the valuation date was itself ~22% lower than the valuation. Hence, taking into consideration the last reserve price, the authorised office had put the property for Auction by reducing 10% of the last reserve price due to failure of earlier auction.
Phoenix Trust-FY19-21 - Square Particle Boards Pvt Ltd.	Multiple attempts were made for sale of Plant & Machinery, however the same were failed for want of bids and hence valuer has given the scarp valuation for Plant & Machinery.

Note: This is based on records available with the Company.

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 40A FOLLOWING ADDITIONAL DISCLOSURES ARE TAKEN FROM THE STANDALONE FINANCIAL STATEMENTS AND ARE MADE PURSUANT TO THE RBI CIRCULAR NO DNBS (PD) CC. NO. 41/ SCRC / 26.03.001/ 2014-2015 DATED 5TH AUGUST, 2014 (FOR ACQUISITIONS MADE AFTER 5TH AUGUST, 2014) *(Continued)*

(iii) Details of assets where value of SRs has declined more than 20% below the acquisition value in the current year:

(Amount in lakhs)

Name of the account	Amount of SRs outstanding as on 31st March, 2024	NAV of SRs
Phoenix Trust FY 16-17	3.06	0.00%
Phoenix Trust FY 16-12	73.92	0.00%
Phoenix Trust FY 16-1 - Scheme D	245.38	0.00%
Phoenix Trust FY 16-26	327.18	0.00%
Phoenix Trust FY 16-16	630.80	0.00%
Phoenix Trust FY 17-4	633.60	0.00%
Phoenix Trust-FY23-31	1,525.24	70.70%
Phoenix Trust FY 18-1 - Scheme E	1,675.52	75.00%
Phoenix Trust FY 16-25	1,763.71	0.00%
Phoenix Trust-FY23-15	1,969.81	72.40%
Phoenix Trust-FY22-4	2,132.90	50.00%
Phoenix Trust FY 16-15 - Scheme B	2,692.00	0.00%
Phoenix Trust-FY23-23 Series A	2,775.50	75.00%
Phoenix Trust FY 17-11	2,851.20	25.00%
Phoenix Trust FY 16-15	3,764.70	0.00%
Phoenix Trust-FY23-23 Series B	4,638.00	0.00%
Phoenix Trust-FY22-13	4,839.73	72.24%
Phoenix Trust-FY23-21	5,436.50	71.12%
Phoenix Trust-FY23-12 Series B	6,500.00	75.00%
Phoenix Trust-FY23-24	7,921.20	72.39%
Phoenix Trust-FY23-36	8,604.00	71.65%
Phoenix Trust-FY23-25	9,099.28	73.45%
Phoenix Trust FY 20-4	9,149.20	5.00%
Phoenix Trust-FY23-8	10,084.50	0.00%
Phoenix Trust-FY23-11	10,245.00	70.37%
Phoenix Trust-FY23-22	10,999.10	72.89%
Phoenix Trust-FY23-18	13,995.00	74.41%
Phoenix Trust FY 16-23	16,191.00	0.00%
Phoenix Trust-FY23-37	1,06,317.50	75.00%

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 40B FOLLOWING ADDITIONAL DISCLOSURES ARE MADE PURSUANT TO THE RBI/2022-23/182 DOR. ACC.REC.No.104/21.07.001/2022-23 DATED 20TH FEBRUARY, 2023:

Disclosure for ageing of the unrealised management fee recognised in the books

(Amount in lakhs)

Name of the account	As at March 31, 2024	As at March 31, 2023
Outstanding amount of unrealised management fee	6,678.54	3,464.01
1. Out of the above, amount outstanding for:		
(a) Amounts where the net asset value of the security receipts has fallen below 50 per cent of the face value	1,294.33	1,372.26
(b) Other amounts unrealized for:		
(i) More than 180 days but upto 1 year	724.81	74.85
(ii) More them 1 year but upto 3 years	101.41	314.17
(iii) More than 3 years	735.45	465.26
Allowance held for unrealized management fee	(2,882.18)	(2,070.10)
Net unrealized management fee receivable	**3,796.36**	**1,393.91**

Note 41

Loans and advances - others, pertain to financial assistance provided to borrowers in terms of the restructuring/ settlement agreement for enabling the borrowers to restructure their business operations.

Note 42

i) The Company does not have any pending litigations which would impact its financial position.

ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fundby the Company.

iv) The Company has not been declared as wilful defaulter by any bank or financial institutions or government or any government authority.

v) The Company has no transactions with the companies struck off under the Companies Act, 2013.

vi) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

vii) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

viii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

ix) (A) During the year, the Company has 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 (whether recorded in writing or otherwise) that the Intermediary shall:

PHOENIX ARC PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 42 *(Continued)*

- 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 to or on behalf of the Ultimate Beneficiaries.

(B) During the year, the Company has 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:

- 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 to or on behalf of the Ultimate Beneficiaries.

x) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account."

xi) The Company has not traded or invested in crypto currency or virtual currency during the current and the previous year.

xii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.

xiii) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period."

xiv) The Company publishes this financial statement along with the consolidated financial statements. Accordingly, the Company has disclosed the segment information in the consolidated financial statements.

xv) As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014 the Company uses only such accounting software for maintaining its books of account that have a feature of recording audit trail of each and every transaction creating an edit log of each change made in the books of account along with the date when such changes were made within such accounting software. This feature of recording audit trail has operated throughout the year and was not tampered with during the year. In respect of one cloud based accounting software, the Service Organization Control Report does not cover whether audit trial was enabled or not as per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014 for direct data changes. The Company has established and maintained an adequate internal control framework and based on its assessment, believes that this was effective as of March 31, 2024.

xvi) Figures for the previous year have been regrouped / reclassified whereever necessary to conform to current years presentations.

In terms of our report attached.

For Manohar Chowdhry & Associates
Chartered Accountants
Firm Registration No. 001997S

Ameet N Patel
Partner
Membership No. 039157

Place : Mumbai
Date : April 25, 2024

For and on behalf of the Board of Directors of Phoenix ARC Private Limited

Balan Wasudeo
Director
DIN: 00073697

Keki Elavia
Director
DIN: 00003940

Sanjay Tibrewala
Chief Executive Officer

Gauri Bhatkal
Chief Financial Officer

Kamlesh Rane
Company Secretary
Membership No. A29339

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