

MELIORA ASSET RECONSTRUCTION COMPANY LIMITED

Balance Sheet as at 31st March, 2023

PARTICULARS	Note No.	As at	As at
		31.03.2023	31.03.2022
		In Rupees	In Rupees
<u>EQUITY & LIABILITIES:</u>			
(1) SHARE HOLDERS' FUNDS			
Share Capital	2	28,65,30,000	28,65,30,000
Reserves & Surplus	3	11,21,04,324	9,93,09,560
Total (A)		39,86,34,324	38,58,39,560
(2) CURRENT LIABILITIES			
Short Term Borrowings	4	-	-
Other Current Liabilities	5	24,76,306	30,43,76,452
Short Term Provisions	6	4,33,44,719	76,55,521
Total (B)		4,58,21,025	31,20,31,973
TOTAL (A+B)		44,44,55,349	69,78,71,534
<u>ASSETS:</u>			
(1) NON-CURRENT ASSETS:			
(i) Fixed Assets			
Tangible Assets	7(a)	69,011	1,02,936
Intangible Assets	7 (b)	1,51,103	2,67,323
Intangible Assets under development		-	-
Total (A)		2,20,114	3,70,259
(ii) Non-Current Investments			
Deferred tax assets (net)	8	5,73,00,000	8,62,00,000
Long Term Loans & Advances	9	81,581	74,136
Other Non-current Assets	10	1,69,000	1,69,000
	11	20,41,255	22,75,809
Total (B)		5,95,91,836	8,87,18,945
(2) CURRENT ASSETS:			
Current Investments	8	3,72,00,000	6,16,40,000
Cash & Bank Balances	12	32,57,47,124	52,42,94,315
Short-term Loans & Advances	13	1,07,61,565	74,34,130
Other Current Assets	11	1,09,34,710	1,54,13,884
Total (C)		38,46,43,399	60,87,82,329
TOTAL (A+B+C)		44,44,55,349	69,78,71,534
Summary of Significant accounting policies	1		
Contingent Liabilities and commitments	1A	13,27,880	

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board

for JRS & ASSOCIATIES

Chartered Accountants

M. Ramachandram

M RAMACHANDRAM

Partner

M.N 219752

FRN.011778S

Place: Visakhapatnam

Date:

UDIN:



Mahendra Reddy

MAHENDRA REDDY
Company Secretary

HOMAI DARUWALLA

Director

Himai Daruwalla

P RAMAKRISHNARAO

Director

P Ramakrishnarao

K SRINIVASAN
Chief Executive Officer

KUCHIBHATLA PRASAD

Director

Kuchibhatla Prasad

K RAVI KUMAR

Director

K Ravi Kumar

SISIR KUMAR APPIKATLA
Director

MELIORA ASSET RECONSTRUCTION COMPANY LIMITED
Statement of Profit and Loss Account for the period ended 31st March,2023

Particulars	Notes	As at	As at
		31.03.2023	31.03.2022
		In Rupees	In Rupees
Income			
Revenue from Operations	14	2,91,95,000	67,65,000
Other Income	15	7,54,87,660	1,34,02,378
Total Revenue (I)		10,46,82,660	2,01,67,378
Expenses			
Employee Benefit Expenses	16	36,45,170	24,77,684
Administrative Expenses	17	24,74,914	11,97,502
Other Expenses	18A	13,78,278	10,93,252
Amount Transferred to Trust 10	18B	4,45,95,735	-
Provision for Loss on Diminution of investments	19	1,36,30,000	22,85,000
Total Expenses (II)		6,57,24,097	70,53,438
Earnings before interest, tax, depreciation and amortization (EBITDA) (I)-(II)		3,89,58,563	1,31,13,940
Finance Costs	20	99,481	29,582
Depreciation & Amortization	7	1,60,945	1,81,112
Profit before tax and exceptional items		3,86,98,138	1,29,03,247
Prior Period Items		-	-
Exceptional items-loss on sale of assets		-	-
Profits after exceptional items and before tax		3,86,98,138	1,29,03,247
Tax expenses			
Current Tax		2,59,10,819	39,40,121
Prior Period Tax		-	-
Deferred Tax	25	(7,445)	(2,500)
Profit for the year from continuing operations		1,27,94,764	89,65,625
Earnings per equity share (Face Value Rs.10/- each)			
Basic EPS	21	0.45	0.31
Diluted EPS	21	0.45	0.31

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board

for JRS & ASSOCIATES
Chartered Accountants

M. Ramachandram
M RAMACHANDRAM
Partner
M.N 219752
FRN.011778S
Place: Visakhapatnam
Date:
UDIN:



Mahendra Reddy
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Company Secretary

HOMAI DARUWALLA
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Director

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Director

MELIORA ASSET RECONSTRUCTION COMPANY LIMITED
Cash Flow Statement for the period ended 31st March, 2023

S.No	Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
A.	Cash flow from operating activities		
	Net Profit before tax and exceptional items	3,86,98,138	1,29,03,247
	Adjustments for:		
	Depreciation or Amortisation Expenses	1,60,945	1,81,112
	Preliminary Expenditure written off	-	-
	Interest on Fixed Deposits	(7,47,43,043)	(1,28,47,954)
	Interest on IT Refund	-	-
	Interest (Others)	(7,44,619)	(5,54,424)
	Cost of CCCPs funds	-	-
	ROC & Authorisation capital fee	-	-
	<u>Operating profit before working capital changes</u>		
	Adjustments for:		
	Trade and other payables	(29,09,35,767)	1,12,43,837
	Trade and other receivables	2,55,91,739	(3,45,29,972)
	<u>Cash generated from Operations</u>	(30,19,72,608)	(2,36,04,155)
	Tax paid (net of refund)	(11,86,000)	(6,47,682)
	Net Cash generated from Operating Activity	(30,31,58,608)	(2,42,51,837)
B.	Cash flow from investing activities		
	Investment in Trusts	2,91,34,554	4,46,74,332
	Purchase of Fixed Assets	(10,800)	-
	Security Deposits	-	-
	Interest received on others	7,54,87,660	1,34,02,378
	Interest received from Deposits	-	-
	Interest Expense	-	-
	Net Cash generated from investing activity	10,46,11,414	5,80,76,710
C.	Cash flow from financing activities		
	Issue of Equity Share Capital	-	-
	Issue of CCCP Share Capital / OD	-	-
	Increase in Securities Premium	-	-
	Dividend and DDT paid	-	-
	Cost of CCCPs funds	-	-
	ROC & Authorisation capital fee	-	-
	Net cash generated from financial activity	-	-
	Net Increase in Cash and Cash Equivalents	(19,85,47,192)	3,38,24,873
	Cash and Cash Equivalents as at 31.03.2022	52,42,94,315	49,04,69,443
	Cash and Cash Equivalents as at 31.03.2023	32,57,47,124	52,42,94,315

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board

for JRS & ASSOCIATIES
Chartered Accountants

M. Ramachandram
M RAMACHANDRAM
Partner
M.N 219752
FRN.011778S
Place: Visakhapatnam
Date:
UDIN:



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Director

1. Summary of significant accounting policies

(A). Basis for Preparation:

The accounting and reporting policies of the Company have been framed to comply with the Generally Accepted Accounting Principles ("GAAP") in India, the guidelines issued by the Reserve Bank of India (RBI) from time to time and the provisions of the Companies Act, 2013. Financial Statements are prepared under historical cost convention and all Incomes and Expenditures are accounted on accrual basis, except otherwise stated.

(B). Principal Accounting Policies:

Revenue Recognition:

- (i) Interest income is recognized in respect of Financial Assets acquired and restructured for revival on accrual basis.
- (ii) Income in respect of assets acquired and resolved through One Time Settlement and / or by sale of underlying securities is recognized only on realization. Proceeds are appropriated first towards debt acquisition cost and balance is recognized as income.
- (iii) Income is not recognized against the financial assets during the permissible planning period meant for finalization of the resolution strategy.
- (iv) Share of income in case of assets acquired through trusts is recognized as per the terms of relevant trust deed.
- (v) Management fee and other fee incomes are recognized as per the terms of the agreement/offer document.

(C). Asset Classification and provisioning thereon:

The Company shall classify the financial assets acquired and make the required amount of provision against non-performing assets, if any, as per the guidelines issued by Reserve Bank of India from time to time.



(D). Fixed Assets:

(i) Fixed Assets are stated at cost less accumulated depreciation.

(ii) Cost includes cost of purchase and all expenditure such as installation costs and professional fees incurred on the assets before it is put to use.

(iii) Depreciation is charged on Written down value method (WDV) as per rates prescribed in Schedule II of the Companies Act, 2013 as given below.

Class of Asset	Useful Life	Rate of depreciation
Laptops and Tablets	3 years	63.16%
Furniture and Fittings	10 years	25.89%
Vehicles	8 years	31.23%
Office Equipment(EPABX)	5 years	45.07%
Intangible assets(Tally software)	10	Amortization over 10 years
Intangible assets (software)	5	Amortization over 5 years

(E). Investments:

Investment of the Company in Security Receipts of various trusts set up by the Company is carried at cost. Diminution, if any, based on Net Asset Value declared by the respective trusts is provided by charging it to Profit & Loss Account. Investments in Security Receipts (SRs) held by the Company are treated as "Available for Sale Category". The undertaken policy for providing provision for diminution in investments is as per the RBI Circular No: DOR.SIG.FIN.REC 8/26.03.001/2023-24

(F). Rating of Security Receipts:

Credit ratings are obtained periodically for the Security Receipts issued by the trusts which are managed by the Company in the capacity of managing trustee.

(G). Pre-Acquisition Expenditure of Financial Asset:

Expenditure incurred in acquiring financial asset is debited to the respective financial asset.

(H). Preliminary Expenses:

Preliminary expenses are being amortized over a period of five years.

(I). Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.



1(A).Contingent Liabilities and commitments

The Management has identified the following disputes pending before different forums of the statutory authorities.

SL.no	Period	Nature of Dispute	Tax Amount	Forum
1	A.Y 2021-22	Income Tax	35,550	CPC
2	A.Y 2022-23	Income Tax	12,92,330	CPC
Total			13,27,880	

2. SHARE CAPITAL:

Particulars	As at 31.03.2023	As at 31.03.2022
Authorized share capital		
4,50,00,000 shares divided into		
3,00,00,000 equity shares of Rs.10/- each	30,00,00,000	30,00,00,000
1,50,00,000 Preference Shares of Rs.10/- each	15,00,00,000	15,00,00,000
Issued Subscribed & Paid up Share Capital		
(2,86,53,000 equity shares of Rs.10/-each)	28,65,30,000	
(2,86,53,000 equity shares of Rs.10/-each)		28,65,30,000
(Out of the above, 1,03,14,000 equity shares have been issued for consideration other than cash during the financial year 2017-18 and 32,20,000 Compulsorily Convertible Cumulative Preference Shares of Rs.10/- each converted into equity shares of Rs.10/- each during the financial year 2019-20)		
TOTAL	28,65,30,000	28,65,30,000



(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 st March 2023		As at 31 st March 2022	
	No.	Amt. Rs.	No.	Amt. Rs.
Equity shares				
At the beginning of the period	2,86,53,000	28,65,30,000	2,86,53,000	28,65,30,000
Issued during the period	0	0	0	0
CCCPS Converted into Equity during this financial year	0	0	0	0
Outstanding at the end of the period(i)	2,86,53,000	28,65,30,000	2,86,53,000	28,65,30,000
Preference Shares (CCCPS)				
At the beginning of the period	0	0	0	0
Issued during the period	0	0	0	0
Converted during the year	0	0	0	0
Outstanding at the end of the period(ii)	0	0	0	0
TOTAL (i)+(ii)	2,86,53,000	28,65,30,000	2,86,53,000	28,65,30,000

(b) Rights attached to equity shares:

The company has only one class of equity shares having a par value of Rs.10/- per share . Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend recommended by the Board of Directors is subject to approval of shareholders in Annual General Meeting.

(c) Details of shareholders holding more than 5% shares in the company:

S. No	Equity Share holders	As at 31.03.2023		As at 31.03.2022	
		Number	% holding	Number	% holding
1	Sri. Appikatla Sisir Kumar	35,44,693	12.37%	33,11,360	11.56%
2	Sri. Korada Ravi Kumar	32,94,618	11.49%	30,61,285	10.68%
3	Sri. Pillala Ramakrishna Rao	28,95,360	10.10%	28,95,360	10.10%
4	Smt. J Padmaja Rani	16,64,000	5.81%	16,64,000	5.81%
5	Sri. Kanteti Venkateswar Rao	22,04,000	7.69%	22,04,000	7.69%

(d) Shares reserved for issue under options:

The company has not reserved any shares for issue under employee's stock option (ESOP), loan agreements or contracts for supply of capital goods etc..



3. Reserves and Surplus:

Particulars	As at 31.03.2023	As at 31.03.2022
A. Securities Premium		
a) Balance as per last financial statement	1,56,11,000	1,56,11,000
Total securities premium(A)	1,56,11,000	1,56,11,000
B. Surplus/Deficit in the statement of Profit and Loss		
a. Balance as per last financial statements	8,36,98,560	7,47,32,935
b. Profit after tax for the period	1,27,94,764	89,65,625
c. Less: Preference dividend	-	-
d. Less: Dividend distribution tax on Preference dividend	-	-
e. Income Tax refund for the F.Y 2018-19	-	-
f. Shortage of Income tax Provision for the F.Y 2019-20	-	-
Profit transferred to Reserves (a+b-c-d+e) (B)	9,64,93,324	8,36,98,560
TOTAL (A+B)	11,21,04,324	9,93,09,560

4. Short-term borrowings (secured) :

Particulars	As at 31.03.2023	As at 31.03.2022
Overdraft from PUNJAB NATIONAL BANK (Secured against FDR's)	0	0
TOTAL	0	0



5. Other Current Liabilities:

Particulars	As at 31.03.2023	As at 31.03.2022
a. TDS Payable	2,83,102	1,22,427
b. GST Reverse Charge Mechanism	-	5,23,402
c. GST Payable	1,92,673	-
d. Professional Tax Payable	-	-
e. Other Liabilities		
i) Amount received from Reliance Cellulose and Interest Thereon	: 0	
ii) Trust 10 Liability	: 14,70,031	
iii) Trust 5 Liability	: 5,30,500	
	20,00,531	30,37,30,623
TOTAL	24,76,306	30,43,76,452

6. Short Term Provisions:

Particulars	As at 31.03.2023	As at 31.03.2022
Provision for Taxation	2,59,10,819	39,40,121
Provision for diminution of investments*	1,73,00,000	36,70,000
Dividend distribution tax payable	-	-
Corporate Office Rent Payable	-	-
Register office Rent	-	-
Professional Fee Payable (JRS & Associates)	45,400	45,400
Professional Fee Payable (SS Reddy Associates)	88,500	-
Salaries	-	-
TOTAL	4,33,44,719	76,55,521

(*) Provisions for diminution in the value of investments (Security Receipts) are made based on the 'CRA' ratings given by M/s ICRA Ltd. for the Security Receipts issued by the relevant Trusts



MELIORA ASSET RECONSTRUCTION COMPANY LIMITED

FIXED ASSETS AND DEPRECIATION STATEMENT AS PER INCOME TAX ACT FOR THE FINANCIAL YEAR 2022-23

Sl.No.	Name of the Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		As on 01.04.2022	Additions Before 30th Sep	Additions On or after 1 st Oct	Disposals	As on 31.03.2023	Up To 31.03.2022	Rate of Dep (%)	From 01.04.2022 to 31.03.2023	Total 31.03.2023	As on 31.03.2022	As on 31.03.2023
1	Furniture, electrical fittings	69,724,000	-	-	-	69,724,000	27,931,888	10	4,179	32,111	41,792	37,613
2	Plant, machinery, cars	7,11,530,000	-	-	-	7,11,530,000	4,43,177,027	15	40,253	4,83,430	2,68,353	2,28,100
3	Computer, Energy saving devices, etc.	6,20,450,000	-	10,800,000	-	6,31,250,000	5,74,329,248	40	20,608	5,94,938	46,121	36,312
4	Intangible assets	6,64,800,000	-	-	-	6,64,800,000	3,99,501,375	25	66,325	4,65,826	2,65,299	1,98,974
	TOTAL	20,66,504,000	-	10,800,000	-	20,77,304,000	14,44,939,538		1,31,365	15,76,305	6,21,564	5,00,999



7 FIXED ASSETS:
(a) Tangible Assets

S.no	Description	Gross Block			Depreciation		Net Block			
		As at 31.03.2022	Additions	Deletions	As at 31.03.2023	Up to 31.03.22	From 1.04.22 to 31.03.2023	Up to 31.03.2023	As at 31.03.22	As at 31.03.2023
1	Tablet 1	22,000	-	-	22,000	22,000	-	22,000	-	-
2	Laptop	2,51,539	-	-	2,51,539	2,49,459	1,314	2,50,773	2,080	766
3	Computers	2,47,138	-	-	2,47,138	2,44,936	1,391	2,46,327	2,202	811
4	Printers	64,773	-	-	64,773	62,274	1,579	63,852	2,499	921
5	Tablet 2	22,700.00	-	-	22,700.00	22,700.00	-	22,700.00	-	-
6	Steel Almirah	40,491	-	-	40,491	34,810	1,471	36,281	5,681	4,210
7	Filing Cabinet	29,233	-	-	29,233	25,020	1,091	26,111	4,213	3,122
8	Car	7,11,530	-	-	7,11,530	6,26,290	26,620	6,52,910	85,240	58,620
9	EPABX	12,300	-	-	12,300	11,282	459	11,741	1,018	560
	TOTAL	14,01,704	-	-	14,01,704	12,98,770	33,925	13,32,694	1,02,936	69,011

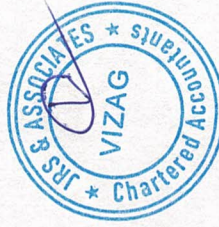


(b) Intangible Assets

Description	Gross Block			Amortization			Net Block		
	As at 31.03.22	Additions	Deletions	As at 31.03.2023	Up to 31.03.22	From 01.04.22 to 31.03.2023	Up to 31.03.2023	As at 31.03.22	As at 31.03.2023
Tally Software	64,800	10,800	-	75,600	37,477	7,020	44,497	27,323	31,103
Software	6,00,000	-	-	6,00,000	3,60,000	1,20,000	4,80,000	2,40,000	1,20,000
TOTAL	6,64,800	10,800	-	6,75,600	3,97,477	1,27,020	5,24,497	2,67,323	1,51,103

Note: Software is amortized over 5 years equally

Tally Software is amortized over 10 years equally



8 INVESTMENTS:

Particulars	Non-current		Current	
	as at 31.03.2023	as at 31.03.2022	as at 31.03.2023	as at 31.03.2022
(A). MARC- SBT 01/2015 Trust:				
Mahalakshmi Farm & Nursery	-	-	-	-
Subburaju Textilemills Pvt Ltd	-	-	-	36,40,000
(B). MARC –SBT 03/2015 Trust:				
MB-AG Timber Pvt Ltd	-	-	-	-
National Lumbers	-	-	-	-
Zaan Commodities Pvt Ltd	36,00,000	36,00,000	-	-
(C). MARC-DENA 04/2016 Trust:				
(D). MARC-AB 05/2016 Trust:				
Bhaskara Padma Rice Industrv	-	-	-	-
(E). MARC – Dena 06/2016 Trust:				
Chowky Creations	-	-	-	-
Janata Engineers & Co	-	-	-	-
(F). MARC-SVC 07/2016 Trust:				
Pratibha Ispat (P) Ltd	6,00,000	9,00,000	-	-
(G). MARC-AXIS 08/2016 Trust:				
Lauret Marketing & Krishna Ceramics	-	-	-	-
(H). MARC-DENA 09/2016 Trust:				
Baid Industries	1,16,00,000	1,16,00,000	-	-
Sree Autos	-	-	40,00,000	40,00,000
(I).MARC-AB 10/2016 Trust:				
Ravi Edible Oil Refinery	-	-	-	1,43,00,000
Nehal Creations	-	-	6,00,000	27,00,000
Reliance Cullulose & Ranichem Industries	-	-	-	3,30,00,000
(J). MARC- UNITED 11/2017 Trust:				
AB Furnishing Pvt Ltd	-	-	-	-
(K). MARC- AB 12/2017 Trust:				
LEADAGE METALS LTD	87,00,000	87,00,000	-	-
SREE RAYASEEMA GREEN STELOY LTD	8,00,000	8,00,000	-	-
(L). MARC 13/20017 Trust:				
OM SREE SAI RAM	2,60,00,000	2,60,00,000	-	-
(M). MARC DENA 14/2017 Trust:				
Sri Krishna Educational Trust:	-	1,32,00,000	1,32,00,000	-
(N). MARC- IB 15/2017 Trust:				
Mother Mirra Estates	-	-	-	-
(O). MARC AB 16/2017 Trust:				
PBR AGRI TECH	60,00,000	60,00,000	-	-
Karumuri Suryakantam & 3 others	-	-	40,00,000	40,00,000
(P). MARC JSB 17/2018 Trust:				
Indian Institute of Rural Workers	-	1,54,00,000	1,54,00,000	-
TOTAL	5,73,00,000	8,62,00,000	3,72,00,000	6,16,40,000

The assets whose schedule recovery period is considered less than 12 months, they have shown under current investments. Remaining assets are shown under Non-current investments. The classification of above assets are based on the Present status report & expectations of the assets.



MELIORA ASSET RECONSTRUCTION COMPANY LIMITED

Notes forming part of the financial statements

Note 9-Computation of Deferred Tax

Sl no	Particulars	Rs.	Rs.
1	Deferred Tax Asset(opening bal)		74,136
2	Depreciation as per income tax act	1,31,365	
3	Depreciation as per companies act	1,60,945	
4	Difference	29,580	
5	Deffered tax asset @ 25.168%		7,445
6	Total deferred tax asset		81,581



10. LONG TERM LOANS & ADVANCES:

Particulars	As at 31.03.2023	As at 31.03.2022
Security Deposits (Unsecured considered good)		
a. Rental Deposit	1,69,000	1,69,000
TOTAL	1,69,000	1,69,000

11. Other Assets:

Particulars	Non-current Portion		Current Portion	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
A. Unsecured and considered good Expenses recoverable from trusts managed by the company				
MARC- SBT 01/2015 TRUST	-	-	74,403	4,36,179
MARC -SBT 03/2015 TRUST	7,92,111	3,69,164	-	-
MARC-AB 05/2016 A.DEED EXP	1,27,747	62,347	-	-
MARC - DENA 06. TRUST A.DEED EXP	-	-	1,44,026	11,551
MARC - SVC 07. TRUST	3,600	1,81,594	-	-
MARC-AXIS 08 TRUST	-	-	3,550	3,550
MARC -DENA 09 TRUST	-	-	14,43,251	3,35,388
MARC -AB 10/17	-	-	1,12,669	20,93,607
MARC-United 11/2017 Trust	-	-	3,50,159	15,000
MARC-AB 12/2017 Trust	6,19,093	2,12,810	-	-
MARC13/2017 Trust	4,98,704	4,12,871	-	-
MARC-DENA 14/2017 Trust	-	1,48,975	3,77,244	-
MARC-IB 15/2017 Trust	-	-	36,200	-10,675
MARC-DENA 16/2017 Trust	-	-	34,29,250	32,03,485
MARC JSB 17/2018 Trust	-	3,61,494	6,37,359	-
	(A)	20,41,255	17,49,255	66,08,111
B. Other items				
Preliminary Expenditure	-	-	-	-
Interest accrued on Reliance FD	-	-	-	41,04,816
Interest accrued on Fixed Deposits	-	-	41,72,455	46,85,703
Input GST	-	-	1,05,510	35,280
Input GST Reverse Charge	-	-	-	-
GST Input Provisional	-	-	-	-
GST-ITC	-	-	48,634	-
Sundry Debtors	-	-	-	-
Deposited with Income Tax	-	-	-	-
Deposited with Service Tax	-	5,26,554	-	-
Advance Tax for FY 2022-23	-	-	-	5,00,000
	(B)	5,26,554	43,26,599	93,25,799
Total (A+B)	20,41,255	22,75,809	1,09,34,710	1,54,13,884



12. Cash & Bank Balances:

Particulars	As at 31.03.2023	As at 31.03.2022
Cash and Cash Equivalents		
Balances with Banks		
a.(i) In Current Accounts	16,54,306	27,29,649
(ii) In Dividend Account-AB-369	-	-
b. Cash on hand	-	-
c. In fixed deposits :		
1.MARC fixed deposit : Rs. 32,40,92,817.93*	32,40,92,818	52,15,64,666
2.Reliance Fixed Deposit : Rs. 0**		
TOTAL	32,57,47,124	52,42,94,315

(*)Fixed deposits worth Rs 17,85,57,022/- (Seventeen Crores Eighty Five Lakhs Fifty Seven Thousand and Twenty Two Rupees) were given as security against overdraft(PNB).

(**)The Reliance Fixed Deposit comprising of the sale proceeds of M/s Reliance Cellulose Products Ltd has been realised in F.Y 22-23.

13. Short – term loans and advances:

Particulars	As at 31.03.2023	As at 31.03.2022
TDS	1,07,61,565	74,34,130
TOTAL	1,07,61,565	74,34,130

14. Revenue from operations:

Particulars	As at 31.03.2023	As at 31.03.2022
Incentive	1,10,00,000	6,63,000
Upside sharing of Recovery	17,20,000	2,30,000
(A)	1,27,20,000	8,93,000
Other Financial Services		
Management Fee (B)	1,64,75,000	58,72,000
TOTAL (A+B)	2,91,95,000	67,65,000



15. Other Income:

Particulars	As at 31.03.2023	As at 31.03.2022
Interest on FD's with Banks	1,31,34,895	1,28,47,954
Interest (Others)	7,44,619	5,54,424
Interest Income Accrued On Trust 10 Fixed Deposit	6,16,08,148	-
Round off	(2.02)	(0.36)
TOTAL	7,54,87,660	1,34,02,378

16. Employee benefits expenses:

Particulars	As at 31.03.2023	As at 31.03.2022
a. Salaries	35,18,457	23,52,000
b. Staff welfare	66,713	66,849
c. Staff Welfare Health Insurance	60,000	58,835
d. Leave Encashment	-	-
TOTAL	36,45,170	24,77,684

17. Administrative Expenses:

Particulars	As at 31.03.2023	As at 31.03.2022
Conveyance Charges	17,015	13,937
Postage	9,503	9,332
Stationery & Printing	54,677	38,588
Rent	7,59,960	7,23,600
Corporate and Registered Office Maintenance	67,600	66,600
Travelling expenses	2,40,781	82,369
Legal expenses	9,35,000	50,000
Vehicle maintenance	3,41,792	1,59,522
Computer Maintenance & Google Suit Charges	48,586	53,554
TOTAL	24,74,914	11,97,502



18A. OTHER EXPENSES:

Particulars	As at 31.03.2023	As at 31.03.2022
Board Meeting Expenses	-	-
Sitting fee- Directors	6,10,000	4,60,000
Travelling allowance- Board Meeting	4,300	-
ARC Association Membership fee	-	-
CIBIL/CERSAI FEE/MCA Fess	6,000	3,000
Statutory Audit Fee	30,000	30,000
GST Fine	-	-
Professional Fee	3,35,500	2,49,000
ROC & filing fees	19,243	600
Insurance	8,183	9,157
Telephone charges & Internet Charges	59,432	71,943
Electricity charges	83,900	73,005
Trade license fee	4,800	4,800
Office maintenance	16,345	15,390
Newspapers, Books, Periodicals	-	-
Interest on Income Tax	10,727	34,757
Web hosting	-	-
Software Development Expenses	10,453	-
Business development expenses	21,413	-
Repairs and Maintenance	25,500	4,100
Stamp papers	-	-
GST FY 17-18	-	-
NSDL Charges	87,482	77,500
Roc fee	-	-
Service tax	-	-
Interest on Service tax	-	-
Penalty Service tax	-	-
ISIN CHARGES	45,000	60,000
Short fall In Provision Of Income Tax	-	-
TOTAL	13,78,278	10,93,252

18B. Amount Transferred To Trust 10

Particulars	As at 31.03.2023	As at 31.03.2022
Accured Interest transferred to Trust 10*	4,45,95,735	-
TOTAL	4,45,95,735	0

(*)Interest accrued on auction proceeds kept as FDs is Rs. 6,16,08,148/-. Out of this , an amount of Rs. 4,31,25,704 /- has been tranferred to the Trust 10 account for appropriation. The balance of interest accrued amounting Rs. 14,70,031 shall be transferred to the trust 10 .

19. Provision for Loss on Diminution of investments:

Particulars	As at 31.03.2023	As at 31.03.2022
Provision for Loss on Diminution of value of security receipts	1,36,30,000	22,85,000
TOTAL	1,36,30,000	22,85,000



Provisions for Loss of Diminution of Value Of Security Receipts

S.No	Assets	Provision as on 31st March, 2022 (in lacs.)	Additional Provision created in F.Y 2022-23 (in lacs.)	Provision as on 31st March, 2023 (in lacs.)	Provision to be kept as per RBI Guidelines (in lacs.)	Difference in Provision as per Board Policy over RBI Guidelines (in lacs.)
1	Zaan Commodities	8.4	27.6	36	27	9
2	PBR Agrotech Pvt Ltd	12	48	60	30	30
3	Prathiba Ispat Pvt Ltd	9	(3)	6	6	-
4	Baid Industries Pvt Ltd	-	30	30	30	-
5	Sri Autos	-	10	10	10	-
6	Leadage Metals Ltd	-	31	31	24	7
7	Subburaju Textiles	7.3	(7.3)	-	-	-
	Total	36.7	136.3	173	127	46



20. Finance Cost:

Particulars	As at 31.03.2023	As at 31.03.2022
Interest expense - Overdraft	94,702	21,794
Bank charges	4,779	7,788
TOTAL	99,481	29,582

21. EPS Calculation

Particulars	As at 31.03.2023	As at 31.03.2022
Profit after tax	1,27,94,764	89,65,625
Add: Income tax refund	-	-
Less: Preference dividend	-	-
Less: Dividend distribution tax	-	-
Amount available for equity share holders	1,27,94,764	89,65,625
No. of equity shares	2,86,53,000	2,86,53,000
No. of Preference Shares Converted into Equity shares	-	-
Basic EPS	0.45	0.31
Diluted EPS	0.45	0.31
Face Value of Equity share	10	10

22. The Security Receipts issued by the Trusts, which are managed by the company as Managing Trustee, are being rated by M/s. ICRA Ltd., in accordance with the guidelines issued by the Reserve Bank of India for credit rating of SR's of the Trusts.

23. The company has only one line of business and as such no separate reportable segment to be disclosed under AS-17 "segment reporting".



24. Related Party disclosures:

Name of the Party	Nature of Relationship	Nature of Transaction	Transaction Amount (Rupees)
M/s SISIR & RAVI ASSOCIATES	Common Management	Fees paid to Resolution Agents*	62,26,218
A SISIR KUMAR	Director	Rent**	2,34,360

*The Company appointed M/s Sisir & Ravi Associates as Resolution Agents. Mr. Appikatla Sisir Kumar & Mr. Korada Ravi Kumar, promoter directors of the Company are also the partners in M/s Sisir & Ravi Associates. Fees paid to resolution agents with respect to the following accounts :

Particulars	Amount (Rupees)
Subburaj Textile (P) Ltd	8,68,218
Reliance Cellulose Ltd	53,58,000

**Flat taken on lease from Mr. A. Sisir Kumar for housing the Registered Office of the Company, on a monthly rent of Rs. 15,000/- p.m with an annual increase of 5% of rent and maintenance charges on actual basis with effect from 1st August 2016. Meliora has paid Rs. 18,900/- p.m as rent from April to July and Rs. 19,845/- p.m from August to March in F.Y 2022-23.

Key Managerial Persons Remuneration Details			
K.SRINIVASAN*	CEO	Remuneration	18,00,000
NAMARTA SINGH**	CS	Remuneration	1,66,457
MAHENDRA REDDY***	CS	Remuneration	1,60,000

*Remuneration is being paid to Chief Executive Officer of the company at Rs. 1,50,000/- Per month.

**Namarta singh has resigned from her post as Company Secretary and Mahendra Reddy has been appointed as the new Company Secretary in FY 2022-23

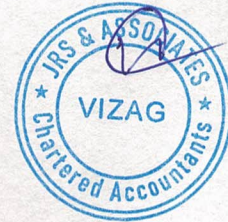
***Remuneration is being paid to Company Secretary of the company at Rs. 40,000/- Per month.

25. Taxes on Income (AS-22)

Items of Deferred Tax Asset	2022-23	2021-22
Depreciation as per IT	1,31,365	1,71,180
Items of deferred tax assets	7,445	2,500
Deferred Tax Liability at current rate of tax	-	-

Note. The deferred tax asset of Rs.7,445/- has been created the year 2022-23 due to the timing difference of depreciation component. Total Deferred tax asset as on 31/03/2023 is 81,581/-

26. Previous year's figures are regrouped wherever necessary.



27. ADDITIONAL DISCLOSURES:

The following are the additional disclosures as required by "The Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003".

(i) The Names and addresses of banks/financial Institutions from whom financial assets were acquired and the values at which such assets were acquired from each bank/financial institutions.

Sponsors:

Seller-wise acquisition details as at 31.03.2023		
Sellers	Address	Acquisition Price
Nil		

Non-Sponsors:

Sellers	No. of Accounts	Address	Acquisition Price
State Bank of India (SBT)	6	Corporate Centre, State Bank Bhavan, Madame Cama Road, Nariman Point, Mumbai, Maharashtra 400021	34,65,00,000
Bank Of Baroda(Dena Bank)	6	Corporate Centre, C-10, Block "G", Bandra Kurla Complex, Mumbai-400 051	37,77,00,000
Axis Bank	2	Corporate Office, Bombay Dyeing Mills Compound, Pandurang Budhkar Margh, Worli, Mumbai-400 051	7,70,00,000
Andhra Bank	10	Central Office, Koti, Hyderabad	62,75,00,000
SVC Coop Bank	1	SVC Buildings, Vakola, Santacruz(E), Mumbai.	10,20,00,000
United Bank	1	. 11 Hemant Basu Sarani. Kolkata - 700001	2,21,00,000
Indian Bank	1	66, Rajaji Salai, Chennai 600001.	5,75,00,000
Janata Sahakari Bank	1	BAJIRO ROAD, PUNE	10,25,00,000
TOTAL	28		1,71,28,00,000

(ii) Dispersion of various financial assets industry-wise as at 31.03.2023:

Industry	No. of borrowers	Acquisition Price	% of Total
Textiles & spinning	3	20,85,00,000	12.17%
Readymade Garments	2	6,94,00,000	4.05%
Nursery	1	3,54,00,000	2.07%
Timber	4	20,88,00,000	12.19%
Information & Technology	1	7,20,00,000	4.20%
Iron-Steel-Other Metals	6	32,35,00,000	18.89%
Trading	2	5,55,00,000	3.24%
Automobiles	1	2,62,00,000	1.53%
Rice & Edible Oils	2	14,75,00,000	8.61%
Chemicals	1	22,00,00,000	12.84%
Educational	2	22,25,00,000	12.99%
Oil & Gas	1	2,60,00,000	1.52%
Coffee estate & Plantation	1	5,75,00,000	3.36%
Poultry	1	4,00,00,000	2.34%
TOTAL	28	1,71,28,00,000	



(iii)	Details of Related parties as per Accounting Standards and guidance notes issued by the Institute of Chartered Accountants of India and the amounts due to and from them.	Refer Note 24			
(iv)	A statement clearly charting therein the migration of financial assets from standard to non-performing.	Nil			
(v)	(I) Value of Financial assets acquired during the financial year either on its own books of the company or in the books of the Trusts.(F.Y 2022-23)	Nil			
	(II) Value of Financial assets acquired upto the financial year 2022-23 either on its own books of the company or in the books of the Trusts.	1,71,28,00,000			
(vi)	(I) Value of the financial assets realized during the financial year.(F.Y 2022-23)	32,79,00,000			
	(II) Value of the financial assets realized upto the financial year 2022-23.	1,23,45,00,000			
(vii)	Value of financial assets outstanding for realization as at the end of the financial year.(As on 31.03.2023)	47,83,00,000			
(viii)	(a)(I) Value of security receipts redeemed partially during the financial year.(F.Y 2022-23)	1,59,00,000			
	(a)(II) Value of security receipts redeemed partially upto the financial year 2022-23.	20,29,00,000			
	(b)(I) Value of security receipts redeemed fully during the financial year.(F.Y 2022-23)	31,20,00,000			
	(b)(II) Value of security receipts redeemed fully upto the financial year 2022-23.	1,03,16,00,000			
(ix)	Value of security receipts pending for redemption as at the end of the financial year.(As On 31.03.2023)	47,83,00,000			
(x)	Value of security receipts which could not be redeemed as a result of non-realization of the financial asset as per the policy formulated by the securitization company or reconstruction company under paragraph 6(C)(ii) or 6(C)(iii).	Nil			
(xi)	Value of land and/or building acquired in ordinary course of business of reconstruction of assets (year wise).	Nil			
(xii)	The basis of valuation of assets if the acquisition value of the assets is more than the Book Value.	Nil			
(xiii)	The details of Assets disposed off (either by write off or by realisation) during the year at discount of more than 20% of valuation as on the previous year and reasons therefore.	Nil			
(xiv)	The details of Assets where the value of the SRs has declined more than 20% below of the acquisition value.				
	Asset	Trust	Ratings Dec-22	Indication Of Ratings For Dec-22	Acquisition Value
	Zaan Commodities	MARC/SBT-03/2015	RR4	25%-50%	2,80,00,000
	Prathiba Ispat Pvt Ltd	MARC/SVC-07/2016	RR5	Less than 25%	10,20,00,000
	Baid Industries Pvt Ltd	MARC/DENA-09/2016	RR2	75%-100%	8,55,00,000
	Sri Autos				2,62,00,000
	Ravi Edible Oil & Refinery	MARC/AB-10/2017	RR2	75%-100%	8,50,00,000
	Nehal Creations				1,80,00,000
	Leadage Metals Ltd	MARC/AB-12/2017	RR2	75%-100%	5,80,00,000
	Sree Rayalaseema Green Energy Pvt Ltd				5,15,00,000
	Om Sree Sairam Fuels	MARC/AB-13/2017	RR2	75%-100%	2,60,00,000
	PBR Agrotech Pvt Ltd	MARC/AB-16/2017	RR3	50%-75%	4,00,00,000
	Kanumuri Suryakantham and Others				2,35,00,000



OTHER INFORMATION:

1.As per the guidelines of RBI, it was mandatory to increase Net Owned Funds (NOF) to a minimum of Rs. 100.00 crores on or before 31.03.2019. Though the Company has submitted an application backed by an investor from Hong Kong, the same was withdrawn due to technical issues. Hence RBI had cancelled the Certificate of Registration (CoR) vide its order dated 30.08.2019. Aggrieved by this, the Company had appealed on 09.10.2019 to the Secretary, Department of Financial Services, Government of India for the restoration of the license as per the provisions of the Act. Department of Financial Services (DFS) had rejected the appeal. RBI has granted an extension of time up to 3 years for realization of existing financial assets and consequent redemption of security receipts.

The Company has filed a Writ Petition at The High Court, Delhi W.P. (C) No. 10495/2022, challenging the decision of RBI cancelling the CoR for non-compliance of NOF. As per the interim order passed by Honorable High Court, MARC can reapply for a fresh license and the same is to be considered by RBI without any bearing on the earlier cancellation. The company has prayed for restoration of license instead of applying for a fresh one. The same is pending before the Court.

As per RBI Circular RBI/2022-23/128 DoR.SIG.FIN.REC.75/26.03.001/2022-23 dated 11th October, 2022 on Review of Regulatory Framework for Asset Reconstruction Companies (ARCs), it has been stipulated that the Net Owned Funds (NOF) of the ARCs shall be at a minimum of Rs. 200.00 crores as on 31/03/2024 and at Rs. 300.00 crores as on 31/03/2026.

2.The company is opting the new tax rate under Sec 115BAA, from the financial year 2019-20 onwards the company shall compute the tax liability as specified in section 115 BAA.

3..Resolution fee paid to resolution agents of different trusts is routed through Meliora. Hence the total turnover appearing in the Profit & Loss Account does not tally with that of the GSTR 3B returns filed. The detailed explanation is referred in Annexure (1).

Annexure (1)				
MONTH	TURNOVER AS PER GSTR 3B	TURNOVER AS PER BOOKS (A)	Resolution fee not considered in books (B)	Total (A+B)
Apr-22	-	-	-	-
May-22	-	-	-	-
Jun-22	-	-	-	-
Jul-22	-	-	-	-
Aug-22	-	-	-	-
Sep-22	31,28,218	22,60,000	8,68,218	31,28,218
Oct-22	-	-	-	-
Nov-22	-	-	-	-
Dec-22	3,16,58,000	2,63,00,000	53,58,000	3,16,58,000
Jan-23	-	-	-	-
Feb-23	-	-	-	-
Mar-23	13,02,500	6,35,000	6,67,500	13,02,500
TOTAL	3,60,88,718	2,91,95,000	68,93,718	3,60,88,718





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Independent Auditor's Report

To the Members of Meliora Asset Reconstruction Company Limited

Report on the Standalone Financial Statements

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its Profit and loss account and its Cash Flow for the year ended on that date. The Company is following the guidelines of RBI for recognizing the revenue from the sale of assets.

Emphasis of Matter:

1. As mentioned in the Point 1 of "Other Information Paragraph" in the Notes to Balance Sheet ", it was observed that the RBI has cancelled the Certificate of Registration (COR) vide its order dated 30.08.2019, reason being the Company has not complied with the prescribed capital of having a minimum paid up capital of Rs 100 Crore or more as on 31st March, 2019.
2. When inquired with the management, they informed us that. "Though the Company had submitted an application backed by an investor from Hong Kong, the same was withdrawn due to technical issues. Hence, RBI had cancelled the Certificate of Registration (CoR) vide its order dated 30.08.2019. Aggrieved by this, the Company had appealed on 09.10.2019 to the Secretary, Department of Financial Services, Government of India for the restoration of the license as per the provisions of the Act. Department of Financial Services (DFS) had concluded the enquiry proceedings and rejected the appeal. RBI has granted an extension of time up to 3 years for realization of existing financial assets and consequent redemption of security receipts.





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3. The Company has filed a Writ Petition at The High Court, Delhi W.P. (C) No. 10495/2022, challenging the decision of RBI cancelling the CoR for non-compliance of NOF. As per the interim order passed by Honorable High Court, MARC can reapply for a fresh license and the same is to be considered by RBI without any bearing on the earlier cancellation. The company has prayed for restoration of license instead of applying for a fresh one. The same is pending before the Court.

Our opinion regarding the True and Fair presentation of the Financial Statements of the entity is not affected in respect of the matter emphasized above.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.





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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depends on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;





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- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- g. 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, 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.

For JRS & Associates,
Chartered Accountants,
FRN: 011778S

M. Ramachandram

M.Ramachandram
Partner
M.No.219752
Place: Visakhapatnam
Date:
UDIN :





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"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2023:

- 1)(a)(A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
 - (B) The company is maintaining proper records showing full particulars of Intangible assets;
- (b) As explained to us, the management has physically verified the Property, Plant and Equipment during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No coding was given for the Property, Plant and Equipment except this no other discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.
- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under. However, the company has received a letter with regard to Proceedings under section 21 of Prohibition of Benami Property Transactions Act, 1988 for states of Andhra Pradesh and Telangana states on 06/05/2022 and relevant information has been submitted by the company on 21.05.2022 and the company is awaiting the response from the department.

The company has been issued a notice under section 131(1A) of The Income Tax Act, 1961 on 16/05/2023. The company has complied with the notice and submitted the relevant information on 06.06.2023. The company is awaiting the response from the department.





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- 2) (a) The Company is a service company, primarily rendering financial Services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- (b) During any point of time of the year, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. However, the company has been utilizing an overdraft limit against fixed deposits at PNB.
- 3) (a) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (f) of the Order are not applicable to the Company and hence not commented upon.
- (b) The Company has not made any investments, no guarantees provided; no security given during the year. This Clause is not applicable to the Company and hence not commented upon.
- (c) In respect of loans and advances in the nature of loans, the schedule of repayment of principal and interest has been stipulated and the repayments or receipts are regular.
- (d) There is no such amount overdue for more than ninety days of the principal and interest of loans and advances.
- (f) 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 of loans granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013. This clause is not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits (including deemed deposits) from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.





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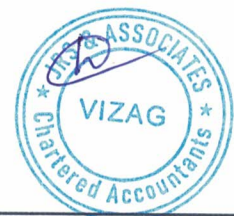
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- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanation given to us, the following dispute is pending before the forum of the statutory authorities:

SL.no	Period	Nature of Dispute	Tax Amount	Forum
1	A.Y 2022-23	Income Tax	12,92,330	CPC
2	A.Y 2021-22	Income Tax	35,550	CPC

- 8) In our opinion and according to the information and explanations given to us, the Company has not undertaken any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961),
- 9) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government or in the payment of interest thereon to any lender and has not issued any debentures.
- (b) The company is not declared as willful defaulter by any bank or financial institution or other lender;
- (c) No term loans were taken by the company during the year. This clause is not applicable to the Company and hence not commented upon.
- (d) The company has raised funds on short term basis and not utilized for long term purposes.





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- (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures during the year. This clause is not applicable to the Company and hence not commented upon.
- (f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. This Clause is not applicable to the Company and hence not commented upon.
- 10) (a) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- (b) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3 (x) of the Order are not applicable to the Company and hence not commented as per Section 42 and section 62 of the companies act, 2013.
- 11) (a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (b) No such cases found and no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) No such whistle-blower complaints received during the year by the company. This Clause is not applicable to the Company and hence not commented upon.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.





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- 14) The company is not covered under internal audit applicability as per section 138 of companies act, 2013. Therefore, the provisions of clause 3(xiv) of the order are not applicable to the company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) (a) The company is required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the Company has been registered .
- (b) The company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;
- (c) Based upon the audit procedures performed and the information and explanations given by the management, The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. This Clause is not applicable to the Company and hence not commented upon.
- 17) Based upon the audit procedures performed and the information and explanations given by the management, the company has not incurred cash losses in the financial year and in the immediately preceding financial year. Accordingly, the provisions of clause 3 (xvii) of the Order are not applicable to the Company and hence not commented upon.
- 18) Based on the information and explanations given by the management, there has been no resignation of the statutory auditors during the year. Accordingly, the provisions of clause 3 (xviii) of the Order are not applicable to the Company and hence not commented upon.





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- 19) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, our opinion is no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;31.03.2023. Financial Position is satisfactory.
- 20) The Company is not covered under CSR applicability as per section 135 of Companies Act, 2013. Therefore, the provisions of clause 3 (xx) of the Order are not applicable to the Company and hence not commented upon.
- 21) The Company is not having any subsidiaries and associates so reporting on Consolidated Financial Statements are not applicable.

For JRS & Associates,
Chartered Accountants,
FRN: 011778S

M. Ramachandram

M.Ramachandram
Partner
M.No.219752



Place : Visakhapatnam
Date :
UDIN :



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“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of Meliora Asset Reconstruction Company Limited

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on 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”

Management’s Responsibility for Internal Financial Controls

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





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Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over

Financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and





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that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

For JRS & Associates,
Chartered Accountants,
FRN: 011778S

M. Ramachandram

M.Ramachandram
Partner
M.No.219752



Place: Visakhapatnam
Date:
UDIN: