

EVERY STEP, WITH  
THE CUSTOMER  
AT THE HEART



**ANNUAL REPORT  
2024-25**

# Corporate Information

## BOARD OF DIRECTORS

(As on May 09, 2025)

Mr. Tushar Shah

Non-Executive Director

Mrs. Pinky Mehta

Non-Executive Director

Mr. Sethurathnam Ravi

Independent Director

Mr. Sharadkumar Bhatia

Independent Director

Mr. Kumar Sharadindu\*

Additional Independent Director

## COMMITTEES OF THE BOARD

### AUDIT

Mr. Sethurathnam Ravi (Chairman)

Mr. Sharadkumar Bhatia

Mrs. Pinky Mehta

### NOMINATION AND REMUNERATION

Mr. Sharadkumar Bhatia (Chairman)

Mr. Sethurathnam Ravi

Mr. Tushar Shah

### ASSET ACQUISITION AND RESOLUTION

Mr. Tushar Shah (Chairman)

Mr. Sharadkumar Bhatia

Mrs. Pinky Mehta\*\*

### INFORMATION TECHNOLOGY STRATEGY\*\*\*

Mr. Sethurathnam Ravi (Chairman)

Mr. Tushar Shah

Mrs. Pinky Mehta

### CORPORATE SOCIAL RESPONSIBILITY\$

Mr. Tushar Shah (Chairman)

Mr. Sharad Bhatia

Mrs. Pinky Mehta

### FINANCE COMMITTEE

Mr. Tushar Shah (Chairman)

Mr. Sanjay Jain

Mr. Pradeep Sharma\$\$

Mr. Sharad Agarwal\$\$\$

## KEY MANAGERIAL PERSONNEL

Mr. Sanjay Jain

Chief Executive Officer

Mr. Ankur Garg#

Chief Financial Officer

Ms. Sucheta Chaturvedi

Company Secretary

## STATUTORY AUDITORS

M/s CNK & Associates LLP

Chartered Accountants

## SECRETARIAL AUDITORS

M/s BNP & Associates

Company Secretaries

## INTERNAL AUDITORS

M/s Aneja Associates

Chartered Accountants

## REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies Limited

Unit: Aditya Birla Capital Ltd.

Selenium Building, Tower B,

Plot No. 31-32, Financial District,

Nanakramguda, Serilingampally,

Hyderabad - 500 032

Tel: 040-67162222, 33211000

Fax: 040-23431551

Toll Free no: 1800-572-4001

E-mail Id:

[einward.ris@kfinotech.com](mailto:einward.ris@kfinotech.com)

## REGISTERED OFFICE

One World Center, Tower 1, 18th

Floor, Jupiter Mill Compound, 841,

Senapati Bapat Marg, Elphinstone

Road, Mumbai – 400013

T: +91 22 4356 7000

F: +91 22 4356 7266

CIN: U65999MH2017PLC292331

E: [abarcl@adityabirlacapital.com](mailto:abarcl@adityabirlacapital.com)

W: <https://assetreconstruction.adityabirlacapital.com>

## CORPORATE OFFICE

One World Centre,

Tower-1, 7<sup>th</sup> Floor,

Jupiter Mill Compound,

841, Senapati Bapat Marg,

Elphinstone Road,

Mumbai - 400 013

T: +91 22 4356 7000

F: +91 22 4356 7266

*\*Appointed with effect from February 03, 2025;*

*\*\*Appointed with effect from May 24, 2024;*

*\*\*\*Constituted with effect from May 24, 2024;*

*§Constituted with effect from July 16, 2024;*

*§§Resigned with effect from October 31, 2024;*

*§§§Appointed with effect from November 29, 2024;*

*#Appointed with effect from May 09, 2025;*

## NOTICE

NOTICE is hereby given that the 8<sup>th</sup> Annual General Meeting of the Members of Aditya Birla ARC Limited will be held on Friday, August 08, 2025 at 11:30 A.M. IST at One World Centre, 18<sup>th</sup> Floor, Tower 1, Jupiter Mills Compound, 841, S. B. Marg, Mumbai – 400013 to transact the following businesses. If the conditions are not conducive to hold physical General Meeting, the Meeting will be held through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) facility, in accordance with relevant circulars/ notifications from Ministry of Corporate Affairs.

### ORDINARY BUSINESS:

1. To consider and adopt:
  - (a) the audited Standalone Financial Statement of the Company for the financial year ended March 31, 2025, together with the Reports of the Board of Directors and the Auditors thereon; and
  - (b) the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2025 together with the Report of the Auditors thereon.
2. To appoint a director in place of Mr. Tushar Shah (DIN: 00239762), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

3. To consider and approve appointment of Mr. Kumar Sharadindu (DIN: 07341455) Independent Director as **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any of the Companies Act, 2013 (**“the Act”**), and the Rules made thereunder, read with Schedule IV of the Act, and pursuant to the recommendation of the Board of Directors (**“the Board”**), Mr. Kumar Sharadindu (Director Identification Number 07341455), who was appointed as an Additional Director of the Company with effect from February 03, 2025 pursuant to Section 161 of the Act and an approval / no-objection received from the Reserve Bank of India and who holds office up to the date of this Annual General Meeting and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and being eligible, be and is hereby appointed as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from February 03, 2025, whose office shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** any Director, Chief Executive Officer, Chief Financial Officer, and Company Secretary of the Company be and are hereby, severally, authorised to:

- a. prepare, register, sign, file and / or upload, on behalf of the Company, necessary forms with the Registrar of Companies, Ministry of Corporate Affairs and any other regulatory, government or other authorities / entities;
- b. sign, execute or authenticate any letter of appointment, deed of covenant or any other agreement, deed, or document for or in connection with the aforesaid appointment; and

**RESOLVED FURTHER THAT** any Director, Chief Executive Officer, Chief Financial Officer, or Company Secretary of the Company be and are hereby severally authorized to issue certified true copy of these resolutions, Registrar of Companies or any other authority or entity as may be required.”

**By the order of the Board of Directors  
For Aditya Birla ARC Limited**

**Date: May 09, 2025  
Place: Mumbai**

**Sd/-  
Sucheta Chaturvedi  
Company Secretary**

**Notes:**

1. Pursuant to the provisions of the Act, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member of the Company. The instrument of proxy, to be effective, should be deposited at the Registered Office of the Company, duly completed, signed, and stamped not less than 48 hours before the commencement of the meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

However, if the AGM will be held through VC / OAVM, physical attendance of Members will be dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM.

2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
3. An explanatory statement pursuant to Section 102 of the Act relating to special business set out in the Notice and additional information pursuant to the Secretarial Standard on General Meetings, in respect of the Directors seeking appointment / re-appointment at the Meeting, are annexed.
4. All the records, registers and documents which are required to be made available for inspection at the meeting will be available for inspection by the Members at the AGM. In case the AGM will be held through VC / OAVM, the above records, registers and documents shall be made available for inspection in electronic mode. Further, all documents referred to in the accompanying notice and the explanatory statement shall be available for inspection in electronic form during normal business hours on all working days (Monday to Friday) up to the date of the meeting.
5. In case you have any queries regarding the AGM or grievance connected with the VC / OAVM facility, you may contact the undersigned at [Abarcl@Adityabirlacapital.com](mailto:Abarcl@Adityabirlacapital.com) or on +91 8369492253.

**By the order of the Board of Directors  
For Aditya Birla ARC Limited**

**Date: May 09, 2025  
Place: Mumbai**

**Sd/-  
Sucheta Chaturvedi  
Company Secretary**

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

### **Item No. 3**

Mr. Kumar Sharadindu was appointed as an Additional Director, with effect from February 03, 2025, in accordance with the provisions of Section 161 of the Companies Act, 2013 ("the Act") and pursuant to an approval received from the Reserve Bank of India. As per the provisions of Section 161(1) of the Act, Mr. Sharadindu holds office of Director up to the date of this AGM and being eligible, has offered himself for appointment as an Independent Director. The Nomination and Remuneration Committee has also recommended Mr. Sharadindu's appointment as an Independent Director.

#### **Profile**

Mr. Kumar Sharadindu had retired as MD & CEO of SBI Pension Fund(P) Ltd. and he was on the rank of CGM in SBI. Mr. Kumar was a general Manager at SBI Corporate Centre, Mumbai heading private equity business of the bank. He joined SBI as the probationary officer in 1984. He has held several crucial assignments in his banking career spanning more than three decades. He has held the key positions in the areas of credit, treasury, Risk and large corporate lending. He spent more than five years in treasury of the bank. He was also the head of Market Risk department of SBI. Before coming in the private equity, he was head of Mid corporate group in Chandigarh region. By qualification, he has done master in physics. He also holds certifications from:-

- Associate Indian Institute of Bankers
- Training programme on Derivatives at IIM Bangalore
- Advance programme on Private Equity investments by Euromoney at London
- Trends and developments in Electronic Payment and Settlement Systems at RBI training college, Pune.

In his rich experience, he has managed Pension AUM of \$20 Bn (Rupees 1,37,000 crores) and instrumental in introduction of policy by Pension Fund Regulatory and Development Authority (PFRDA) for transfer of self-managed Superannuation Funds of Central Public Sector Undertaking (CPSEs) to National Pension System (NPS). He has been part of Government delegation to UK to study UK Pension Industry as part of India-UK Technical assistance programme on Financial Services in India. Further, he strengthened bank capitalization through notable exits of Rs. 2061 crores from non-core investments with strong returns. Mr. Kumar managed a large team of more than 350 professionals across the region, overseeing Gross advances of Rs. 12,000 crores. He has been member of committees constituted by RBI to study and suggest the market risk related policies to be implemented in the Banks. He is serving as director of the Board of KOGTA Financial (INDIA) Ltd, and Aditya Birla Sun Life Pension Fund Management Limited.

Considering the rich experience and vast knowledge of Mr. Kumar Sharadindu, his presence on the Board will be valuable to the Company.

The Board recommend the resolution as set out at Item No. 3 of the accompanying Notice for approval by the Members of the Company.

Mr. Kumar Sharadindu is interested in the Ordinary Resolution set out at Item No. 3 with respect to his appointment.

Save and except the above, none of the other Directors or Key Managerial Personnel of the Company and their relatives are, concerned or interested, financially or otherwise, in the proposed Ordinary Resolution.

**ADDITIONAL INFORMATION ON DIRECTORS SEEKING APPOINTMENT / RE-  
APPOINTMENT AT THE ANNUAL GENERAL MEETING  
[Pursuant to the Secretarial Standard on General Meetings]**

Nature of Information	Item No. 2	
Name	Mr. Tushar Harendra Shah	
Age	60 years	
Director Identification Number	00239762	
Qualifications	CA	
Terms and Conditions of Appointment / Re-appointment	His office shall be liable to retire by rotation.	
Experience	Please refer to Annexure I-A	
Remuneration sought to be paid and last drawn	No approval is sought for remuneration.	
Date of Appointment on the Board	March 10, 2017	
Shareholding in the Company	10 Equity shares as nominee of Aditya Birla Capital Limited	
Relationship with other Directors, Manager and Key Managerial Personnel of the Company	None	
Details of attendance at the Board Meeting(s) during F.Y. 2024-25	Held during his tenure	Attended during his tenure
	5	5
Directorship in other companies, Membership / Chairmanship of Committees of other Boards	Please refer to Annexure I-B	

**Experience / Profile of Mr. Tushar Shah**

Mr. Tushar Shah retired as the Chief Executive Officer of the Project and Structured Finance business, as well as Wholesale Lending, at Aditya Birla Finance Ltd. (ABFL), upon completing his tenure of superannuation on April 30, 2025. At ABFL, Mr. Shah was spearheading Large & Mid-corporate lending, providing customised project finance, structured finance solutions, and general corporate lending. As a Director on the Board of Aditya Birla ARC Ltd, he was responsible for the stressed assets/special situations platform set up in partnership with Varde Partners and mentoring the business growth and strategic initiatives. As a director on the board of Aditya Birla Money Ltd, his role involves mentoring the equity and debt stockbroking business. In addition, he was overseeing and leading the expansion and strategic initiatives of all three businesses.

Before joining Aditya Birla Finance, Tushar was the Chief Operating Officer of IL&FS Financial Services Ltd, where he was responsible for business development and managed debt assets of US\$1.6bn. During his career at IL&FS, he held several roles in Capital Markets & Corporate Advisory Services.

Tushar holds a Bachelor of Law from the University of Mumbai and has been a member of the Institute of Chartered Accountants of India since 1988.

**DETAILS OF DIRECTORSHIP IN OTHER COMPANIES AND MEMBERSHIP / CHAIRMANSHIP OF COMMITTEES OF OTHER BOARDS**

**MR. TUSHAR SHAH**

Details of Directorship in other Companies:

<b>Sr. No</b>	<b>Names of the companies/ bodies corporate/ firms/ association of individuals</b>	<b>Nature of interest or concern/ Change in interest or concern</b>	<b>Shareholding</b>	<b>Date on which interest or concern arose/ changed</b>
1	Aditya Birla Money Limited	Director	Nil	06-05-2016
2	Aditya Birla Stressed Asset AMC Private Limited	Director	1 Equity share as nominee shareholder of Aditya Birla Capital Limited	22-05-2018

Details of Membership / Chairmanship of Committees across the Companies:

<b>Sr. No.</b>	<b>Name of the Company</b>	<b>Name of the Committee</b>	<b>Status (Chairman/ Member)</b>
1.	Aditya Birla Money Limited	a) Stakeholders Relationship Committee b) Preference Share Allotment Committee c) Risk Governance Committee d) Finance Committee e) Business Integration Committee f) Investment Committee g) Operations Committee	Member Member Member Member Member Member Chairperson
2.	Aditya Birla ARC Limited	a) Asset Acquisition and Resolution Committee b) Finance Committee c) Information Technology Strategy Committee d) Corporate Social Responsibility Committee e) Nomination and Remuneration Committee	Chairperson Chairperson Member Chairperson Member
3.	Aditya Birla Stressed Asset AMC Private Limited	Investment Committee	Chairperson

## ROUTE MAP 8<sup>th</sup> AGM of Aditya Birla ARC Limited

Date of Meeting : August 08, 2025

Place of Meeting : One World Centre, 18<sup>th</sup> Floor, Tower 1, Jupiter Mills Compound, 841, S. B. Marg, Mumbai – 400013

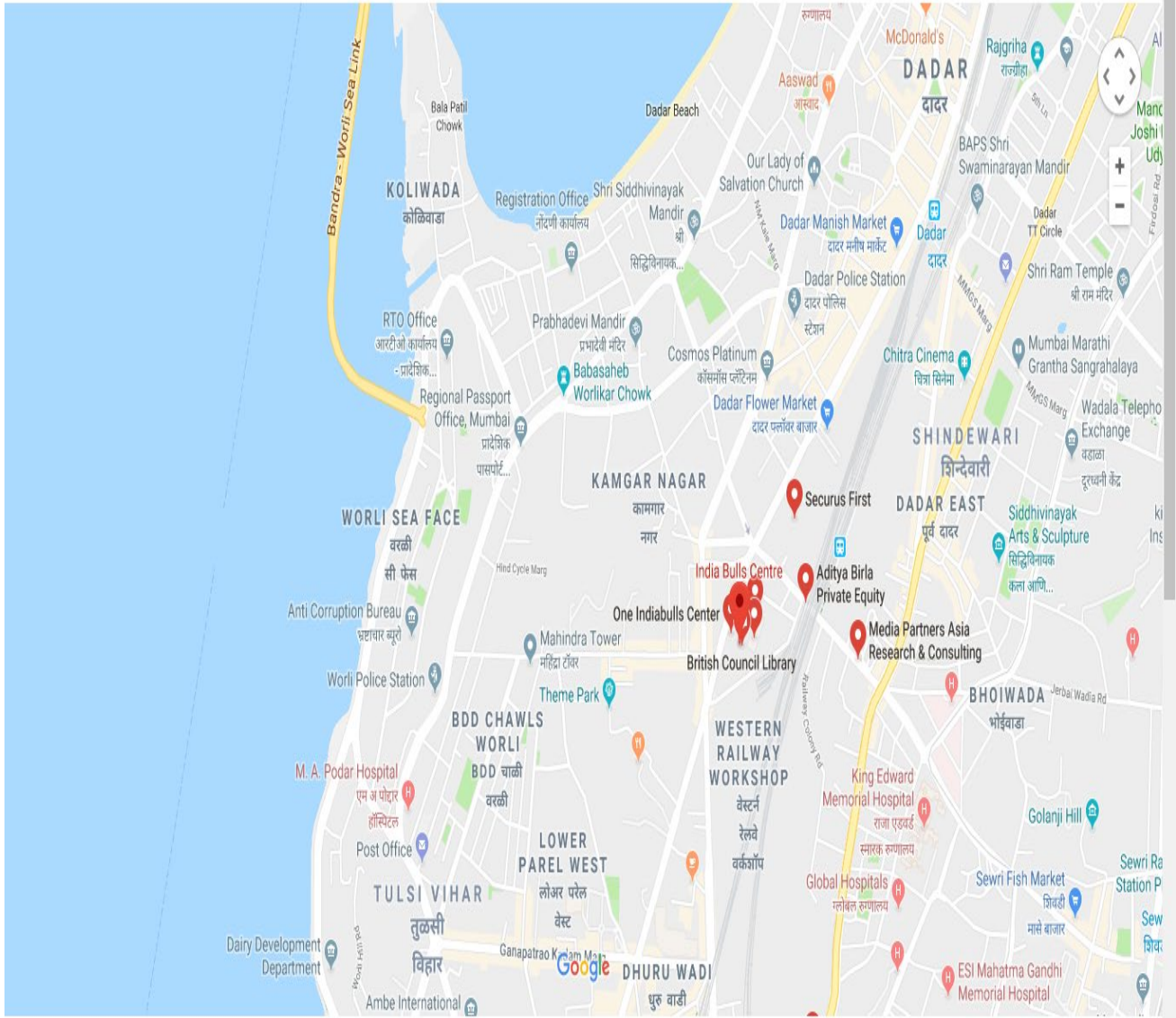
Google Maps

India Bulls Centre

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**ATTENDANCE SLIP**

**ADITYA BIRLA ARC LIMITED**

CIN: U65999MH2017PLC292331

Regd. Office: 18<sup>th</sup> Floor, One World Centre, Jupiter Mills Compound, 841,  
S. B. Marg, Mumbai - 400013

Phone No. +91 22 43567000 Fax No. +91 22 28290835 Email ID: Aabarcl@adityabirlacapital.com

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Name of the Member(s) :  
Registered Address :

Folio No/ Client ID :  
No. of Shares held :

I/We hereby record my/our presence at the 8<sup>th</sup> Annual General Meeting of Aditya Birla ARC Limited held at One World Centre, 18<sup>th</sup> Floor, Tower 1, Jupiter Mills Compound, 841, S. B. Marg, Mumbai – 400013 on August 08, 2025, at 11:30 A.M. IST.

\_\_\_\_\_  
Member's / Proxy's Signature

**PROXY FORM**

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

**CIN** : U65999MH2017PLC292331  
**Name of the Company** : Aditya Birla ARC Limited  
**Registered Office** : 18<sup>th</sup> Floor, One World Centre, Jupiter Mills Compound, 841, S. B. Marg, Mumbai – 400 013

Name of the Member(s) :  
Registered address :  
E-mail Id :  
Folio No./Client Id & DP. Id :

I/We, being the Member(s) of \_\_\_\_\_ shares of the above-named Company, hereby appoint

1. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail : \_\_\_\_\_  
Signature : \_\_\_\_\_, or failing him

2. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail : \_\_\_\_\_  
Signature : \_\_\_\_\_, or failing him

3. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail : \_\_\_\_\_  
Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 8<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, August 08, 2025 at 11:30 A.M. IST at One World Centre, 18<sup>th</sup> Floor, Tower 1, Jupiter Mills Compound, 841, S. B. Marg, Mumbai – 400013 and at any adjournment thereof in respect of such resolutions as are indicated below:

**Ordinary Business:**

- 1. Adoption of audited standalone financial statements of the Company, together with the reports of Board of Directors and Auditors thereon, and audited consolidated financial statements of the Company, together with the report of the Auditors thereon, both for the year ended March 31, 2025.
- 2. Re-appointment of Mr. Tushar Shah as a Director.

**Special Business:**

- 3. To consider and approve appointment of Director, Mr. Kumar Sharadindu (DIN: 07341455).

Signed this \_\_\_\_\_ day of \_\_\_\_\_

Signature of Shareholder: \_\_\_\_\_

Affix  
Re.1  
Rev  
Stamp

**Note:** This form of proxy to be effective should be duly completed and deposited at the Registered Office of the Company or at the venue of the meeting, not less than 48 hours before the commencement of the meeting.

# Board's Report

Dear Members,

The Board of Directors of Aditya Birla ARC Limited (“*your Company*” or “*the Company*” or “*ABARC*”) are pleased to present the **Eighth** Annual Report and the Audited Financial Statements (Consolidated and Standalone) of your Company for the financial year ended March 31, 2025 (“*financial year under review*”).

## FINANCIAL SUMMARY AND HIGHLIGHTS

Your Company's financial performance for the financial year ended March 31, 2025 as compared to the previous financial year ended March 31, 2024 is summarized below:

Particulars	Standalone		Consolidated	
	(Rs. in crore)		(Rs. in crore)	
	2024-25	2023-24	2024-25	2023-24
Revenue from Operations	472.77	177.99	472.76	178.18
Other Income	0.56	0.42	0.56	0.42
<b>Total Income</b>	<b>473.33</b>	<b>178.41</b>	<b>473.32</b>	<b>178.59</b>
Total Expenses	43.01	51.99	43.02	52.04
Profit / (Loss) before tax	430.31	126.41	430.30	126.56
Tax / Deferred Tax	240.49	33.36	240.49	33.36
<b>Profit / (Loss) after tax</b>	<b>189.73</b>	<b>93.06</b>	<b>189.72</b>	<b>93.20</b>
Earnings per share (In ₹)				
Basic	18.97	9.31	18.97	9.32
Diluted	18.38	9.06	18.38	9.07

The above figures are extracted from the Standalone and Consolidated Financial Statements prepared in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (“*the Act*”) read with the Companies (Accounts) Rules, 2014, other relevant provisions of the Act and the Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003, as amended from time to time, and other applicable guidelines, directions and notifications issued by the Reserve Bank of India (“*RBI Guidelines*”).

In accordance with the Act and applicable Accounting Standards, the audited Consolidated Financial Statements for the financial year 2024-25, which include the Financial Statements of three of the Trusts which are formed and managed by your Company, together with the Auditors' Report forms part of this Annual Report.

## RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

**Highlights of the Company's performance for the financial year ended March 31, 2025 are as under:**

- Consolidated Revenue: Rs. 472.76 crore (165% increase year on year)
- Consolidated Net Profit: Rs. 189.72 crore (104% increase year on year)

## **ACCOUNTING METHOD**

The Consolidated and Standalone financial statements of the Company have been prepared in accordance with the Accounting Standards notified under Sections 129 and 133 of the Act, read with the Companies (Accounts) Rules 2014, the Companies (Indian Accounting Standards) Rules, 2015, as amended, from time to time (“**Ind AS**”).

## **KEY HIGHLIGHTS**

The key performance highlights of the Company during the financial year have been provided in detail in the Management Discussion and Analysis section, which forms part of this Report.

## **MATERIAL EVENTS DURING THE YEAR**

There were no material events during the year under review. However, the Company has decided to run down the business and not make any further investments as advised by the Aditya Birla Capital Limited, Holding Company.

## **HOLDING / SUBSIDIARIES / JOINT VENTURES / ASSOCIATE COMPANY**

### **HOLDING COMPANY**

During the financial year under review, Grasim Industries Limited remains the ultimate Holding Company of your Company and Aditya Birla Capital Limited (ABCL) continues to be the Holding Company of your Company. Grasim Industries Limited and ABCL both are listed on BSE Limited, National Stock Exchange of India Limited and Luxembourg Stock Exchange.

### **SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANY**

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

### **TRANSFER TO RESERVES**

Your Company has not transferred any amount to reserves during the financial year under review.

### **DIVIDEND**

Your Directors are not recommending any dividend for the financial year under review.

### **SHARE CAPITAL**

Your Company’s Authorized Share Capital is Rs. 150 Crore as on March 31, 2025. The Issued, Subscribed and Paid-up Capital stood at Rs. 132 Crore as on March 31, 2025, consisting of 10,00,00,000 Equity shares of Rs. 10/- each aggregating to Rs. 100 Crore and 32,00,000, 0.01% Compulsorily Convertible Preference Shares (CCPS) of Rs. 100/- each aggregating to Rs. 32 Crore.

### **DEBENTURES**

During the financial year under review, your Company redeemed 479 Non-Convertible Debentures (“**NCDs**”) of Rs. 1,00,000/- each aggregating to Rs. 4,79,00,000/- (Rupee Four Crores Seventy Nine Lakhs Only). Vistra ITCL (India) Limited being Debenture Trustee for outstanding 10,028 Unlisted NCDs and Beacon Trusteeship Limited being Debenture Trustee for outstanding 6,571 Unlisted NCDs held under specific trusts.

### **DEPOSITORY**

As on March 31, 2025, the Company’s Equity shares, Preference shares and Unlisted Non-Convertible Debentures were held in dematerialized mode.

## RESOURCE MOBILISATION

The facilities/instrument wise outstanding details as at March 31, 2025 are as below:

Facility/Instrument	Amount (Rs. in crores)
Non-Convertible Debentures	227.68
<b>TOTAL</b>	<b>227.68</b>

## PUBLIC DEPOSITS

Your Company has not accepted any deposits from the public during the financial year under review in accordance with Section 73 of the Act read with the rules framed thereunder.

## CORPORATE SOCIAL RESPONSIBILITY

As per the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted a Corporate Social Responsibility (“CSR”) Committee. The CSR Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (“CSR Policy”) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy is available on the Company’s website at <https://assetreconstruction.adityabirlacapital.com/policies-of-abarc>.

The detailed report on CSR activities of the Company have been presented as per “Annexure I”.

## PARTICULARS OF LOANS GIVEN, INVESTMENT MADE, GUARANTEES GIVEN OR SECURITY PROVIDED

Your Company has not granted any loans, guarantees and / or made investments under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014.

## CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Your Company being a securitization and asset reconstruction company, is not involved in any industrial or manufacturing activities. Your Company’s activities involve very low energy consumption and therefore has no particulars to report pursuant to Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

## FOREIGN EXCHANGE EARNINGS AND OUTGOINGS

There were no foreign exchange earnings or outgoings during the financial year under review.

## MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments affecting the financial position of your Company from end of the financial year under review up to the date of this Report.

## CHANGE IN NATURE OF BUSINESS

During the financial year under review, there has been no change in the nature of business of your Company. However, the Company has decided to run down the business and not make any further investments as advised by the Aditya Birla Capital Limited, Holding Company.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the financial year under review is presented as a separate section, which forms part of this Annual Report.

## **CORPORATE GOVERNANCE**

Your Company is committed to maintaining the highest standards of Corporate Governance and Corporate Governance principles form an integral part of the core values of the Company. The Corporate Governance framework of your Company is based on an effective and independent Board, separation of the Board's supervisory role from the Senior Management team and constitution and functioning of Board Committees, as required under applicable laws.

The Board functions either as a full Board or through various Committees constituted to oversee specific functions. The Senior Management provides your Board detailed reports on the Company's performance periodically.

## **RISK MANAGEMENT**

Over the years, the Company have built a strong Risk Management Framework supported by well-established policies and procedures and a talented pool of Risk Professionals. The Company was able to face the unprecedented challenges faced in the previous few years and emerged stronger during these turbulent times due to some of these policies and framework. Creating awareness of the risks faced by the organization is an important way to manage risk and accordingly, the Company makes all efforts to create an environment of risk awareness at all levels. The Company has policies and procedures in place to identify, measure, assess, monitor, and manage these risks systematically across all its lines of businesses. The Company continually upgrades necessary security measures, including cybersecurity measures, to ensure mitigation of cyber threats and risks.

The Audit Committee of the Board provides direction to and monitors the quality of the internal audit function and controls and also monitors compliance with observation reports of RBI, other regulators and internal & statutory auditors.

## **BUSINESS CONTINUITY**

Your holding company, ABCL, has well-documented Business Continuity Management Programmes that includes its subsidiaries which have been designed to ensure continuity of critical processes during any disruption. A robust Disaster Recovery framework has been put in place to ensure uninterrupted operations and service to customers/investors.

## **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

During the financial year under review, all transactions entered into by the Company with related parties were in ordinary course of business and on an arm's length basis and were not considered material as per the provisions of Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014. Hence, disclosure in form AOC-2 under Section 134(3)(h) of the Act, read with the Rule 8 of the Companies (Accounts of Companies) Rules, 2014, is not applicable.

The details of contracts and arrangements with related parties of your Company for the financial year under review, are given in notes to the Standalone Financial Statements, which forms part of this Annual Report.

All related party transactions have been approved by the Audit Committee of your Company and are reviewed on a quarterly basis in accordance with the Related Party Transaction Policy of the Company.

## **INTERNAL FINANCIAL CONTROLS**

The Company has well-established internal control systems in place which are commensurate with the nature of their business and size, scale and complexity of their operations. Standard Operating Procedures (SOP) and Risk Control Matrices designed to provide a reasonable assurance are in place and are being continuously monitored and updated. During the year under review, no material or serious observation arose concerning inadequacy of such controls.

The effectiveness of various business processes is reviewed on a regular basis by Internal Auditors and Statutory Auditors. The observations and best practices suggested by them are reviewed by the management and Audit Committee and appropriately implemented with a view to continuously strengthen internal controls.

## **INTERNAL AUDIT AND AUDITORS**

The Company has in place an effective Internal Audit Framework to monitor the efficacy of internal controls with the objective of providing an independent and reasonable assurance on the adequacy and effectiveness of the organization's Risk Management, internal control and governance processes to the Audit Committee and the Board of Directors. The framework is commensurate with the nature of the business, size, scale and complexity of its operations with a Risk Based Internal Audit ("RBI") approach.

The Internal audit plan is approved by the Audit Committee and Independent Internal Audits are undertaken by M/s. Aneja Associates on a periodic basis to independently validate the existing controls. Internal Audit Reports are regularly reviewed by the management and corrective action is initiated to strengthen controls and enhance the effectiveness of existing systems.

Significant audit observations, if any, are presented to the Audit Committee along with the status of management actions and the progress of implementation of recommendations.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Act and to the best of their knowledge and belief and according to the information and explanations obtained from the operating management, Directors of your Company state that: -

- i) in the preparation of the Annual Accounts for the financial year ended March 31, 2025, the applicable accounting standards had been followed and there were no material departures from the same;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2025 and of the profit of the Company for financial year ended on that date;
- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors had prepared the Annual Accounts on a 'going concern basis'; and
- v) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **APPOINTMENT / RESIGNATION OF DIRECTORS**

As on March 31, 2025, the Board of your Company comprised of Five Directors which included Two Non-Executive Directors and Three Independent Directors. All Directors are liable to retire by rotation except Independent Directors.

During the financial year under review, Mrs. Vishakha Mulye (DIN: 00203578) resigned as the Non-Executive Director with effect from May 24, 2024 and Mr. Ravi Venkatraman (DIN: 00307328) resigned as the Non-Executive Independent Director with effect from November 18, 2024.

Further, Mr. Kumar Sharadindu (DIN: 07341455) has been appointed as an Additional Non-Executive Independent Director with effect from February 03, 2025, being the date of receipt of RBI's approval.

## **RETIREMENT BY ROTATION**

Section 152 of the Act provides that unless the Articles of Association provide for retirement of all directors at every Annual General Meeting, not less than two-third of the total number of directors of a public company (excluding the Independent Directors) shall be persons whose period of office is liable to determination by retirement of directors by rotation, of which one-third are liable to retire by rotation. Accordingly, Mr. Tushar Shah (DIN: 00239762), Non-Executive Director, retires from the Board by rotation this year and being eligible, offers himself for re-appointment at the 8<sup>th</sup> AGM.

A detailed profile of Mr. Tushar Shahs is provided in the Notice of the 8<sup>th</sup> AGM.

## **DECLARATION BY INDEPENDENT DIRECTOR(S)**

All Independent Directors have submitted their declaration of independence, pursuant to the provisions of Section 149(7) of the Act, stating that they meet the criteria of independence as provided in Section 149(6) of the Act and they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. The Board is of the opinion that the Independent Directors are persons of integrity and possess relevant expertise, proficiency and experience.

The Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019 effective from December 1, 2019 require the Independent Directors for inclusion of their names with the Independent Directors Databank maintained by Indian Institute of Corporate Affairs. In compliance with Rule 1 and Rule 2 of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, the Independent Directors have submitted a declaration that they have registered their names in the Independent Director's Databank.

## **KEY MANAGERIAL PERSONNEL**

In terms of the provisions of Sections 2 (51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Sanjay Jain, Chief Executive Officer, and Ms. Sucheta Chaturvedi, Company Secretary, are the Key Managerial Personnel of your Company as of March 31, 2025.

During the financial year under review, Mr. Sandeep Somani (PAN: BBTPS4835A), resigned from the position of Chief Financial Officer with effect from January 04, 2025. After the close of financial Year, Mr. Ankur Garg was appointed as the Chief Financial Officer with effect from May 09, 2025.

## **ANNUAL PERFORMANCE EVALUATION**

The evaluation framework for assessing the performance of the Directors and Chief Executive Officer ("CEO") of the Company comprises contributions at the Meeting(s) and strategic perspective or inputs regarding the growth and performance of the Company provided by them, amongst others.

The Directors completed questionnaires providing feedback on functioning of the Board and Committees.

Pursuant to the provisions of the Act and in terms of the Framework of the Board Performance Evaluation, an annual performance evaluation of the Board, committees, individual Directors and CEO was carried out.

## **Outcome of the Evaluation**

The Board of the Company was satisfied with the functioning of the Board and its Committees. Non-Executive Directors and Independent Directors demonstrate a strong understanding of the Company and its requirements. They keep themselves current on the areas to be discussed at the Board Meetings. The Committees are functioning well and besides covering the Committees' terms of reference, as mandated by applicable laws, important issues are brought up and discussed in the Committee Meetings. The Board was also satisfied with the contribution of Directors in their individual capacities. The Board has full faith in the Chairman leading the Board effectively and ensuring participation and contribution from all the Board Members.

## **MEETINGS OF THE BOARD AND ITS COMMITTEE(S)**

### **BOARD**

The Board meets at regular intervals to discuss and decide on the Company's performance and strategies. During the year under review, the Board met Six times and its meetings were held on April 26, 2024, May 24, 2024, July 16, 2024, October 18, 2024, January 14, 2025 and March 31, 2025.

### **COMMITTEE(S)**

Your Board has constituted various Committees with specific terms of reference as per the requirements of the Act and other applicable Laws/ Regulations. The Board Committees play a vital role in the effective compliance and governance of the Company in line with their specified and distinct terms of reference and role and responsibilities. The Chairman of the respective Committees report to the Board on the deliberations and decisions taken by the Committees and conduct themselves under the supervision of the Board. The minutes of the Meetings of all Committees are placed before the Board for its perusal on a regular basis.

#### **Audit Committee**

The Board has constituted an Audit Committee in February 2021, which acts as a link between the Management, the Statutory and Internal Auditors and the Board. Its composition, powers, role and scope are in accordance with the applicable provisions of Section 177 of the Act.

The Audit Committee of the Board comprises of three Directors out of which two are Independent Directors. As on March 31, 2025, the composition of Audit Committee consists of Mr. S Ravi, Chairman & Independent Director, Mr. Sharad Bhatia, Independent Director and Mrs. Pinky Mehta, Non-Executive Director.

During the financial year under review, the Audit Committee met four times and its meetings were held on April 26, 2024, July 16, 2024, October 18, 2024 and January 14, 2025.

#### **Nomination and Remuneration Committee**

The Board has constituted a Nomination and Remuneration Committee in February 2021. The Composition of the committee is in line with the provisions of Section 178 of the Act.

The Committee is mainly entrusted with the responsibility of formulating criteria for determining the qualifications, positive attributes and independence of the present and proposed Directors, to formulate appropriate policies, institute processes which enable the identification of individuals who are qualified to become Directors and who may be appointed in senior Management, and recommend to the Board their appointment and removal, if and when required and to recommend to the Board a policy, relating to the remuneration for the directors and key managerial personnel and other employees. The said policy is attached as “**Annexure II**” and also placed on the webpage of the Company at <https://assetreconstruction.adityabirlacapital.com/Policies-of-ABARC>

The Nomination and Remuneration Committee comprises of three Directors out of which two are Independent Directors. As on March 31, 2025, the composition of Nomination and Remuneration Committee consists of Mr. Sharad Bhatia, Chairman & Independent Director, Mr. S Ravi, Independent Director and Mr. Tushar Shah, Non-Executive Director.

During the financial year under review, the Nomination and Remuneration Committee met twice on April 26, 2024, and July 16, 2024.

#### **Asset Acquisition and Resolution Committee (“AARC”)**

AARC has been constituted to assess, review, evaluate and approve any acquisition and / or resolution of any financial assets pursuant to the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, RBI guidelines and policies and procedures of the Company.

During the financial year under review, AARC met once on December 18, 2024.

#### **Finance Committee (“FC”)**

The Finance Committee has been constituted to issue any securities of the Company and to borrow monies, pursuant to the approval received from the Board and Members of the Company.

During the financial year under review, the Finance Committee met six times on April 05, 2024, June 05, 2024, July 05, 2024, August 26, 2024, October 07, 2024, and January 06, 2025.

#### **Corporate Social Responsibility Committee (“CSR”)**

The Board has constituted CSR Committee on June 19, 2024 pursuant to the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014 for formulation and monitoring of the CSR policy of the Company which indicates the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 (‘the Act’) and recommendation of the amount of expenditure to be incurred on these activities. the composition of Corporate Social Responsibility Committee consists of Mr. Tushar Shah, Chairman & Non-Executive Director, Mr. Sharad Bhatia, Independent Director and Mrs. Pinky Mehta, Non-Executive Director.

During the financial year under review, the CSR committee met once on July 01, 2024.

#### **Information Technology and Strategy Committee (“ITSC”)**

The Board has constituted an ITSC at their meeting held May 24, 2024, to formulate IT strategy and related policy documents, ensure that IT strategy is aligned with business strategy, review IT risks, etc. and to carry out review and amend the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements and any other matter related to IT Governance.

The composition of ITSC consists of Mr. S Ravi, Chairman & Independent Director, Mr. Tushar Shah, Non-Executive Director and Mrs. Pinky Mehta, Non-Executive Director.

During the financial year under review, the ITSC meetings were not held. The ITSC meeting was held on May 09, 2025

### **Separate Meeting of Independent Directors**

In accordance with the provisions of Schedule IV of the Act, and Clause 2.3 of the Secretarial Standard on the Meetings of Board of Directors, a Meeting of the Independent Directors of your Company was held on March 27, 2025 without the presence of the Non-Independent Directors and the Members of the Management. The Meeting was attended by all the Independent Directors.

### **Mode of Conducting Meetings**

Video-conferencing facility is provided to enable the directors present at other locations to be able to participate in the meetings. The same is conducted in due compliance with the applicable laws.

With a view to save paper and support sustainability all the documents relating to a meeting, including agenda and explanatory notes are circulated to the directors / committee members in electronic form.

### **ANNUAL RETURN**

Pursuant to Section 134(3)(a) and Section 92(4) of the Act the Annual Return in Form MGT-7 for financial year 2024-2025 is uploaded on the Company's webpage <https://assetreconstruction.adityabirlacapital.com/investors-information/financial-reports>

### **AUDITORS**

#### **STATUTORY AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS**

M/s CNK & Associates LLP (Firm Membership no.: 101961 W/ W-100036) Chartered Accountants, Mumbai were re-appointed as Statutory Auditors of the Company for a period of 3 (Three) years from the conclusion of 7<sup>th</sup> AGM held on 2024.

The observation(s) made in the Auditor's Report are self-explanatory and therefore, do not call for any further comments under Section 134(3)(f) of the Act.

The Auditor's Report does not contain any qualifications, reservations, adverse remarks or disclaimer. Under Section 143(12) of the Act, the Statutory Auditors have not reported to the Board any incidents of fraud during the financial year under review.

#### **SECRETARIAL AUDITOR**

Pursuant to the requirements of Section 204(1) of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had appointed M/s. BNP & Associates, Practicing Company Secretaries, to conduct the Secretarial Audit for the financial year under review. The Secretarial Audit Report in Form MR-3 for the financial year under review, as received from M/s. BNP & Associates, Practicing Company Secretaries, is attached as "**Annexure III**" to the Board's Report.

The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

## **COST RECORDS AND AUDITORS**

The provisions of Cost Records and Cost Audit, as prescribed under Section 148 of the Act, are not applicable to the Company.

## **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

Your Company has not declared any dividend during the previous financial years and accordingly, the provision of Section 125 (2) of the Act regarding transfer of unclaimed dividend is not applicable.

## **WHISTLE BLOWER POLICY / VIGIL MECHANISM**

In compliance with the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 the Company has formulated a Whistle Blower Policy / vigil mechanism for Directors and Employees to report concerns and is attached as “**Annexure IV**”.

## **POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

Your Company has in place a policy which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints, if any, received regarding sexual harassment of women. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. We further state that during the financial year under review, there were no complaints received / cases filed / cases pending under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **HUMAN RESOURCES**

The Company is steadfast in its commitment to fostering an organization and workplace that attracts, retains, and nurtures exceptional talent. Our vision to emerge as a leader and role model within the integrated financial services industry, underpinned by a purpose-driven culture, provides our employees with meaningful and impactful work. We firmly believe that the true essence of meaningful work is cultivated when employees align with the organization’s overarching mission, engage with leadership, and experience a profound sense of belonging.

Our strategic focus remains on creating an inclusive and diverse work environment that not only embraces differences but also fosters positive relationships. We are dedicated to providing challenging opportunities and merit-based pathways for growth, enabling employees to shape fulfilling careers in accordance with their individual aspirations.

As on 31st March 2025, the employee strength of the Company has reduced from 11 to 6 due to our plans to run down the business and not make further investments.

## **TALENT MANAGEMENT & SUCCESSION PLANNING**

The Aditya Birla Group talent management strategy is carefully crafted to build a resilient and future-ready talent pool while fortifying our leadership succession pipeline. We prioritize the identification and development of high-potential, high-performing individuals through comprehensive, forward-thinking development programs. The ultimate objective is to cultivate leaders who are not only driven by a commitment to customer value but also demonstrate excellence in execution. Furthermore, we place a strong emphasis on equipping our workforce with skills that are critical for the future, particularly in Digital, Technology, Risk, and Analytics, through various strategic initiatives and global partnerships.

## **SECRETARIAL STANDARDS OF INSTITUTE OF COMPANY SECRETARIES OF INDIA**

Your Company is in compliance with the Secretarial Standards specified by the Institute of Company Secretaries of India ("ICSI") on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

## **CODE FOR PROHIBITION OF INSIDER TRADING**

Pursuant to SEBI (Prohibition of Insider Trading) Regulations 2015, as amended from time to time, your Company has a Board approved Code of Conduct to regulate, monitor and report trading by insiders and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The same is displayed on the webpage <https://assetreconstruction.adityabirlacapital.com/Policies-of-ABARC>

## **OTHER DISCLOSURES**

In terms of the applicable provisions of the Act, your Company discloses that during the financial year under review:

- i. There was no issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- ii. There was no scheme for provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- iii. There was no public issue, rights issue, bonus issue or preferential issue, etc. save and except as disclosed in this Report.
- iv. There was no Issue of shares with differential rights.
- v. There were no orders passed by the Regulators or Hon'ble Courts or Tribunals which impact the going concern status and Company's operations in future.
- vi. There were no proceeding(s) for Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.
- vii. There was no failure to implement any Corporate Action.
- viii. There was no instance of one-time settlement with any Bank or Financial Institution.

## **ACKNOWLEDGEMENTS**

The Directors take this opportunity to express their appreciation for the support and co-operation extended by our various partners and other business associates. The Directors gratefully acknowledge the ongoing co-operation and support provided by all Regulatory bodies.

The Directors place on record their appreciation for the exemplary contribution made by the employees of the Company at all levels. Their dedicated efforts and enthusiasm have been pivotal to your Company's growth.

The Board also acknowledges the contribution of Company's bankers, shareholders, the Registrars and Depositories who have always supported and helped the Company to achieve its objectives.

For and on behalf of the Board of Directors  
**Aditya Birla ARC Limited**

Date : May 09, 2025

Place : Mumbai

**Tushar Shah**  
**Director**  
**[DIN: 00239762]**

**Pinky Mehta**  
**Director**  
**[DIN: 00020429]**

## Management Discussion & Analysis

### INDUSTRY STRUCTURE AND DEVELOPMENTS

In FY25, the global economy navigated a complex landscape shaped by several key factors, including geopolitical tensions, inflationary pressures and ongoing shifts in the balance of power across different regions. While there is optimism about economic growth, several challenges remain, including supply chain disruptions, rising debt levels, and the consequences of climate change.

Against an uncertain global backdrop, the Indian economy exhibited steady growth, underpinned by solid macroeconomic fundamentals and strong domestic growth drivers. The domestic financial system is demonstrating resilience, supported by healthy balance sheets of banks and non-banks, and fortified by strong capital buffers, robust earnings and improving asset quality. However, there are certain areas of concern - sticky inflation; unemployment; rising stress in retail loans which can have an adverse impact on the economy.

The resilience shown by the domestic financial system can be seen in the strong operating performance of the banking sector. While the credit growth is expected to moderate to ~11% in FY25 (as against ~16% in FY24), gross non-performing assets ("**GNPAs**") have witnessed substantial reduction. As per RBI, GNPAs have declined to 12 year low of 2.6% in September 2024 from 3.9% in March 2023. Strong operating profitability has helped banks to maintain healthy provisioning levels resulting in net non-performing assets declining to 0.6% as of September 2024.

Owing to the substantially low GNPAs and strengthened corporate balance sheets, the ARC industry witnessed moderate levels of business activity during the year. Banks/NBFCs showcased assets worth over Rs.2.25 Lakh Cr (~Rs.1.5 Lakh Cr in FY24) comprising of ~Rs.1.75 Lakh Cr of corporate cases and ~Rs.0.50 Lakh Cr of retail/SME cases for sale to ARCs. The industry acquired assets of ~Rs.1.75 Lakh Cr for a total acquisition price of ~Rs.37,000 Cr. During the year, the Government backed NARCL was extremely active and acquired several cases with dues of ~Rs.63,000 Cr for a total acquisition price of ~Rs.15,000 Cr.

### OPPORTUNITIES AND THREATS FOR THE COMPANY

GNPAs have been declining in terms of % for the last few years and now stand below 3% and net NPA below 1% as of September 2024. The banks have been able to resolve majority of the non-performing loans in the past few years thanks to strong economic environment and/ or through sale of assets to ARCs. However, the absolute number of GNPAs with banks still remains high at ~Rs.4.5 lakh Cr. Further, banks have separate pools of technically written off accounts worth ~Rs.4 lakh Cr. We noticed that the banks off late are not very keen to sale assets to ARCs due to their higher profitability which gives them luxury of continuing with NPAs and low addition to NPL pool.

The Company started its operations in the second half of FY19. The Company followed a differentiated business model with a view to providing complete solutions to its customers. Towards this, we worked very closely with our customers, be it strategic investors or existing sponsors, for improvement in the operating and financial performance of the assisted unit. The Company focused on acquisition of large corporate assets with visibility of operational and financial turnaround.

Stable economic growth coupled with strengthened balance sheets have led to substantial reduction in GNPA levels. While there has been some uptick in retail NPAs, opportunities in the corporate segment (Company's target market) have dried up. Additionally, private ARCs are facing significant challenges from government backed National Asset Reconstruction Company Limited ("**NARCL**") for corporate NPAs due to the government guarantee provided for security receipts issued by NARCL.

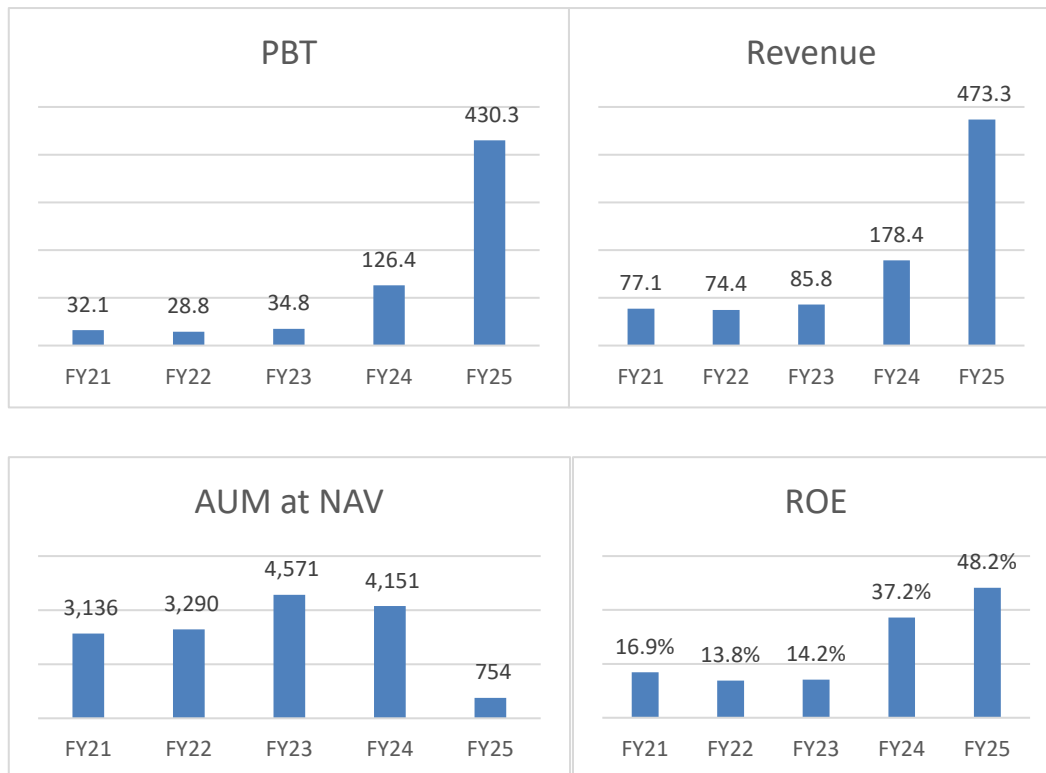
## FINANCIAL AND OPERATING PERFORMANCE

The Company has acquired total debt of over Rs 23,150 Cr from the banks for acquisition price of Rs 6,433 Cr across 11 trusts since inception till date. The outstanding AUM based on NAV at the year end is Rs 754 Cr. The performance of all the borrowers whose debt has been acquired by the Company has been satisfactory. The value of all the outstanding Security Receipts (SR's) of the trust are rated R1+ from the external rating agencies. The rating indicates the recovery of more than 100% from the borrower. During the year, the Company has recovered Rs 9,943.21 Cr from the borrowers.

The Company has delivered good financial performance from very first year of its operations. The revenue from operations of the Company mainly comprises of two components i.e., i) Trust Management fees and ii) Investment Income on its share of investment in stressed assets. The total income of the Company for the year was Rs 473.33 crores and has shown significantly high growth rate of 165% from FY24.

The expenses of the Company are mainly towards i) Employee cost; ii) Operating expenses and iii) Interest cost. Our total expenses for the year were Rs 43.01 Cr decreased by 17% from FY24.

During the year, pursuant to the growth in operating income, profit before tax have shown a growth of 240% from FY24. The key parameters of financial and operating performance are mentioned below:



## **Outlook for FY2026**

Strengthened balance sheets coupled with healthy economic prospects have led to significant reduction in GNPA's. Asset quality of scheduled commercial banks is on a declining trend with GNPA ratio falling to a 12 year low of 2.6% in September 2024. Lower GNPA ratio/fresh slippages have led to fewer opportunities in the corporate NPA segment. Additionally, private ARCs are finding it difficult to compete with government backed NARCL for corporate accounts due to its guarantee backed security receipt model. This has led to private ARCs shifting their focus to retail NPAs where there is a build-up in stressed accounts. The Company has always focused on acquiring large corporate NPAs which have declined substantially over the last few years.

In 2025, Aditya Birla Capital Limited ("**ABCL**"), our holding company, got its subsidiary – Aditya Birla Finance Limited (RBI regulated NBFC) merged with itself. In view of the merger and pursuant to discussions with RBI, ABCL advised us that it will not make any further investments into our Company. Therefore, it has been decided by us to run down the business.

## Report on CSR Activities

- Brief outline on CSR Policy of the Company:** CSR Policy of the Company is enunciated in accordance with Section 135 of Companies Act, 2013 read with Corporate Social Responsibility Rules, 2014 (as amended from time to time) and CSR Voluntary Guidelines issued by Ministry of Corporate Affairs.

For us reaching out to underserved communities is part of our DNA. We believe in the trusteeship concept. This entails transcending business interests and grappling with the “quality of life” challenges that underserved communities face and working towards making a meaningful difference to them.

Our CSR Activities are undertaken broadly in the area of ‘Education’, ‘Health Care’, ‘Sustainable Livelihood’, ‘Infrastructure Development,’ ‘Social Change’. Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care.

The Company believes and acts on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

- Composition of CSR Committee:**

Sl. No.	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of CSR Committee meetings attended during the year
1.	Mr. Tushar Shah	Chairman	1	1
2.	Mr. Sharadkumar Bhatia	Member	1	1
3.	Mrs. Pinky Mehta	Member	1	1

- Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.  
<https://assetreconstruction.adityabirlacapital.com/policies-of-abarc>
- Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.: Impact assessment under Rule 8(3) is not applicable to the Company.

5.

a. Average net profit of the company as per sub-section (5) of section 135:

Year	Profit before tax
FY 2021-22	(7,36,83,000)
FY 2022-23	56,86,38,000
FY 2023-24	56,01,97,000
<b>Total</b>	<b>1,05,51,52,000</b>

b. Two percent of average net profit of the company as per sub-section (5) of section 135:  
Rs. 70,35,000

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: Rs. 8,83,000

e. Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs. 61,52,000

6.

(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):  
Other than Ongoing Project - Rs. 61,52,000

(b) Amount spent in Administrative Overheads: NIL

(c) Amount spent on Impact Assessment, if applicable: NIL

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs. 61,52,000

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

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total 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 sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
61,52,000	NIL	NIL	NIL	NIL	NIL

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

SI. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	70,35,000
(ii)	Total amount spent for the Financial Year	61,52,000
(iii)	Excess brought forward from previous Financial Year	8,83,000
(iv)	Excess amount spent for the Financial Year	NIL
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(vi)	Amount available for set off in succeeding Financial Years	NIL

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: NIL

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of Transfer		
1	FY-1	NA	NA	NA	NA	NA	NA	NA
2	FY-2	NA	NA	NA	NA	NA	NA	NA
3	FY-3	NA	NA	NA	NA	NA	NA	NA

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

If Yes, enter the number of Capital assets created/ acquired: **Not applicable**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **Not applicable**

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.: **Not applicable, the Company had spent two per cent of average net profit as per sub-section (5) of section 135 for the financial year 2024-25.**

**For Aditya Birla ARC Limited**

**Sanjay Jain**  
**Chief Executive Officer**

## Executive Remuneration Policy

### Introduction

Aditya Birla Group Company adopts this Executive Remuneration Philosophy/ Policy in accordance with the applicable regulations from time to time including the Companies Act 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") and other applicable regulations. This philosophy/ policy is detailed below.

At Aditya Birla ARC Limited, we expect our executive team to foster a culture of growth and prudent risk-taking.

Our Executive Remuneration Philosophy / Policy supports the design of programs that align executive rewards (including fixed pay, variable pay and perquisites and benefits) with the long-term success of our stakeholders.

### Objective

Our executive remuneration program is intended to:

1. Provide for monetary and non-monetary remuneration elements to our executives on a holistic basis.
2. To ensure effective governance of compensation practices and alignment with prudent risk taking.
3. To ensure that the compensation practices take on board the regulatory framework stipulated from time to time by any relevant regulatory body.

### Coverage

This Policy shall be applicable to the following Executives: 1. Executive Director of the Company 2. Key Managerial Personnel (KMP) a) CEO / Managing Director / Whole Time Director / Manager b) Chief Financial Officer c) Company Secretary 3. Senior Management Personnel: i.e., Officers / Personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Managing Director /Whole Time Director / CEO or Manager.

### Governance Structure for Compensation

1. The Nomination, Remuneration and Compensation Committee ("NRC") is responsible for framing, review and implementation of the Company's compensation policy on behalf of the Board and its role is as set out in the NRC Charter / Terms of Reference.
2. The NRC may also co-ordinate with the Risk Management Committee with the objective of suitably aligning compensation with prudent risk taking as applicable.
3. This Policy is subject to review by the NRC on an annual basis or more frequently as required and approved by the Board.

### Principles for Determination of Compensation for Executives

**Compensation to Executives shall be determined based on the following principles:** We aim to provide competitive remuneration opportunities to our executives by positioning target total remuneration (including fixed pay, variable pay and perquisites and benefits) directionally between median and top quartile of the primary talent market.

1. The level and composition of compensation is reasonable and sufficient to attract, retain and motivate the Executives of the quality required to run the Company successfully, which means compensation takes on board:

- Market competitiveness for the role ('market' for every role is defined as companies from which the Company attracts talent or companies to which the Company loses talent).
  - The size and scope of the role (including those in control functions) and the market standing, skills and experience of incumbents while positioning our executives.
  - The size of the Company, complexity of the sector / industry / Company's operations and the Company's capacity to pay.
2. Linkage of compensation to appropriate performance benchmarks.
  3. Compensation outcomes are symmetric with risk outcomes and pay-outs thereof are sensitive to the time horizon of the risk.
  4. Compensation structure will have a proper balance between Fixed Pay and Variable Pay.

### **Executive Pay-Mix**

Our executive pay-mix aims to strike the appropriate balance between key components: i.

- i. Fixed Pay: Comprising of Basic Salary, Allowances, Retirals and other benefits and will include imputed value of benefits like Housing and Car. It also includes cost of retirals such as Company's contribution to PF, Gratuity, superannuation and pension [Including National Pension System (NPS)].
- ii. Variable Pay: Includes Performance bonus/Annual Incentive, Long Term Incentive Pay in form of cash bonuses, all share-linked instruments (e.g. ESOP, SARS, etc.). (The deterioration in the financial performance of the Company / business segment/ function/ individual can lead to a contraction in the total amount of variable pay, which can even be reduced to zero for a particular year depending on the performance outcome of the year.)
- iii. Perquisite & Benefits: Perquisite Pay / Benefits are over and above Fixed Pay and include Medical Benefit; Life Insurance Benefit; Personal Accident Benefit; etc. These broad-based plans may be applicable to all employees or select group of employees. In addition to these broad-based plans, Executives are eligible for perquisites and benefits plans commensurate with their roles. These benefits are designed to encourage long-term careers with the Company / Group.
- iv. Other Elements: Which includes Joining/ Sign on Bonus, Severance package, Deferred Incentive Plans, etc.

### **Salient features of the compensation structure**

- The proportion of variable pay to fixed pay is higher at senior levels and varies across roles based on levels of responsibility.
- Variable Pay payable is subject to Group, Company, Business / Function and Individual performance. Part of variable pay is deferred over a time horizon of 3 to 4 years in the manner determined by NRC / Board. This may be in the form of cash and non-cash components of the variable pay.
- We aim that the remuneration programs do not encourage excessive risk taking. We review our remuneration programs keeping in mind the balance between risk and payout and material portion of the variable pay is deferred spread over three to four years in line with the risk involved.

## **Malus and Clawback**

The Company believes in sustained business performance in tandem with prudent risk taking.

**Malus** arrangement permits the Company to prevent vesting of all or part of the variable pay which has been deferred.

It does not reverse vesting after it has already occurred.

**Clawback** is a contractual agreement between the employee and the Company in which the employee agrees to return previously paid or vested compensation attributable to a given reference year.

Malus and clawback is applicable to employees even after their separation from the organisation.

Malus and clawback may be applied for circumstances like gross and/ or wilful negligence in performance of their duty or has committed fraud or has performed an act with malefice intent or obstructs the functioning of an organisation; misconduct; Material breach of Code of Conduct, any Non-Disclosure Agreement, regulatory procedures, internal rules and regulations and any other additional circumstances as determined by NRC.

In deciding the application of malus / clawback to any part or all of variable pay or incentives (whether paid, vested or unvested), the NRC will follow due process and adhere to the principles of natural justice and proportionality. Further, in assessing the quantum of cancellation / withdrawal, the NRC will take into consideration all relevant factors, including inter alia, internal factors such as role and responsibilities of the employee, culpability and proximity to the misconduct as well as any external factors, including but not restricted to situations, that may have been beyond the control of the concerned employee

**FORM NO. MR - 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2025**  
**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies**  
**(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members,  
**Aditya Birla ARC Limited**  
18th Floor, One World Centre  
Jupiter Mill Compound,  
841, S B Marg,  
Mumbai 400013

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Aditya Birla ARC Limited [CIN: U65999MH2017PLC292331] (hereinafter called the "Company") for the audit period from April 1, 2024 to March 31, 2025, ('the year'/'audit period'/'period under review'/'review period').

We have conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts / statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i) our verification of the books, papers, minute books, soft copies as provided by the Company and other records maintained by the Company and furnished to us, forms/ returns filed and compliance related action taken by the Company during the financial year ended March 31, 2025 as well as before the date of issue of this report,
- (ii) Compliance Certificates confirming Compliance with all laws applicable to the Company given by Key Managerial Personnel / Senior managerial Personnel of the Company and taken on record by Audit Committee / Board of Directors, and
- (iii) Representations made, documents shown, and information provided by the Company, its officers, agents, and authorized representatives during our conduct of Secretarial Audit.

The members are requested to read this Report, along with our letter of even date annexed to this report as **Annexure- A**

We hereby report that in our opinion, during the audit period covering the financial year ended on March 31, 2025, the Company has:

- (i) Complied with the statutory provisions listed hereunder, and
- (ii) Board-processes and compliance mechanism are in place to the extent, in the manner and subject to the reporting made hereinafter.

#### **1. Compliance with specific statutory provisions**

We further report that:

1.1. We have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions/ clauses of:

- i. The Companies Act, 2013 ("the Act") and the Rules framed thereunder subject to our observation

in Para 2.2 below.;

- ii. The Securities Contracts (Regulation) Act, 1956 and the Rules framed thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015;\*
- v. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment;
- vi. Secretarial Standards relating to meetings of the Board and its Committees issued by The Institute of Company Secretaries of India ("Secretarial Standards") and notified by the Central Government under Section 118(10) of the Act which have mandatory application.

\*The Company being a subsidiary of Aditya Birla Capital Limited (ABCL), is covered by the Code of Conduct of ABCL, as per regulation 2 (1)(d) under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 some of its designated employees are covered under the above Code.

1.2. During the period under review, and also considering the compliance related action taken by the Company after March 31, 2025, but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:

- i. Complied with the applicable provisions/clauses of the Act, Rules and Regulation mentioned under paragraph 1.1 above.
- ii. Complied with the applicable provisions/ clauses of:
  - a) The Act and rules mentioned under paragraph 1.1 (i); and
  - b) The Secretarial Standards on meetings of the Board of Directors (SS-1) and Secretarial standards on General Meetings (SS-2), mentioned under paragraph 1.1 (v) above to the extent applicable to the meetings of the Board and its Committees held during the review period, the 7th Annual General Meeting held on July 22, 2024 (AGM). The Compliance of the provisions of the Rules made under the Act with regard to the meetings of the Board and its Committees held through video conferencing and physical mode, during the review period were verified based on the minutes of the meetings provided by the Company.

1.3. We are informed that, during the year, the Company was not required to initiate any compliance related action in respect of the following laws/rules/regulations/standards, and was consequently not required to maintain any books, papers, minute books or other records or file any form/ returns thereunder:

- i. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings;
- ii. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992: -
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - c) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and

g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

1.4. We have also examined, on test-check basis, the relevant documents and records maintained by the Company and provided to us with respect to the following Statute which is applicable to the Company:

- a) The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) and Guidelines, Notifications & Circulars as may be applicable.
- b) Guidelines, Notifications and Circulars as driven by the Reserve Bank of India to such Asset Reconstruction Companies (ARCs).
- c) The Indian Trusts Act, 1980.

## 2. Board processes

We further report that

2.1. The Board of Directors of the Company and Key Managerial Personnel as on March 31, 2025, comprised of:

- i. Mr. Sethurathnam Ravi (DIN – 00009790) Non-Executive Independent Director
- ii. Mr. Sharadkumar Bhatia (DIN – 07327383) Non-Executive Independent Director
- iii. Mr. Tushar Harendra Shah (DIN – 00239762) Non-Executive Non -Independent Director
- iv. Ms. Pinky Atul Mehta (DIN – 00020429) Non-Executive Non - Independent Director
- v. Mr. Kumar Sharadindu (DIN – 07341455) Non-Executive Independent Director
- vi. Mr. Sanjay Kumar Jain - Chief Executive Officer
- vii. Ms. Sucheta Chaturvedi – Company Secretary

2.2. We further report that the processes relating to the following changes in the composition of the Board of Directors during the year were carried out in compliance with the provisions of the Act:

- i. Re-appointment of Ms. Pinky Atul Mehta (DIN: 00020429) as a Non-Executive Non-Independent Director, liable to retire by rotation, at the 7<sup>th</sup> Annual General Meeting held on July 22, 2024.
- ii. Cessation of Mr. Ravi Venkatraman (DIN: 00307328) as a Non-Executive Independent Director, with effect from November 18, 2024 due to resignation.
- iii. Cessation of Ms. Vishakha Vivek Mulye (DIN: 00203578) as a Non-Executive Non-Independent Director, with effect from May 24, 2024 due to resignation.
- iv. Cessation of Mr. Sandeep Somani as a Chief Financial Officer, with effect from January 04, 2025 due to resignation.
- v. Appointment of Mr. Kumar Sharadindu (DIN: 07341455) as an Additional Non-Executive Independent Director of the Company for a first term of a period of 5 (five) years, commencing from the date of letter of approval from the Reserve Bank of India i.e. February 03, 2025, up to February 02, 2030, and appointment to be made within 6 (six) months from the letter approval of the RBI and subject to approval of shareholders at the ensuing Annual General Meeting of the Company.

2.3. Adequate notice was given to all Directors of the Company to schedule the Meetings of the Board and its Committees. Agenda and detailed notes on Agenda were sent at least 7 (seven) days in advance, and where the same were given at a notice shorter than seven days, there was

due compliance under the Act.

2.4. A system exists for Directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the Meetings.

2.5. Decisions at the Meetings of the Board of Directors of the Company and its Committees were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors and its Committees during the Audit Period.

### **3. Compliance mechanism**

There are reasonably adequate systems and processes in the Company, commensurate with the Company's size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and we have relied on the declarations provided by the Company in this regard. There is scope for further improvement in the compliance systems and processes, commensurate with the increasing statutory requirements and growth in operations.

### **4. Specific event(s)/action(s)**

During the year, there was no specific event/action having a major bearing on the Company's affairs, in pursuance of the above referred laws, rules, regulations and standards.

a) Subsequent to the Inspection conducted by the Reserve Bank of India (RBI) on the operations of the Company during the FY 23-24, on April 25, 2024, during the period under audit, the RBI has made certain observations in respect of which the Company has ensured due compliance.

b) The Company has appointed M/s. CNK & Associates Co. LLP, (ICAI Firm Registration No. 101961 W/ W-100036) Chartered Accountants, as Statutory Auditors of the Company for a second term of 3 (three) consecutive years commencing from FY 2024-25 to FY 2026-27.

**Place: Mumbai**  
**Date: May 09, 2025**

**Venkataraman K**  
**Partner**  
**ACS:8897/COP:12459**  
**For BNP & Associates**  
**Company Secretaries**  
**Firm Reg No: P2014MH037400**  
**Peer Review No.-6316/2024**  
**UDIN: A08897G000305435**

## **Annexure A to the Secretarial Audit Report for the year ended March 31, 2025**

To,  
The Members,  
**Aditya Birla ARC Limited**

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after March 31, 2025, but before the issue of this report.
4. We have considered compliance related actions taken by the Company based on independent legal /professional opinion obtained as being in compliance with law.
5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed, provides a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
7. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
8. Our 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.

**Place: Mumbai**  
**Date: May 09, 2025**

**Venkataraman K**  
**Partner ACS:8897/COP:12459**  
**For BNP & Associates Company Secretaries**  
**Firm Reg No: P2014MH037400**  
**Peer Review No.-6316/2024**  
**UDIN: A08897G000305435**

## Whistle Blower Policy

### 1. Preamble

- 1.1. The Aditya Birla Group Values of Integrity, Commitment, Passion, Seamlessness, and Speed are the foundation for all our actions and for the decisions we take. They set standards for the organization and for employee conduct. Being a part of Aditya Birla Group & Aditya Birla Capital Limited (ABCL), Aditya Birla ARC Limited (ABARC) are fully committed towards implementing the above-mentioned values.
- 1.2. This policy lists down broadly the identifiable and non-negotiable set of actions/behaviour applicable to all employees across Aditya Birla ARC Limited (ABARC). It provides direction and explains how to report violations/ potential violations of the values and/or the ABCL Code of Conduct and the process of grievance redressal.
- 1.3. All employees of ABARC must practice honesty and integrity in their respective functions and comply with all applicable policies, procedures, laws and regulations in letter and spirit.

### 2. Purpose of this Policy

- 2.1. To encourage the employees, directors, or any party to report unethical behaviours, malpractices, wrongful conduct, fraud, violation of the company's policies & values, violation of law by any employee of ARC without any fear of retaliation. Any employee or party who in good faith reports such behaviours, malpractices will be called as Whistleblower (WB).
- 2.2. To build and strengthen a culture of transparency and trust within the organization.
- 2.3. The policy provides an environment that promotes responsibility and protects whistle blowing. It reminds Employees and Directors about their duty to report any suspected violation of any law and any suspected violation of the Group Values or the ABCL Code of Conduct.

Above all, it is a dynamic source of information about what may be going wrong at various levels within ABARC, which will help ABARC in realigning various processes and to take corrective actions as part of good governance practice.

### 3. Objective

This policy seeks the support of employees, directors and any party affiliated with ABARC to be whistleblowers by reporting significant deviations from key management policies and report any non-compliance and wrong practices, e.g., unethical behaviour, fraud, violation of law, etc.

### 4. Applicability

- 4.1. This policy applies to all employees of ABARC (including outsourced, temporary and on contract personnel) as well as any party who is / was affiliated with the company\*, (hereinafter referred to as 'Whistleblower')
- 4.2. This policy supersedes any other local & company level whistleblower policy that exists. This policy shall be applicable to all offices of ABARC and places where business is conducted/transacted/discussed, which includes but is not limited to offices, branches, hotels, guest houses and conference halls.

### 5. Who is a whistleblower (WB)?

Any Employee, Director or any party who is affiliated to ABARC business who discloses or demonstrates evidence of an unethical activity or any conduct that may constitute breach of the Group's/Group Company's Code of Conduct or the Group Values. This whistleblower has come to the decision to make a disclosure or express a genuine concern/grievance/allegation, after a lot of thought.

## **6. Protection**

- 6.1. The process is designed to offer protection to the whistleblower (employees and directors) provided that the disclosure made/concern raised/allegations made("complaint") by a whistleblower is in good faith and the alleged action or non-action, constitutes a genuine and serious breach of what is laid down in the Values and/ or the ABCL Code of Conduct.
- 6.2. ARC affirms that it will not allow any whistleblower to be victimized for making any complaint. Any kind of victimization of the whistleblower brought to the notice of the relevant Whistleblower Committee will be treated as an act warranting disciplinary action and will be treated so.
- 6.3. ARC condemns any kind of discrimination, harassment, victimization, or any other unfair employment practice adopted against whistle-blowers. Complete protection will be given to whistle-blowers against any unfair practices like retaliation, threat or intimidation, termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like, including any direct or indirect use of authority to obstruct the whistleblower's right to continue to perform his/her duties/functions in a free and fair manner.

## **7. Reporting in good faith**

- 7.1. Every Whistleblower is expected to read and understand this policy and abide by it. It is recommended that any individual who wishes to report, do so after gathering adequate facts/data to substantiate the complaint and not complain merely based on hearsay or rumour. This also means that no action should be taken against the whistleblower, if the complaint was made in good faith, but no misconduct was confirmed on subsequent investigation.
- 7.2. However, if a complaint, after an investigation proves to be frivolous, malicious, or made with an ulterior intent, the Whistleblower Committees shall recommend taking appropriate disciplinary or legal action against the concerned whistleblower.

## **8. Scope of Reporting**

- 8.1. This policy encourages all Whistleblowers to report any kind of misuse of company's properties, or mismanagement or wrongful conduct prevailing/executed in the company, which the whistleblower in good faith, believes, evidence any of the following. The above list is illustrative and should not be considered as exhaustive.
  - 8.1.1. Violation of any law or regulations, or policies including but not limited to corruption, bribery, theft, fraud, coercion, and wilful omission.
  - 8.1.2. Procurement frauds.
  - 8.1.3. Misappropriation of company funds/assets.
  - 8.1.4. Manipulation of company data/records.
  - 8.1.5. Misappropriating cash/company assets; leaking confidential or proprietary information.
  - 8.1.6. Unofficial use of company's property/human assets.
  - 8.1.7. Activities violating company policies. (Including ABCL code of conduct)
  - 8.1.8. A substantial and specific danger to public health and safety.
  - 8.1.9. An abuse of authority or fraud
  - 8.1.10. An act of discrimination or sexual harassment \*.
  - 8.1.11. Any such act, which the whistleblower believes and has evidence of, that is in violation to Code of Conduct / Values.
  - 8.1.12. Any actual or suspected leak of Unpublished Price Sensitive Information [UPSI] of the Company by any Promoter, Director, Key Managerial Person, Insider, employee, other Designated Person, support staff or any other known or un-know person.

### **8.2. List of exclusions**

- 8.2.1. Matters which are Trivial or frivolous in nature.
- 8.2.2. Matters pertaining to Sexual Harassment as they are covered under the specific law and policy constituted for the said purpose.

- 8.2.3. Matters which are pending before a Court of Law, State or National Human Rights Commission or any other Commission, Tribunal or any other judiciary or sub judiciary body.
- 8.2.4. Any matter, after the expiry of one year from the date on which the act constituting violation of human rights is alleged to have been committed.
- 8.2.5. Allegations, which is not against the interests of ARC /employees as stated above.
- 8.2.6. Issue raised relates to civil dispute, such property rights, contractual obligations, etc.
- 8.2.7. Issue raised, relating to service matters, i.e., matters relating to employment such as salary, promotion, etc.
- 8.2.8. Any employment related grievances including workplace related harassments or any personal issues.

## **9. Dealing with anonymity**

A whistleblower may choose to keep his/her identity anonymous. In such cases, the complaint should be accompanied with strong evidence and data. In such absence of appropriate strong evidence/ data, Whistleblower Committee (WBC) will have the option to take appropriate decision whether to take action or not take any action and accordingly will communicate to the concerned Anonymous Whistleblower to provide details to take it forward. Whatever decision the WBC takes needs to be properly documented which are not subject to be shared with anyone outside the WBC and the Board.

## **10. Confidentiality**

The WBC will treat all complaints in a confidential and sensitive manner. In specific cases where the criticality and necessity of disclosing the identity of the whistleblower is important, it may be disclosed, on a 'need-to-know-basis', during the investigation process to the WBC only.

## **11. Who is a Whistleblower Officer?**

- 11.1. For the purpose of this policy, the Head HR of ARC would be the Whistleblower Officer and Chairperson and custodian of the policy. The WBC will deal with Whistleblower complaints in ARC. This committee will be known Unit Whistleblower Committee (UWBC). The constituents of UWBC would be Head HR, Legal Head, Market Conduct Team or Risk and Employee Relations Head as applicable. The Employee Relations Head would be the secretary of the UWBC. Head HR as the Chairperson of the UWBC shall implement adequate reporting mechanism for ease and timely reporting.
- 11.2. Head HR of ARC shall also ensure that the UWBC is in place with support of Company Secretary.
- 11.3. The jurisdiction of the Committee is restricted to the violation of Code of Conduct and/or business ethics as outlined in Point no 8 alleged to have been committed within one year of the receipt of complaint by the Committee.
- 11.4. It shall be the responsibility of the HR Department to create the necessary awareness among all employees in all cadres and make those concerned/affected known on the company's policies in place.

## **12. Procedure for raising a complaint**

- 12.1. A whistleblower can make a complaint in multiple ways:
  - 12.1.1. Can login to Ethics Hotline website i.e., [www.integritymatters.in](http://www.integritymatters.in) to lodge a complaint OR can write an email to Ethics Hotline i.e. [abgethicsshelpline@integritymatters.in](mailto:abgethicsshelpline@integritymatters.in), OR Call Ethics Hotline phone number 1800-102-6969 or write to C/o Integrity Matters, Unit 1211, CENTRUM, C-3,S.G.Barve Road, Wagle Estate, Thane West, Maharashtra-400604.
  - 12.1.2. Can login to our Company website and lodge a complaint under Whistleblower Policy section.

- 12.1.3. Can write to the Whistleblower Committee which is indicated in the table below. The information about name of members and list of Business / Unit Whistleblower Committee's at various levels, their e-mail id is available as mentioned below.
- 12.1.4. Can write to Head HR, Business Head or Secretary of ARC, as these officials are duty bound to share the complaint with the necessary Whistleblower Committee.
- 12.2. Any anonymous complaint by a whistleblower pertaining to any nature received by any employee in the organization, would be first required to be forwarded to HR Head of ARC and then the same may be placed in Whistleblower committee to arrive at final nature of complaint to be taken forward accordingly.
- 12.3. In exceptional circumstances where the usual channels for communication of the complaint as set out in this policy document, may not be adequate such as where the complaint relates to any of the members of the Whistle Blower Committee, the Whistle Blower may make such complaint directly to the Chairperson of the Audit Committee of the company through a letter addressed to him/her and sent to the registered office of the company or through email id CP.ACBML@adityabirlacapital.com.
- 12.4. The whistleblower sends the complaint to the independent reporting mechanism - Ethics Hotline or to the Whistleblower Committee, depending on the level at which the violation is perceived to be happening, or the seniority of the individual/s involved
- 12.4.1. If the breach or misdemeanour is at:
- 12.4.1.1. ARC CEO level, the employee will write to the Business Whistleblower Committee of Aditya Birla Capital (BWBC)
- 12.4.1.2. Any level below the CEO level, the same will be reported to the Unit Whistleblower Committee (UWBC)

Compliant against which level	Report Complaint via E-mail to and matter to be dealt by	Report Complaint in writing to:
ARC CEO level	Business level Whistleblower Committee (BWBC) <i>finsev.BVSC@adityabirlacapital.com</i>	Aditya Birla Capital Limited One World Centre, Tower-1, 18th floor, Jupiter Mills Compound, 841, S.B. Marg, Elphinstone Road, Mumbai 400 013.
Any other levels below CEO.	Unit Whistleblower Committee (UWBC) <a href="mailto:arc.irc@adityabirlacapital.com">arc.irc@adityabirlacapital.com</a>	Aditya Birla ARC Limited One World Centre, Tower-1, 16th floor, Jupiter Mills Compound, 841, S.B. Marg, Elphinstone Road, Mumbai 400 013.

- 12.5. In cases where complaint is against any member of the Whistleblower Committee or if the member falls in the purview of conflict of interest in any such complaint received, then the said member must recuse himself/herself till the concerned investigation gets over.
- 12.6. In case where complaint is against any member of the Committee the same should be reported to the Unit Whistleblower Committee (UWBC). Upon receiving a complaint against any of the members of UWBC or if the member falls in the purview of conflict of interest in any such complaint received, then the said member would be recused from the UWBC till the concerned investigation gets over.
- 12.7. A whistleblower can also send the complaint to the Business Head, Unit Head, Head HR & Admin or Employee Relations Head of ARC.
- 12.8. If the complainant so desires, he/she may alternatively report the incident to his / her functional head or manager who has to ensure to report it within 24 hours of receipt of such a complaint (in writing or via E-mail-Refer Annexure 1 for Format) to the relevant Committee. Failure to do so will result in action being taken against the functional head/manager.

- 12.9. Because the employee has several means of reporting, the employee does not need to report to someone he / she believes may be involved in the suspected violation or from whom the employee would fear retaliation.

### **13. Procedure for handling a complaint:**

- 13.1. All complaints which are sent directly to the various reporting authorities will necessarily be reported to the Unit Whistleblower Committee within 2-3 working days.
- 13.2. Upon receipt of information, the Chairperson and the secretary of the Whistleblower Committee will first do a preliminary investigation to check whether the complaint seems to be genuine and falls under the purview of the whistleblower policy.
- 13.3. If the complaint is sent with malicious intent, then the committee will take appropriate disciplinary action against the whistleblower.
- 13.4. If the complaint does not fall under the purview of whistleblower policy, then the same would be redirected to the right forum. For e.g. – If complaint is related to sexual harassment, same will be forwarded to the Internal Committee and would be dealt as per the process prescribed under the Policy and statute to Prevent Sexual Harassment at the Workplace. If a complaint is related to a personal grievance, e.g., appraisal rating, promotion or any personal matter etc., it will be forwarded to the Head HR.
- 13.5. Once established that the case needs investigation, the Chairperson and secretary of the Unit Whistleblower Committee, in consultation with the committee, shall appoint a team to investigate the case, with utmost confidentiality. The investigative team can be a pool of internal people or can be an external agency specialized in investigating such cases. On a case-to-case basis, the Chairperson of UWBC may use discretion basis the criticality/sensitivity to nominate only a few members of the UWBC to be part of the process. This is to be decided solely considering the sensitivity around such cases and limit the circulation of report to only designated senior management employees.
- 13.6. Under no circumstances, will any member of the UWBC and/or investigation team reveal / disclose the identity of the “accused” to anyone else (including the immediate manager) – other than all those who are required to know about the case.
- 13.7. The investigation team should work towards ensuring that the investigation is completed by following the laws of the land and principles of natural justice within 3 weeks of the complaint being reported. The mentioned timelines are indicative and will depend upon the facts and circumstance in each case such as, the number of witnesses to be examined by the parties, cooperation extended by the parties and their witnesses and other relevant factors. However, best efforts would be made to close the enquiry within indicative timelines.

### **14. Actions by Committee**

- 14.1. If charges are substantiated, or the complaint is found correct on investigation, suitable action will be suggested to Management. The following punitive actions but not limited to legal action could be taken against employees, where the committee finds the accused guilty. The following are only suggestive, and the Committee will recommend decision on the actions to be taken on a case-to-case basis depending on the gravity of the offence.
  - 14.1.1. Counselling, Censure or Warning letter
  - 14.1.2. Withholding of promotion / increments
  - 14.1.3. Bar from participating in bonus review cycle
  - 14.1.4. Separation
  - 14.1.5. Legal suit
  - 14.1.6. If the complaint remains largely unsubstantiated; the committee has the right to close the complaint.
- 14.2. If the case is found to be false and malicious in intent and the whistleblower / complainant has indulged in this knowingly, he/she would be held guilty of misconduct and appropriate action shall be recommended to Management. However, the Committee shall distinguish

between mistaken reporting and malicious intent of the complainant.

## **15. Responsibilities of Whistleblower committees**

- 15.1. Ensure that all whistle-blower complaints are promptly and thoroughly investigated
- 15.2. Ensure that investigations are conducted in a fair, unbiased, and independent manner, free from any undue influence
- 15.3. The whistleblower committee members shall recuse themselves from the case in case of conflict of interest
- 15.4. Ensure periodic reviews are carried out of the cases investigated by the relevant teams or committees handling the investigations
- 15.5. Provide periodic reports to the Board of the relevant Group, on a quarterly and annual basis.
- 15.6. Ensure appropriate actions are taken in cases where allegations are substantiated based on investigation findings
- 15.7. Maintain strict confidentiality during investigations. Ensure that any information shared is done strictly on a "need-to-know" basis to protect the identity of the whistle-blower and the integrity of the investigation
- 15.8. Regularly monitor the effectiveness of the whistle-blower mechanism and recommend improvements where necessary
- 15.9. Ensure that whistle-blowers are protected from retaliation or adverse actions resulting from their disclosures

## **16. Reporting process**

- 16.1. Considering the confidentiality of Whistleblower complaint, any details of Annual and Quarterly reporting will be prepared by the Secretary of the Unit Whistleblower Committee, and the brief summary of cases will be placed before the Board of the Company and also shared with the Organization Effectiveness portfolio at Group Human Resources. ARC shall ensure necessary reporting (internal or external), as applicable to the concerned authorities on timely basis.

## **17. Policy Review**

The policy will be reviewed at least once in two years. In case of any amendment required pursuant to change in laws or regulations or any other circumstances, such amendments will be incorporated in this policy as required.

## **18. Retention of Documents**

All documents and data related to reporting, investigation, and enforcement pursuant to this Policy shall be kept in accordance with ARC's record retention practice by the respective HR team.

**Annexure 1 of Whistle Blower Policy :  
Template for Reporting Violation**

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**To: Whistleblower/ Redressal Committee:  
Violation details:**

- a. Please write the violation that you wish to report?
- b. Who is /are the individual/ people/ functions involved?

**Critical Incidents and Factual Data:**

- a. Please describe what constitutes the violation i.e., incident details.
- b. List supporting information/ data that you would have, that the Committee can seek from you while investigating.

Date: \_\_\_\_\_

Location: \_\_\_\_\_

Name of the Person reporting (optional): \_\_\_\_\_

Contact Information (including email optional): \_\_\_\_\_

**Note:**

Reporting done by individuals disclosing their names will be attended to first. Anonymous complaints are discouraged and would be considered only in extreme cases.

**Annexure 2 of Whistle Blower Policy :****Details of companies with Whistleblower Email and postal address**

<b>Company Name</b>	<b>Email ID</b>	<b>Address</b>
Aditya Birla Capital Ltd	<a href="mailto:finserv.BVSC@adityabirlacapital.com">finserv.BVSC@adityabirlacapital.com</a>	One Indiabulls Centre, Tower-1, 18 <sup>th</sup> floor, Jupiter Mills Compound, 841, S.B. Marg, Elphinstone Road, Mumbai 400 013
Aditya Birla ARC Limited	<a href="mailto:arc.irc@adityabirlacapital.com">arc.irc@adityabirlacapital.com</a>	One Indiabulls Centre, Tower-1, 16 <sup>th</sup> floor, Jupiter Mills Compound, 841, S.B. Marg, Elphinstone Road, Mumbai 400 013

# INDEPENDENT AUDITOR'S REPORT

To the members of **Aditya Birla ARC Limited**

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### OPINION

We have audited the accompanying standalone financial statements of Aditya Birla ARC Limited ("the Company"), which comprise the Standalone Balance sheet as at 31<sup>st</sup> March, 2025, the Standalone Statement of Profit and Loss including the statement of Other Comprehensive Income, the Standalone Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies information and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company (financial position) as at 31<sup>st</sup> March, 2025, its profit including other comprehensive income (financial performance), its cash flows and the changes in equity for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), 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 Standalone 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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.

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
1.	<p><b>Fair Valuation of financial instruments – Security Receipts (SRs)</b></p> <p>Company has invested in SRs issued by various trust incorporated by the Company for acquisition of distressed credit Business. Depending on the arrangement such Investments are in the range of 100% - 15% of the total SRs issued by the various trust. The said SRs are subsequently measured at Fair Value through Profit and Loss (FVTPL) as per the business model of the Company and considered as level 3 in the valuation hierarchy. Total investment in SRs outstanding as on 31<sup>st</sup> March, 2025 is ₹ 3,736.82 Lakhs.</p> <p>Company determines the fair value of SRs based on the Net Assets Value (NAV) report provided by the trust. The NAV of the said investment can only be estimated by the trusts using a combination of the recovery range provided by the external rating agency, estimated cash flows, collateral values, discount rate used and various other assumptions.</p> <p>Considering the complexities involved and various assumptions and significant judgements made by the trust in deriving Net Assets Value of such SRs, we have considered the valuation of these investments as a key audit matter.</p> <p>Refer Note No. 9 of standalone financial Statements.</p>	<p>Audit procedures followed:</p> <ul style="list-style-type: none"> <li>- We have tested the design and effectiveness of internal controls implemented by the management in respect of valuation of the investments including those relating to assessment of recovery plan by Asset Acquisition Committee for determination of appropriate recovery rate based on the range provided by the External Rating Agency.</li> <li>- Assessment of the valuation inputs;               <ul style="list-style-type: none"> <li>i. Analysed reasonableness of the estimated cash flows and recovery rate, the other relevant judgments and estimates, if any; and</li> <li>ii. Assessed the information used to determine the key assumptions;</li> <li>iii. Compared the historical estimates of the cash flows with the actual recoveries and obtained explanations for the variations, if any;</li> <li>iv. Compared the management's assumption of discount rate with the supporting internal/ external evidence;</li> <li>v. Valuation report of collateral assets</li> </ul> </li> </ul>

## INDEPENDENT AUDITOR'S REPORT (Contd.)

**INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

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

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

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

**RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act,. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 the standalone financial statements by the Board of Directors of the Company, as aforesaid:

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue

as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as

## INDEPENDENT AUDITOR'S REPORT (Contd.)

a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act,

we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books (Also refer to our comments in para 2 (g)(vi).
  - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Standalone Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - (e) Based on the written representations received from the directors as on 31<sup>st</sup> March, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report.
  - (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, 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.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

- iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under clause (i) and (ii) of Rule 11(e), as provided under a) and b) above, contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.
- 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 and the same was enabled for the year. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention from the date of enabling the audit trail feature.
3. The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended 31<sup>st</sup> March, 2025, since none of the directors of the Company have drawn any managerial remuneration.

**For C N K & Associates LLP**

Chartered Accountants

Firm Registration No: 101961W/W - 100036

**Hiren Shah**

Partner

Membership No. 100052

Place: Mumbai

Date: 09<sup>th</sup> May, 2025

UDIN: 25100052BMHUOV2798

## ANNEXURE 1 TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory requirements" in the Independent Auditor's Report of even date to the members of Aditya Birla ARC Limited ("the Company") on the standalone financial statements for the year ended 31<sup>st</sup> March, 2025]

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

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right of use assets.
 

(B) The Company has maintained proper records showing full particulars of intangible assets;
- (b) Property, Plant and Equipment and right of use assets have been physically verified by the management during the year and no material discrepancies were identified on such verification;
- (c) The Company does not hold any immovable properties except Right of use assets and hence reporting under clause 3(i)(c) of the Order is not applicable;
- (d) The Company has not revalued any Property, Plant and Equipment including Right of Use Assets or intangible assets during the year;
- (e) As disclosed in note 58 no proceedings have been initiated during the year or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii. (a) The Company is a service company primarily in the business of securitization and asset reconstruction and hence does not have any inventory. Accordingly reporting under clause 3(ii)(a) of the Order is not applicable;
- (b) During the year Company has been sanctioned a working capital facility in excess of ₹ 500 Lakhs, in aggregate, from bank on the basis of security of

current assets (i.e. Security Receipts, considering based on the nature of business); based on our verification of quarterly statements (Pledge / Hypothecation) filed by the Company with such bank are in agreement with the books of account of the Company.

- iii. During the year the Company has not made investment in, provided any guarantee or security or granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnership or any other parties except for, unsecured advances in the nature of loan to other parties as per the terms of the trust deeds.

- (a) Details of advances in the nature of loans given during the year are as under:

Particulars	Amount (₹ In lakhs)
	Advances in nature of loans
(A) Aggregate amount granted during the year:	
- Subsidiary, Joint Ventures and Associates	
- Others (Trusts)	314.26
(B) Balance outstanding as at balance sheet date in respect of above cases	
- Subsidiary, Joint Ventures and Associates	
- Others (Trusts)	Nil

- (b) The terms and conditions of advances in nature of loans to other parties are not prejudicial to the Company's interest.
- (c) The advances in nature of loans given to other parties are interest free and schedule of repayment of principal has not been stipulated since the same are dependent on recoveries/realisation of financial assets held by such other parties.
- (d) Since repayment of principal is not stipulated as mentioned in clause 3(iii)(c) above, requirements under clause 3(iii)(d) and 3(iii)(e) of the Order is not applicable to the Company.

## ANNEXURE 1 TO INDEPENDENT AUDITOR'S REPORT (Contd.)

- (e) Following are the details of advances in nature of loan granted to other parties for which period of repayment has not been stipulated:

Particulars	Amount (₹ In lakhs)		
	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans	314.26	-	0.08
- Agreement does not specify terms or period of repayment	314.26	-	0.08
Percentage of loans/ advances in nature of loans to the total loans	100%	-	0.00%

- iv. There are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence reporting under clause 3(iv) of the Order is not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits to which directives issued by the RBI and the provisions of sections 73 to 76 or any other relevant provisions of the Act and rules made thereunder apply. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company.
- vii. The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, income-tax, cess and other statutory dues applicable to it. As informed, the provisions of employees' state insurance, sales-tax, duty of custom, duty of excise and value added taxes are not applicable to the Company.
- a. According to the information and explanations given to us, no undisputed amounts payable in respect of goods and services tax, provident fund, income-tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. As informed, the provisions of employees' state insurance, sales-tax, duty of custom, duty of excise and value added taxes are not applicable to the Company.
- b. According to the information and explanations given to us, there are no dues referred to in 3(vii)(a) above which have not been deposited on account of any dispute.
- viii. As disclosed in note 60, there are no unrecorded transactions which have been surrendered or disclosed as income during the year in the tax assessment under Income Tax Act, 1961 (43 of 1961).
- ix. (a) During the year, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (a) As disclosed in note 59, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (b) During the year Company has not availed any term loans and hence reporting under the clause 3(ix)(c) of the Order is not applicable.
- (c) On an overall examination of the financial statements of the Company, we report that funds raised on short term basis have prima facie not been used for long term purposes.
- (d) On an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any Associate or Joint Ventures.
- (e) The company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- x. (a) During the year, the Company has not raised money by way of initial public/further public offer (including debt instruments) and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) The Company has made private placement of preference shares for which the requirements of section 42 and 62 of the Act have been complied with and the funds raised have been used for the purpose for which it was raised. The Company has not made any preferential allotment or private placement of fully or partly or optionally convertible debentures during the year.
- xi. (a) We report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) No report under sub section (12) of section 143 of the Act has been filed in the form ADT – 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with central government during the year



ANNEXURE 1 TO INDEPENDENT AUDITOR'S REPORT (Contd.)

- (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. Therefore, the reporting under clause 3(xii) (a) to (c) of the Order is not applicable to the Company
- xiii. In our opinion, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.
- xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.  
(b) We have considered the internal audit reports of the company issued till date, for the period under audit.
- xv. During the year, the Company has not entered any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- xvi. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.  
(b) Reserve Bank of India has granted Certificate of Registration to carry on the business of securitisation or assets reconstruction under section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.  
(c) The Company is not a Core Investment Company ("CIC") and accordingly requirements of clause xvi(c) of the Order is not applicable.  
(d) There are three CICs as a part of the Group, namely –

List of companies	Status of Registration	Remarks
Birla Group Holding Private Limited	Under Process of Registration	Related Party
IGH Holdings Private Limited	Under Process of Registration	Related Party
Aditya Birla Capital Limited	Registered	Parent

- xvii. The Company has not incurred any cash losses in the Current year and in the immediately preceding financial year and hence the reporting under clause 3(xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly reporting under clause xviii of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans 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 mentioned in note 57, there is no unspent amount as per subsection 5 of section 135 of the Act towards Corporate Social Responsibility (CSR) as at the end of the financial year, hence reporting under clause 3(xx)(a) and 3(xx)(b) of the Order are not applicable..

**For C N K & Associates LLP**

Chartered Accountants

Firm Registration No: 101961W/W – 100036

**Hiren Shah**

Partner

Membership No. 100052

Place: Mumbai

Date: 09<sup>th</sup> May, 2025

UDIN: 25100052BMHU0V2798

## ANNEXURE 2 TO INDEPENDENT AUDITOR'S REPORT

### of even date on Standalone Financial Statements of Aditya Birla ARC Limited

#### REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE I OF SUBSECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls with reference to standalone financial statements of Aditya Birla ARC Limited ("the Company") as of 31<sup>st</sup> March, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone 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 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 with reference to standalone 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 as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, 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 with reference to these standalone 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial

controls with reference to these standalone 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 Company's internal financial controls with reference to these standalone financial statements.

#### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

#### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THESE STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to these standalone 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 with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



## ANNEXURE 2 TO INDEPENDENT AUDITOR'S REPORT (Contd.)

**OPINION**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these standalone financial statements and such internal financial controls with reference to these standalone financial statements were operating effectively as at 31<sup>st</sup> March, 2025, based on the internal control with reference to 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 Institute of Chartered Accountants of India.

**For C N K & Associates LLP**

Chartered Accountants

Firm Registration No: 101961W/W – 100036

**Hiren Shah**

Partner

Membership No. 100052

Place: Mumbai

Date: 09<sup>th</sup> May, 2025

UDIN: 25100052BMHU0V2798

# Standalone Balance Sheet

as at 31<sup>st</sup> March 2025

Particulars	Note No.	(₹ in Lakh)	
		As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>I ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and Cash Equivalents	5	44,770.41	615.30
(b) Bank Balance other than (a) above	6	70,294.41	6,059.00
(c) Receivables			
(i) Trade Receivables	7	-	951.72
(d) Loans	8	-	1,364.68
(e) Investments			
- Other Investments	9	5,889.21	56,386.24
(f) Other Financial Assets	10	43.85	54.16
<b>Sub-Total</b>		<b>1,20,997.88</b>	<b>65,431.10</b>
<b>(2) Non-Financial Assets</b>			
(a) Current Tax Assets (Net)		5,880.65	973.31
(b) Property, Plant and Equipment	11	72.82	94.94
(c) Other Intangible assets	12	7.12	17.79
(d) Right to use of assets	39	252.95	333.94
(e) Other non-Financial assets	13	155.41	111.06
<b>Sub-Total</b>		<b>6,368.95</b>	<b>1,531.04</b>
<b>Total assets</b>		<b>1,27,366.83</b>	<b>66,962.14</b>
<b>II LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial Liabilities</b>			
(a) Payables			
(i) Trade Payables	14		
(i) total outstanding dues of micro enterprises and small enterprises		8.43	4.35
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		100.35	36.49
(b) Debt Securities	15	22,767.50	21,065.03
(c) Borrowings (Other than Debt Securities)	16	-	10,602.29
(d) Subordinated Liabilities	17	3,200.00	3,200.00
(e) Lease Liability	39	299.80	371.84
(f) Other Financial Liabilities	18	53,159.19	398.08
<b>Sub- Total</b>		<b>79,535.27</b>	<b>35,678.08</b>
<b>(2) Non Financial Liabilities</b>			
(a) Provisions	19	302.50	296.31
(b) Deferred tax liabilities (net)	38	833.69	3,000.20
(c) Other Non Financial Liabilities	20	1,011.34	1,281.81
<b>Sub- Total</b>		<b>2,147.53</b>	<b>4,578.32</b>
<b>(3) Equity</b>			
(a) Equity Share capital	21	10,000.00	10,000.00
(b) Other Equity	22	35,684.03	16,705.74
<b>Total equity</b>		<b>45,684.03</b>	<b>26,705.74</b>
<b>Total Liabilities and Equity</b>		<b>1,27,366.83</b>	<b>66,962.14</b>

Material accounting policy information

4

The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date attached

For **C N K & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.:- 101961W/W-100036

**Hiren Shah**

Partner

Membership No. 100052

For and on behalf of the Board of Directors of

**Aditya Birla ARC Limited****Tushar Shah**

Director

DIN: 00239762

**Pinky Mehta**

Director

DIN: 00020429

**Sanjay Jain**

Chief Executive Officer

**Ankur Garg**

Chief Financial Officer

**Sucheta Chaturvedi**

Company Secretary

Mumbai, 9<sup>th</sup> May 2025



# Standalone Statement of Profit and Loss

for the Year ended 31<sup>st</sup> March 2025

(₹ in Lakh)

Particulars	Note No.	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
<b>Revenue from operations</b>			
(a) Interest Income	23	1,244.95	381.17
(b) Fee Income	24	2,815.21	3,100.75
(c) Recovery Incentive	25	228.87	379.07
(d) Net Gain on Fair Value Changes	26	42,987.56	13,937.92
<b>Total Revenue from Operations</b>		<b>47,276.59</b>	<b>17,798.91</b>
Other Income	27	55.91	41.69
<b>Total Income</b>		<b>47,332.50</b>	<b>17,840.60</b>
<b>EXPENSES</b>			
(a) Finance Costs	28	2,880.60	3,744.91
(b) Impairment on Financial Instruments	29	(9.30)	4.64
(c) Employee benefits expense	30	1,064.15	1,119.70
(d) Depreciation, amortization and impairment	31	117.46	112.36
(e) Other expenses	32	248.20	217.78
<b>Total Expenses</b>		<b>4,301.11</b>	<b>5,199.39</b>
<b>Profit Before Tax</b>		<b>43,031.39</b>	<b>12,641.21</b>
<b>Tax Expenses</b>			
Current Tax		26,227.32	1,452.31
Deferred Tax		(2,168.45)	1,883.32
<b>Total Tax Expenses</b>		<b>24,058.87</b>	<b>3,335.63</b>
<b>Profit after tax</b>		<b>18,972.52</b>	<b>9,305.58</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of the net defined benefit liability/asset (net)		7.71	(0.84)
Income tax relating to items that will not be reclassified to profit and loss		1.94	(0.21)
<b>Other Comprehensive Income for the year</b>		<b>5.77</b>	<b>(0.63)</b>
<b>Total Comprehensive Income for the year</b>		<b>18,978.29</b>	<b>9,304.95</b>
<b>Earnings per share :</b>			
Basic - (₹)	33	18.97	9.31
Diluted - (₹)		18.38	9.06
(Face Value of ₹ 10 each)			

Material accounting policy information

4

The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date attached

For **C N K & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.:- 101961W/W-100036

**Hiren Shah**

Partner

Membership No. 100052

For and on behalf of the Board of Directors of

**Aditya Birla ARC Limited****Tushar Shah**

Director

DIN: 00239762

**Pinky Mehta**

Director

DIN: 00020429

**Sanjay Jain**

Chief Executive Officer

**Ankur Garg**

Chief Financial Officer

**Sucheta Chaturvedi**

Company Secretary

Mumbai, 9<sup>th</sup> May 2025

# Standalone Statement of Cash Flows

for the Year ended 31<sup>st</sup> March 2025

Particulars	(₹ in Lakh)	
	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
<b>Cash Flow From Operating Activities</b>		
Profit before tax	43,031.39	12,641.21
Adjustments for :		
Impairment on Financial Assets	(9.30)	4.64
Net gain on Fair value changes on Investment in security receipts	(95,418.87)	(13,893.74)
Net gain on Fair value changes on Investment in mutual fund units	(68.69)	(44.18)
Interest Income	(1,244.95)	(381.17)
Gain on Surrender of Lease	-	(25.65)
Notional interest on Security Deposits	(3.05)	(8.45)
Profit and Loss on sale of Property, Plant and Equipment	(5.34)	2.24
Finance Cost	2,854.85	3,716.86
Notional Interest on Lease	25.75	28.05
Depreciation and Amortisation	117.46	112.36
Operating Profit Before Working Capital Changes	<b>(50,720.75)</b>	<b>2,152.17</b>
Adjustments for:		
Decrease in Loans	-	0.79
Decrease / (Increase) in Other Financial Assets	13.36	(13.07)
Decrease / (Increase) in Trade Receivables	955.54	(614.67)
Increase in Other Non-Financial Assets	(44.35)	(13.95)
Increase in Trade Payables	67.94	14.19
Increase in Provisions	13.90	128.48
Increase in Other Financial Liabilities	52,761.11	91.59
Decrease in Other Non Financial Liabilities	(270.45)	(70.33)
Cash From Operations	<b>53,497.05</b>	<b>(476.97)</b>
Income Taxes Paid	(31,134.66)	(2,170.36)
<b>Net Cash (Used In) / From Operating Activities</b>	<b>(28,358.36)</b>	<b>(495.16)</b>
<b>Cash Flow From Investing Activities</b>		
Addition to Property, Plant and Equipment	(13.31)	(81.01)
Proceeds from sale of Property, Plant and Equipment	14.96	11.92
Redemption and Upside from Security Receipts	1,47,467.39	8,016.56
Interest Received	959.30	404.95
Purchase of Mutual fund units	(2,930.41)	(2,019.90)
Redemption of Mutual Fund	1,447.60	2,100.90
Bank Deposits placed during the period	(3,10,521.73)	(5,335.17)
Bank Deposits matured during the period	2,46,571.97	6,467.00
<b>Net Cash Flow From Investing Activities</b>	<b>82,995.77</b>	<b>9,565.25</b>
<b>Cash Flow From Financing Activities</b>		
Loans & Advances to Trust	(314.26)	(552.15)
Loans & Advances recovered from Trust	1,684.42	1.77
Lease Liability - Principal Portion	(72.04)	(26.59)
Lease Liability - Interest Portion	(25.75)	(28.05)
Repayment of Debt Securities	(591.00)	(7,534.00)
Proceeds from Borrowings	18,092.77	14,283.06
Repayment of Borrowings	(28,700.83)	(13,675.00)
Finance Cost on Debt Securities & Borrowings	(555.61)	(1,937.60)
Proceeds from Compulsorily Convertible Preference Shares	-	500.00
<b>Net Cash Used In Financing Activities</b>	<b>(10,482.30)</b>	<b>(8,968.56)</b>
Net Increase in Cash and Cash Equivalents	44,155.11	101.53
Cash And Cash Equivalents (Opening Balance)	615.30	513.77
Cash And Cash Equivalents (Closing Balance)	44,770.41	615.30

The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date attached

For **C N K & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.:- 101961W/W-100036

**Hiren Shah**

Partner

Membership No. 100052

For and on behalf of the Board of Directors of

**Aditya Birla ARC Limited****Tushar Shah**

Director

DIN: 00239762

**Sanjay Jain**

Chief Executive Officer

**Sucheta Chaturvedi**

Company Secretary

**Pinky Mehta**

Director

DIN: 00020429

**Ankur Garg**

Chief Financial Officer

Mumbai, 9<sup>th</sup> May 2025

# Standalone Statement of Changes in Equity

for the Year ended 31<sup>st</sup> March 2025

## (A) EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2025		As at 31 <sup>st</sup> March 2024	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares of face value of ₹ 10/- each issued on subscribed and fully paid up				
Balance at the beginning of the year	10,00,00,000	10,000.00	10,00,00,000	10,000.00
Changes in Equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	10,00,00,000	10,000.00	10,00,00,000	10,000.00
Changes in Equity share capital during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>10,00,00,000</b>	<b>10,000.00</b>	<b>10,00,00,000</b>	<b>10,000.00</b>

## (B) OTHER EQUITY

(₹ in Lakh)

Particulars	Reserve and Surplus	Total Other Equity
<b>Balance as at 1<sup>st</sup> April 2023</b>	7,400.79	7,400.79
Changes in accounting policies or prior period errors	-	-
<b>Restated balance as at 1<sup>st</sup> April 2023</b>	<b>7,400.79</b>	<b>7,400.79</b>
Profit for the year	9,305.58	9,305.58
Other Comprehensive loss for the year	(0.63)	(0.63)
Total Comprehensive income	9,304.95	9,304.95
<b>Balance as at 31<sup>st</sup> March 2024</b>	<b>16,705.74</b>	<b>16,705.74</b>
Equity attributable to Shareholders of Company	16,705.74	16,705.74
<b>Balance as at 1<sup>st</sup> April 2024</b>	<b>16,705.74</b>	<b>16,705.74</b>
Changes in accounting policies or prior period errors	-	-
<b>Restated balance as at 1<sup>st</sup> April 2024</b>	<b>16,705.74</b>	<b>16,705.74</b>
Profit for the year	18,972.52	18,972.52
Other Comprehensive loss for the year	5.77	5.77
Total Comprehensive income	18,978.29	18,978.29
<b>Balance as at 31<sup>st</sup> March 2025</b>	<b>35,684.03</b>	<b>35,684.03</b>
<b>Equity attributable to Shareholders of Company</b>	<b>35,684.03</b>	<b>35,684.03</b>

The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date attached  
For **C N K & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration No.:- 101961W/W-100036

**Hiren Shah**  
Partner  
Membership No. 100052

For and on behalf of the Board of Directors of  
**Aditya Birla ARC Limited**

**Tushar Shah**  
Director  
DIN: 00239762

**Sanjay Jain**  
Chief Executive Officer

**Sucheta Chaturvedi**  
Company Secretary

**Pinky Mehta**  
Director  
DIN: 00020429

**Ankur Garg**  
Chief Financial Officer

Mumbai, 9<sup>th</sup> May 2025

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 01 ABOUT THE COMPANY

Aditya Birla ARC Limited (the Company) was incorporated as a public limited company under the provisions of the Companies Act, 2013 on 10<sup>th</sup> March 2017.

The principal activity of the Company is to carry on the business of securitization and asset reconstruction as defined in section 2 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ('the SARFAESI Act'). The Company acts as a Manager / Trustee for trusts set up for securitization pursuant to the SARFAESI Act. The financial assets are acquired under separate trusts set up for securitization or directly for asset reconstruction.

Reserve Bank of India ('RBI') granted a Certificate of Registration to the Company on 13<sup>th</sup> March 2018 to carry on business of securitization or asset reconstruction under section 3 of the SARFAESI Act.

The Company recognises its income through Trusteeship and Management Fees, which is recognized on accrual basis in accordance with the terms of the respective trust deed / offer document, wherever applicable.

The financial statements were authorized for issue by the Company's Board of Directors on 9<sup>th</sup> May 2025.

## NOTE: 02 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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 from time to time).

The financial statements have been prepared on a historical cost basis and accrual basis except for fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, other financial assets held for trading and financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs, except when otherwise indicated.

## NOTE: 03 USE OF ESTIMATES

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes

requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

## NOTE: 04 MATERIAL ACCOUNTING POLICY INFORMATION

### 4.1 Revenue from contract with customer

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at transaction price i.e. the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third parties. The Company consider the terms of the contract and its customary business practices to determine the transaction price. The Company recognises revenue from the following sources:

- a. The fee income comprises of Trusteeship and Management Fee. The Company receives management fee from trusts declared by it for acquisition of financial assets and the same is accounted for on accrual basis as per terms of the relevant trust deeds and offer document issued by the Trust. With reference to the Notification on 'Review of Regulatory Framework' issued by RBI dated 11<sup>th</sup> October 2022, the management fee for all the new acquisitions post the said notification shall be recovered only from the recoveries from the financial asset of the underlying Trusts. Management fees are calculated and charged as a percentage of the Net Assets Value (NAV) at the lower end of the range of the NAV specified by the Credit Rating Agency.
- b. Recovery incentive is accounted as and when the right to receive the amount is established as per the terms of Trust Deed.
- c. Any upside share in excess realisation over acquisition price of security receipts by the Company is recognised at point in time basis as per terms of the relevant trust deed/offer document.
- d. The above receipts are recognised as revenue excluding GST.

### Interest Income

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

For interest income on Fixed Deposit, the Company recognizes it on accrual basis.

For purchased or originated credit-impaired (POCI) financial assets, the Company calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets. Interest income on all trading assets and financial assets mandatorily required to be measured at FVTPL is recognised using the contractual interest rate in net gain on fair value changes.

## 4.2 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.

### Date of Recognition

Financial assets and liabilities, debt securities, deposits and borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument.

#### 4.2.1 Financial Assets

##### Initial Measurement

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. However, trade receivables are measured at the transaction price.

##### Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured either:

- At amortised cost
- At fair value through other comprehensive income (FVTOCI)

- At fair value through profit or loss (FVTPL)

##### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

##### Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

##### Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.

## Investment in Mutual Funds at FVTPL

Mutual fund included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

## De-Recognition of Financial Assets

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises an associated liability.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit and loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial assets.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part is no longer recognised on the basis of relative fair values of those parts on the date of transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income

is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

## Impairment of Financial Assets (ECL Policy)

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets & credit risk exposure.

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as loans and advances held at amortised cost for impairment based on evidence or information that is available without undue cost or effort.

The Company applies a three-stage approach to measuring expected credit losses (ECLs) for financial assets.

### Stage 1: 12-months ECL

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company has assessed that all loans and advances with no default or upto 30 days default would fall under this category.

For these assets, 12-month ECL are recognized and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance).

### Stage 2: Lifetime ECL – Significant increase in credit risk

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. Financial instruments that have had a significant increase in credit risk since initial recognition are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk and classified under this category. For these assets, lifetime ECL are recognized, but interest revenue is calculated on the gross carrying amount of the asset less ECL already provided.

### Stage 3: Lifetime ECL – Credit Impaired

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

## Credit-impaired financial assets:

At each reporting date, the Company assesses whether financial assets carried at amortised cost is credit impaired. A financial asset is 'credit-impaired' when a breach of contract such as a default or past due event that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

ECL provisioning is being done on each reporting date basis probability of default and loss given default on outstanding financial asset.

## Trade Receivables

Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 are recognized. The Company provides 0.4% ECL on prudential basis on Standard Assets.

## Other Financial Assets

Other financial assets are tested for impairment based on significant change in credit risk since initial recognition and impairment is measured based on probability of default over the lifetime when there is significant increase in credit risk. The Company provides 0.4% ECL on prudential basis on Standard Assets.

## 4.2.2 Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, debt securities and subordinated liabilities, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts. The measurement of financial liabilities depends on their classification, as described below:

### Financial liabilities at fair- value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and

financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI.

These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity.

All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

## Financial liabilities and equity instruments

Financial 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.

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 a Company entity are recognized at the proceeds received, net of direct issue costs.

## Loans & Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss

## De-recognition of financial liabilities

A financial liability shall be de-recognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## 4.2.3 Offsetting of Financial Instruments

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business.
- The event of default.
- The event of insolvency or bankruptcy of the Company and/or its counterparties.

## 4.3 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less which are subject to an insignificant risk of changes in value.

The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) - 7 'Statement of Cash Flows' prescribed under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, as amended.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above as they are considered an integral part of the Company's cash management.

## 4.4 Expenses incurred by the Company on behalf of the Trust

Expenses incurred at pre-acquisition stage are recognized as expenses for the period in which such costs are incurred. If such expenses are contracted to be recovered from the Trust, the same are shown as Loan and Advances to Trust in the Balance Sheet. These expenses are reimbursed to the Company in terms of provisions of relevant Trust Deed and Offer Document of the Trusts.

## 4.5 Property, Plant & Equipment.

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and arrangements arising

from exchange rate variations attributable to the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow the entity and the cost can be measured reliably. Depreciation on property, plant and equipment is provided using straight line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Depreciation on Tangible Fixed Assets is provided on Straight Line using the rates arrived at based on the useful lives as specified in the Schedule II of the Companies Act, 2013 or estimated by the management. The Company has used the following useful life to provide depreciation on its fixed assets, which is in line with the useful life suggested by Schedule II.

Asset	Useful Life as Prescribed by Schedule II of the Companies Act, 2013
Computers (end user computers, Laptops)	3
Office Equipment	5
Furniture & Fixtures	10
Motor Vehicles	6

Useful life of assets estimated by management supported by the Internal Technical assessment.

Asset	Estimated Useful Life
Leasehold Improvements *	3
Motor Vehicles <sup>^</sup>	4-5

\*In case of Leasehold Improvements, Depreciation calculated based on lease period

<sup>^</sup> In case of Motor Vehicles, depreciation calculated on basis of its replacement period as mentioned in the Car Policy of the Company.

Depreciation on the Fixed Assets added/discharged during the year is provided on pro-rata basis with reference to the date of addition/disposal/discarding.

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## 4.6 Intangible Assets and Amortization

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised on a straight-line basis over their estimated useful lives.

Gains or losses, arising from the retirement or disposal of an intangible asset, are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and recognized as income or expense in the Statement of Profit and Loss.

Useful life of intangible assets estimated by management is as under:

Asset	Estimated Useful Life
Computer Software	3

The estimated useful lives of the intangible assets and the amortisation period are reviewed at the end of each financial year, and the amortisation period is revised to reflect the changed pattern, if any.

## 4.7 Fair Value Measurement

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or the liability; or in the absence of a principal market, in the most advantageous market for the asset or liability, the principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized

within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level-1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level-2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level-3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

## 4.8 Impairment of Non-Financial Assets

The Company assesses, at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists or when annual impairment testing for any asset is required, the Company estimates the assets recoverable amount. An assets recoverable amount is the higher of an assets fair value less cost of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflow that is largely independent of those from other assets or Company of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written-down to its recoverable amount.

## 4.9 Retirement and Other Employee Benefits

Employee benefits are accrued in the period in which the associated services are rendered by employees of the Company, as detailed below:

### Defined contribution plan

In accordance with Indian law, eligible employees receive benefits from provident fund, which is a defined contribution plan. Both the employee and employer make monthly contributions to the plan, each equal to a specified percentage of employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company does not have any legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Obligation for contributions to the plan is recognized as an employee benefit expense in the Statement of Profit and Loss when incurred.

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## Defined Benefit Plans

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (the Gratuity Plan) covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company.

The Company's net obligation in respect of the gratuity plan is calculated by estimating the amount of future benefits that the employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service cost and the fair value of plan assets are deducted. The discount rate is the yield at the reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligations. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

The Company recognizes all re-measurements of net defined benefit liability/asset directly in other comprehensive income and presented within equity. The Company has employees' gratuity fund under Grasim Industries Limited Employees Gratuity Trust managed by the ultimate parent company.

## Short Term Benefit

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

## Compensated Absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement.

The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

The Company recognises accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognised in the period in which the absences occur. The Company recognises actuarial gains and losses immediately in the Statement of Profit and Loss.

## Other Benefits

Few employees transferred from other business of the Aditya Birla Capital Group were eligible under long term incentive plan (the "old LTIP scheme") issued by that business in September 2017. The scheme is for 4 years and pay out under the scheme to employees will be made at end of 4 years, as per option opted by the employees. This is a onetime option, which cannot be changed to the option of early vesting, hence liability has been equally spread over the tenure. The old LTIP scheme is vested during the year for the covered employees and the same was settled.

Further Senior employees of the Company were offered the long term incentive plan (the "new LTIP scheme") effective 1<sup>st</sup> September 2022. The scheme is for 3 years and pay out under the new LTIP scheme to employees will be made on an annual basis as per the plan which is under approval. The liability of the new LTIP scheme is recognized based on the valuation report obtained from the actuarial.

## 4.10 Leases AS per IND AS 116

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a 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 Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes right – of – use ("ROU") asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value – in – use) is determined on an individual asset basis unless the asset generates cash flows that are largely dependent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment on exercise of an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## 4.11 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not discounted to their present value and are determined based on management estimate required

to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

## 4.12 Taxes

### Current Tax

Current income tax assets and liabilities 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, at the reporting date in the countries where the Company operates and generates taxable income. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly 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.

### Deferred Tax

Deferred tax is recognised using the Balance Sheet approach on the temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset, if there is a legally enforceable right to offset current tax liabilities and assets, and these relate to income taxes levied by the same tax authority and are intended to settle current tax liabilities and assets on a net basis or such tax assets and liabilities will be realised simultaneously.

In the event of unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets are recognised to the extent that it is probable that sufficient future taxable income will be available to realise such assets.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

profits will be available to allow all or part of the assets to be recovered.

Current and deferred tax are recognised in Statement of Profit and Loss, except when the same relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax relating to such items are also recognised in other comprehensive income or directly in equity respectively.

## 4.13 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split, if any.

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

## 4.14 Capital Management

The primary objective of the Company's capital management is to maximize the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

## 4.15 Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements, in conformity, with the Ind AS requires management to make judgements, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years

### Measurement of Defined Benefit Obligations

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined

using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### Provisions

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cashflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amount of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

### Property plant and equipment and investment property

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful life and residual values of the Company's assets at the end of its useful life are estimated by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The useful life are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

### Impairment of trade receivables

Trade receivables are the trusts of which Company is a trustee and also holds investments in the trust through Security Receipts. The Company estimates the probability of collection of accounts receivable by analyzing the future cash flow in the trust. If the financial condition of the trust deteriorates, additional allowances may be required.

### 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



# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

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.

## ECL on financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different level of allowances.

The Company ECL calculation are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates includes:

- Probabilities of Defaults (PDs) the calculations of which includes historical data, assumptions and expectations of future conditions.
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss model basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Developments of ECL models, including the various formulas and choices of inputs
- Determination of associations between macroeconomic scenarios and economic inputs, such as unemployment levels and collateral values, and the effects of PDs, exposure at defaults and loss given defaults.

## Critical judgements required in the application of Ind AS 116 may include, among others, the following:

- Identifying whether a contract (or part of a contract) includes a lease;
- Determining whether it is reasonably certain that an extension or termination option will be exercised;
- Determination of whether variable payments are in-substance fixed;
- Establishing whether there are multiple leases in an arrangement;
- Determining the stand-alone selling prices of lease and non-lease components.

## Key sources of estimation uncertainty in the application of Ind AS 116 may include, among others, the following:

- Estimation of the lease term;
- Determination of the appropriate rate to discount the lease payments;
- Assessment of whether a right-of-use asset is impaired.

## Policy for sales out of amortised cost business model portfolios

The Company's existing business model focuses on acquisition of financial assets through trusts, with or without participation from external investors. Our existing resolution strategy is to right size the debt and restructure the debt with focus on improvement in operational performance of the acquired financial assets with existing sponsors or strategic investors.

At present the Company has no amortised cost business model portfolio, therefore it has not prepared and adopted any such policy.

## 4.16 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 05 CASH AND CASH EQUIVALENTS

Particulars	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Balances with Banks		
Current Accounts*	108.38	120.10
Deposit Accounts (with original maturity period of 3 months or less)**	44,662.03	495.20
<b>Total</b>	<b>44,770.41</b>	<b>615.30</b>

\* Includes amount of ₹ 6.16 lakhs (Previous Year: ₹ 2.55 lakhs) held in Escrow Account.

\*\* Includes deposits amounting to ₹ 2,926.36 lakhs (Previous Year: Nil) from Escrow Account.

## NOTE: 06 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Fixed Deposit Accounts (with original maturity period of more than 3 months)*	70,294.41	6,059.00
<b>Total</b>	<b>70,294.41</b>	<b>6,059.00</b>

\* Includes lien marked Fixed Deposits amounting to ₹ 4,381.19 lakhs and ₹ 17,619.90 lakhs (Previous Year: ₹ 3,221.80 lakhs and Nil) for Bank Overdraft and the Debenture Trustee of the Escrow Account respectively.

## NOTE: 07 TRADE RECEIVABLES, UNSECURED

Particulars	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Receivables considered good	-	955.54
Less: Expected Credit Loss	-	(3.82)
	-	<b>951.72</b>

### Note: 7.1

#### Ageing Schedule for Trade Receivable as at 31<sup>st</sup> March 2025

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Receivables receivables considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## Ageing Schedule for Trade Receivable as at 31<sup>st</sup> March 2024

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Receivables receivables considered good	955.54	-	-	-	-	955.54
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

## Note: 7.2

### Reconciliation of ECL on Trade Receivables

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Opening Balance	3.82	1.36
Add: ECL allowance during the year	(3.82)	2.46
<b>Closing Balance</b>	<b>-</b>	<b>3.82</b>

## Note: 7.3

### Ageing Schedule for Unrealised Management fee as per RBI Circular DOR.ACC.REC.No. 104/21.07.001/2022-23

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Outstanding amount of unrealised management fee	-	955.54
1. Out of the above, amount outstanding for:		
(a) Amounts where the net asset value of the security receipts has fallen below 50 percent of the face value	-	-
(b) Other amounts unrealised for:		
(i) More than 180 days but upto 1 year	-	-
(ii) More than 1 year but upto 3 years	-	-
(iii) More than 3 years	-	-
Allowances held for unrealised management fee	-	3.82
Net unrealised management fee receivable	-	951.72

## NOTE: 08 | LOANS

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Loans (Carried at amortised cost)*	-	1,370.16
Less: Impairment loss allowance*	-	(5.48)
	<b>-</b>	<b>1,364.68</b>

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## Note: 08.1

		(₹ in Lakh)	
Sr. No.	Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
(A)	(i) Loans	-	-
	(ii) Advances in the nature of loan	-	1,370.16
	<b>Total Gross (A)</b>	<b>-</b>	<b>1,370.16</b>
	Less: Impairment loss allowance	-	(5.48)
	<b>Total Net (A)</b>	<b>-</b>	<b>1,364.68</b>
(B)	(i) Secured by tangible assets	-	-
	(ii) Unsecured	-	1,370.16
	<b>Total Gross (B)</b>	<b>-</b>	<b>1,370.16</b>
	Less: Impairment loss allowance	-	(5.48)
	<b>Total Net (B)</b>	<b>-</b>	<b>1,364.68</b>
(C)(I)	Loans in India		
	(i) Public Sector	-	-
	(ii) Others	-	1,370.16
	<b>Total Gross (C)(I)</b>	<b>-</b>	<b>1,370.16</b>
	Less: Impairment loss allowance	-	(5.48)
	<b>Total Net (C)(I)</b>	<b>-</b>	<b>1,364.68</b>
(C)(II)	Loans outside India	-	-
	Less: Impairment loss allowance	-	-
	<b>Total Net (C)(II)</b>	<b>-</b>	<b>-</b>
	<b>Total (C)(I) and (II)</b>	<b>-</b>	<b>1,364.68</b>

## NOTE: 09 | OTHER INVESTMENTS

(Carried at fair value through profit or loss)

		(₹ in Lakh)	
Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024	
Investments in Security Receipts (Refer Note 15A)	3,736.82	55,785.34	
Investment in Liquid Mutual funds	2,152.39	600.90	
	<b>5,889.21</b>	<b>56,386.24</b>	
In India	5,889.21	56,386.24	
Outside India	-	-	

## NOTE: 10 | OTHER FINANCIAL ASSETS

(Unsecured, considered good, unless stated otherwise)

		(₹ in Lakh)	
Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024	
Security Deposits (carried at amortised cost)	43.85	42.85	
Other Receivable	-	10.54	
Other Advance	-	0.77	
Less: Expected Credit Loss	-	-	
	<b>43.85</b>	<b>54.16</b>	

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 11 | PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

Particulars	Computers	Leasehold Improvements	Office Equipments	Furniture & Fixtures	Vehicles	TOTAL
<b>Gross Block</b>						
As at 1 <sup>st</sup> April 2023	14.64	87.60	13.74	2.29	51.41	169.68
Additions	1.66	-	2.02	-	77.30	80.98
Deletions	-	-	-	-	(18.03)	(18.03)
<b>As at 31<sup>st</sup> March 2024</b>	<b>16.30</b>	<b>87.60</b>	<b>15.76</b>	<b>2.29</b>	<b>110.68</b>	<b>232.63</b>
<b>Accumulated Depreciation</b>						
As at 1 <sup>st</sup> April 2023	9.47	87.60	11.23	1.02	11.64	120.96
Depreciation for the year	2.64	-	1.70	0.22	16.04	20.60
Deletions	-	-	-	-	(3.87)	(3.87)
<b>As at 31<sup>st</sup> March 2024</b>	<b>12.11</b>	<b>87.60</b>	<b>12.93</b>	<b>1.24</b>	<b>23.81</b>	<b>137.69</b>
<b>Net Carrying amount as at 31<sup>st</sup> March 2024</b>	<b>4.19</b>	<b>-</b>	<b>2.83</b>	<b>1.05</b>	<b>86.87</b>	<b>94.94</b>
<b>Gross Block</b>						
<b>As at 1<sup>st</sup> April 2024</b>	<b>16.30</b>	<b>87.60</b>	<b>15.76</b>	<b>2.29</b>	<b>110.68</b>	<b>232.63</b>
Additions	1.25	-	0.45	-	11.61	13.31
Deletions	-	-	-	-	(33.40)	(33.40)
<b>As at 31<sup>st</sup> March 2025</b>	<b>17.55</b>	<b>87.60</b>	<b>16.21</b>	<b>2.29</b>	<b>88.89</b>	<b>212.54</b>
<b>Accumulated Depreciation</b>						
<b>As at 1<sup>st</sup> April 2024</b>	<b>12.11</b>	<b>87.60</b>	<b>12.93</b>	<b>1.24</b>	<b>23.81</b>	<b>137.69</b>
Depreciation for the year	3.00	-	0.90	0.23	21.67	25.80
Deletions	-	-	-	-	(23.77)	(23.77)
<b>As at 31<sup>st</sup> March 2025</b>	<b>15.11</b>	<b>87.60</b>	<b>13.83</b>	<b>1.47</b>	<b>21.71</b>	<b>139.72</b>
<b>Net Carrying amount as at 31<sup>st</sup> March 2025</b>	<b>2.44</b>	<b>-</b>	<b>2.38</b>	<b>0.82</b>	<b>67.18</b>	<b>72.82</b>

## NOTE: 12 | OTHER INTANGIBLE ASSETS

(₹ in Lakh)

Particulars	Software License	TOTAL
<b>Gross Block</b>		
As at 1 <sup>st</sup> April 2023	32.00	32.00
Additions	-	-
Deletions	-	-
<b>As at 31<sup>st</sup> March 2024</b>	<b>32.00</b>	<b>32.00</b>
<b>Accumulated Amortization</b>		
As at 1 <sup>st</sup> April 2023	3.54	3.54
Amortization for the year	10.67	10.67
Deletions	-	-
<b>As at 31<sup>st</sup> March 2024</b>	<b>14.21</b>	<b>14.21</b>
<b>Net Carrying amount as at 31<sup>st</sup> March 2024</b>	<b>17.79</b>	<b>17.79</b>

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

(₹ in Lakh)

Particulars	Software License	TOTAL
<b>Gross Block</b>		
As at 1 <sup>st</sup> April 2024	32.00	32.00
Additions	-	-
Deletions	-	-
<b>As at 31<sup>st</sup> March 2025</b>	<b>32.00</b>	<b>32.00</b>
<b>Accumulated Amortization</b>		
As at 1 <sup>st</sup> April 2024	14.21	14.21
Amortization for the year	10.67	10.67
Deletions	-	-
<b>As at 31<sup>st</sup> March 2025</b>	<b>24.88</b>	<b>24.88</b>
<b>Net Carrying amount as at 31<sup>st</sup> March 2025</b>	<b>7.12</b>	<b>7.12</b>

## NOTE: 13 | OTHER NON-FINANCIAL ASSETS

(Unsecured, considered good, unless stated otherwise)

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Dues Receivable from Government - GST	27.66	17.83
Interest on income tax refund receivable from Government	47.07	-
Advance to Vendor	4.08	5.07
Prepaid expenses	1.54	14.64
Gratuity Plan Assets	75.06	73.52
	<b>155.41</b>	<b>111.06</b>

## NOTE: 14

Ageing Schedule for Trade Payables as at 31<sup>st</sup> March 2025

(₹ in Lakh)

As at 31 <sup>st</sup> March 2025	Unbilled	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	6.77	1.66	-	-	-	8.43
(ii) Others	39.80	60.55	-	-	-	100.35
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>46.57</b>	<b>62.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>108.78</b>

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## Ageing Schedule for Trade Payables as at 31<sup>st</sup> March 2024

(₹ in Lakh)

As at 31 <sup>st</sup> March 2024	Unbilled	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	3.94	0.41	-	-	-	4.35
(ii) Others	17.51	18.98	-	-	-	36.49
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>21.45</b>	<b>19.39</b>	-	-	-	<b>40.84</b>

Micro and Small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been determined based on the information available with the Company and the required disclosure are given below:

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
a. Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act		
- Principal	8.43	4.35
- Interest	-	-
b. The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
d. The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

## NOTE: 15 | DEBT SECURITIES

(Secured, carried at amortised cost)

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Non Convertible Debentures (Refer Note 15A below)	22,767.50	21,065.03
	<b>22,767.50</b>	<b>21,065.03</b>
In India	22,767.50	21,065.03
Outside India	-	-

### Note 15A:

Following is the repayment terms of Non Convertible Debentures.

(₹ in Lakh)

Repayment clause	Coupon rate	Maturity period
Repayment is linked to the receipt of distribution amount from redemption of Security Receipts (SR), against which the debentures are issued and subject to the approval from the Debenture Trustee.	11.50%	8 years

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## Notes:

- Security over the SR distributions, debt service trust accounts and all rights, title, benefit and interest in the debt service trust account.
- Company is also required to create pledge on SRs issued, however no pledge created on SRs till date. Further Company has executed a Non Disposal Undertaking in favour of Debenture Trustee. Subject to applicable law, as and when the Debenture Trustee instructs the Company to create pledge, Company will create the pledge.

## NOTE: 16 | BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Term Loans (Carried at amortised cost)	-	4,369.23
(i) From Banks (Secured)	-	600.00
(ii) From Related parties (Unsecured)		
Loans repayable on demand	-	3,000.00
(i) From Banks (Secured)	-	2,633.06
Bank Overdraft	-	10,602.29
	-	<b>10,602.29</b>
In India	-	10,602.29
Outside India		

Following is the repayment terms of the Bank Borrowings outstanding as at 31<sup>st</sup> March 2024

Type of Bank Loan	Repayment clause	Interest rate	Security Details
Term Loan	In 36 months (including moratorium period of 12 months) commencing from 27 <sup>th</sup> September 2023 upto 27 <sup>th</sup> June 2025 by way of 8 equal quarterly instalments of ₹ 875 lakhs each or such other amount that the Bank may from time to time fix, to the intent that the entire Facility together with interest, additional interest, cost and other expenses shall be repaid within the expiry of the aforesaid period.	MCLR for 3 months tenor + Spread 1.67%	Primary - Pledge of Security Receipts (SRs).  Collateral - (i) Letter of Comfort from the Holding Company; (ii) Charge on on Cash flows from all unencumbered SRs including pledged SRs mentioned above (excluding cashflows and security receipts already charged to other creditors).
Working Capital Demand Loan	In lump/by way of bullet payment on or before 26 <sup>th</sup> June 2024	MCLR for 3 months tenor + Spread 1.17%	

Following is the repayment terms of the outstanding loans taken from related party as at 31<sup>st</sup> March 2024

Repayment clause	Interest rate	Maturity period
Repayable anytime within 6 months from the date of disbursement. Interest payable at the end of each quarter of calender year.	9.20%	6 months or on call

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

Following is the terms of Bank Overdraft as at 31<sup>st</sup> March 2025

Facility Limit	Tenure	Interest rate	Security Details
₹ 5,000 lakhs	On Demand	1% over Fixed Deposit Rate	Term Deposits (Refer Note 6)

Following is the terms of Bank Overdraft as at 31<sup>st</sup> March 2024

Facility Limit	Tenure	Interest rate	Security Details
₹ 3,000 lakhs	On Demand	1% over Fixed Deposit Rate	Term Deposits (Refer Note 6)

## NOTE: 17 | SUBORDINATE LIABILITIES

(Carried at amortised cost)

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Compulsorily Convertible Preference Shares	3,200.00	3,200.00
	<b>3,200.00</b>	<b>3,200.00</b>
In India	3,200.00	3,200.00
Outside India	-	-

Notes:

- 0.01% Compulsorily Convertible Preference Shares ('CCPS') on a non-cumulative basis.
- To be compulsorily converted into equity shares of ₹ 10/- each at higher of
  - Fair Market value determined as on the date of conversion or
  - ₹ 10/- per equity share (being the face value of equity shares).
- The date of allotment and the tenor of the outstanding CCPS is as mentioned in the below table:

Date of allotment	Tenor	CCPS Amount (₹ in Lakhs)
20/02/2018	20 Years	800.00
29/10/2018	20 Years	300.00
31/03/2020	10 Years	500.00
21/06/2021	10 Years	500.00
24/06/2022	10 Years	600.00
26/03/2024	10 Years	500.00

## NOTE: 18 | OTHER FINANCIAL LIABILITIES

(Carried at amortised cost)

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Accrued salaries and benefits	659.19	398.08
Other Obligations (Refer Note 26.1)	52,500.00	-
	<b>53,159.19</b>	<b>398.08</b>

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 19 | PROVISIONS

Particulars	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Provision for Employee Benefits		
Provision for Leave encashment	7.82	16.94
Provision for Gratuity	39.31	43.84
Provision for Others	255.37	235.53
	<b>302.50</b>	<b>296.31</b>

## NOTE: 20 | OTHER NON FINANCIAL LIABILITIES

(Carried at amortised cost)

Particulars	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Unearned Revenue	927.25	1,159.67
Statutory Dues	84.09	122.14
	<b>1,011.34</b>	<b>1,281.81</b>

## NOTE: 21 | SHARE CAPITAL

Particulars	(₹ in Lakh)			
	Number	As at 31 <sup>st</sup> March 2025	Number	As at 31 <sup>st</sup> March 2024
<b>Authorised:</b>				
Equity Shares of ₹ 10/- each	15,00,00,000	15,000.00	15,00,00,000	15,000.00
	<b>15,00,00,000</b>	<b>15,000.00</b>	<b>15,00,00,000</b>	<b>15,000.00</b>
<b>Issued:</b>				
<b>Equity Share Capital</b>				
Equity Shares of ₹ 10/- each	10,00,00,000	10,000.00	10,00,00,000	10,000.00
	<b>10,00,00,000</b>	<b>10,000.00</b>	<b>10,00,00,000</b>	<b>10,000.00</b>
<b>Subscribed and Paid-up:</b>				
<b>Equity Share Capital</b>				
Equity Shares of ₹ 10/- each, fully paid-up	10,00,00,000	10,000.00	10,00,00,000	10,000.00
	<b>10,00,00,000</b>	<b>10,000.00</b>	<b>10,00,00,000</b>	<b>10,000.00</b>

1) Reconciliation of the number of shares authorized at the beginning and at the end of the year

Sr. No.	Description	As at 31 <sup>st</sup> March 2025		As at 31 <sup>st</sup> March 2024	
		Equity Shares	Amount	Equity Shares	Amount
1	No. of Shares Outstanding at the beginning of the year	15,00,00,000	15,000.00	15,00,00,000	15,000.00
2	Add: Increased during the year	-	-	-	-
3	No. of Shares Outstanding at the end of the year	<b>15,00,00,000</b>	<b>15,000.00</b>	<b>15,00,00,000</b>	<b>15,000.00</b>

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## 2) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

(₹ in Lakh)

Sr. No.	Description	As at 31 <sup>st</sup> March 2025		As at 31 <sup>st</sup> March 2024	
		Equity Shares	Amount	Equity Shares	Amount
1	No. of Shares Outstanding at the beginning of the year	10,00,00,000	10,000.00	10,00,00,000	10,000.00
2	Add: Increased during the year	-	-	-	-
3	No. of Shares Outstanding at the end of the year	<b>10,00,00,000</b>	<b>10,000.00</b>	<b>10,00,00,000</b>	<b>10,000.00</b>

### Term/Right Attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution to all preferential holders. The distribution will be in proportion to the number of the equity shares held by the shareholders.

### Terms of any securities convertible into equity shares

For the terms of compulsarily convertible preference shares, refer Note 17 on Subordinated Liabilities

### Shares held by holding / ultimate holding Company and / or their subsidiaries / associates

Out of equity shares issued by the Company, shares held by its holding company, ultimate company and their subsidiaries / associates are as below:

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2025 Amount (₹)	As at 31 <sup>st</sup> March 2024 Amount (₹)
<b>Parent - Aditya Birla Capital Limited</b> 9,99,99,940 equity shares	99,99,99,400	99,99,99,400

### Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31 <sup>st</sup> March 2025 Amount (₹)	As at 31 <sup>st</sup> March 2024 Amount (₹)
<b>Parent - Aditya Birla Capital Limited (in numbers)</b>	9,99,99,940	9,99,99,940
% of shareholding	99.99%	99.99%

### Shares held by promoters

Out of equity shares issued by the Company, shares held by promoters are as below:

Shares held by promoters as at 31 <sup>st</sup> March 2025				% Change during the year
Sr. No	Promoters Name	No. of Shares	% of total shares	
1	Aditya Birla Capital Limited	9,99,99,940	99.99%	-

Shares held by promoters as at 31 <sup>st</sup> March 2024				% Change during the year
Sr. No	Promoters Name	No. of Shares	% of total shares	
1	Aditya Birla Capital Limited	9,99,99,940	99.99%	-

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 22 | OTHER EQUITY

(₹ in Lakh)		
Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Retained Earnings*		
Opening Balance	16,705.74	7,400.79
Addition:		
Profit for the Year	18,972.52	9,305.58
Other Comprehensive income / (loss) for the year	5.77	(0.63)
Closing Balance	<b>35,684.03</b>	<b>16,705.74</b>
<b>Total Other Equity</b>	<b>35,684.03</b>	<b>16,705.74</b>

\* Retained Earning comprises of Surplus in Profit & Loss Account of the Company

## NOTE: 23 | INTEREST INCOME

(₹ in Lakh)		
Particulars	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Interest on deposits with Banks		
On Financial Assets carried at amortised cost	1,244.95	381.17
	<b>1,244.95</b>	<b>381.17</b>

## NOTE: 24 | FEE INCOME

(₹ in Lakh)		
Particulars	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Trusteeship and Management Fees	2,815.21	3,078.01
Debt Restructuring fee	-	22.74
	<b>2,815.21</b>	<b>3,100.75</b>

## NOTE: 25 | RECOVERY INCENTIVE

(₹ in Lakh)		
Particulars	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Recovery Incentive	228.87	379.07
	<b>228.87</b>	<b>379.07</b>

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 26 | NET GAIN ON FAIR VALUE CHANGES

Particulars	(₹ in Lakh)	
	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Net gain / (loss) on financial assets at fair value through profit or loss		
On Investments in Security Receipts	95,418.87	13,893.74
Less: Amount attributable to Varde Partners (Refer note 26.1)	(52,500.00)	-
On Mutual Fund units	68.69	44.18
	<b>42,987.56</b>	<b>13,937.92</b>
Fair Value changes :		
Realised	53,843.96	6,894.04
Unrealised	(10,856.40)	7,043.88
	<b>42,987.56</b>	<b>13,937.92</b>

### NOTE: 26.1

"In 2018, Aditya Birla Capital ("ABCL") and Varde Partners ("Varde") established a strategic partnership to pursue investments in stressed and distressed assets in India. In accordance with the commercial agreements between ABCL and Varde, the Company has recognised amounts attributable to Varde's economic interest in the funds available from the resolution and redemption of specific security receipts, in line with letter dated 28<sup>th</sup> March 2025 issued by ABCL to the Company. The above agreements were earlier entered into by ABCL with Varde for protecting the Company from losses, if any, suffered by the Company due to the Company's investment in specific security receipts.

In view of the same, an estimated amount of ₹ 52,500 lakhs has been provided by the Company by reducing 'Net gain on fair value changes' and corresponding amount, being amounts attributable to Varde has been disclosed under 'Other Financial Liabilities'. Any payment to Varde pursuant to the aforesaid shall be subject to applicable laws and applicable regulatory approvals.

## NOTE: 27 | OTHER INCOME

Particulars	(₹ in Lakh)	
	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Profit on sale of Property, plant and equipments	5.73	-
<b>Interest on Others</b>		
On Financial Assets carried at amortised cost	3.11	8.45
Interest on tax refunds	47.07	7.59
Gain on cancellation of lease	-	25.65
	<b>55.91</b>	<b>41.69</b>

## NOTE: 28 | FINANCE COST

Particulars	(₹ in Lakh)	
	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
<b>Interest on Financial Liabilities carried at amortised cost</b>		
Debt securities	2,385.53	2,569.34
Borrowing other than Debt securities	469.32	1,147.52
Finance Cost - Lease Liability	25.75	28.05
	<b>2,880.60</b>	<b>3,744.91</b>

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 29 | IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	(₹ in Lakh)	
	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
On Trade Receivables	(3.82)	2.46
On Other Financial Assets held at Amortised Cost	(5.48)	2.18
	<b>(9.30)</b>	<b>4.64</b>

## NOTE: 30 | EMPLOYEE BENEFITS EXPENSES

Particulars	(₹ in Lakh)	
	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Salaries and Wages	1,019.09	1,041.01
Contribution to provident and other funds (Refer Note no 36)	24.99	38.29
Staff Welfare Expenses	20.07	40.40
	<b>1,064.15</b>	<b>1,119.70</b>

## NOTE: 31 | DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	(₹ in Lakh)	
	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Depreciation of Property, plant and equipment	25.80	20.63
Amortization of other Intangible assets	10.67	10.67
Amortisation on Lease Assets	80.99	81.06
	<b>117.46</b>	<b>112.36</b>

## NOTE: 32 | OTHER EXPENSES

Particulars	(₹ in Lakh)	
	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Rent	0.18	0.57
Repairs & Maintenance - Others	17.25	15.74
Insurance	1.12	1.03
Rates & Taxes	3.55	10.43
Legal & Professional Expenses (Refer Note 32.1)	100.43	80.35
Travelling & Conveyance	2.88	5.27
Printing and Stationery	1.36	0.57
Communication Expenses	0.08	0.13
Electricity Charges	4.54	4.45
Subscription Expenses	17.94	22.33
Director Sitting Fees	18.85	16.75
Corporate Social Responsibility (Refer Note 57)	70.35	29.10
Bid Participation Fee	-	10.00
Net Loss on sale of Property, plant and equipments	0.39	2.24
Miscellaneous Expenses	9.28	18.82
<b>Total</b>	<b>248.20</b>	<b>217.78</b>



# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## Note 32.1 Includes Auditors Remuneration

Particulars	(₹ in Lakh)	
	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Audit Fees	7.85	7.57
Tax Audit Fees	2.00	1.82
Other Certification Fees	0.50	1.25
Out of Pocket Expenses	-	0.11
	<b>10.35</b>	<b>10.75</b>

### NOTE: 33 DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 33 EARNINGS PER SHARE

Particulars	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Earnings per Share (EPS) is calculated as under:		
Weighted-average Number of Equity Shares for calculation of Basic EPS	1,000.00	1,000.00
Weighted-average number of Equity Shares for calculation of Diluted EPS	1,032.00	1,027.08
Nominal Value of Shares (₹)	10.00	10.00
Profit attributable to equity shareholders for Basic EPS	18,972.52	9,305.58
Profit attributable to equity shareholders for Diluted EPS	18,972.52	9,305.58
Basic EPS (₹)	<b>18.97</b>	<b>9.31</b>
Diluted EPS (₹)	<b>18.38</b>	<b>9.06</b>

Dilutive shares for computation of Earnings per share pertain to 32,00,000 of 0.01% compulsorily convertible preference shares.

### NOTE: 34 DISCLOSURE IN RESPECT OF RELATED PARTY PURSUANT TO INDIAN ACCOUNTING STANDARD (IND AS) 24: (AS IDENTIFIED BY MANAGEMENT AND RELIED UPON BY AUDITOR)

#### a. List of Related Parties:

##### A Ultimate Holding Company

Grasim Industries Limited

##### B Holding Company

Aditya Birla Capital Limited (ABCL) (Formerly known as Aditya Birla Financial Services Limited)

##### C Directors and Key Management Personnel

Vishakha Mulye - Director (upto 24<sup>th</sup> May 2024)

Tushar Shah- Director

Pinky Mehta - Director

Venkatraman Ravi - Independent Director (upto 18<sup>th</sup> November 2024)

Sharadkumar Bhatia - Independent Director

Sethurathnam Ravi - Independent Director

Kumar Sharadindu - Additional Independent Director (w.e.f 3<sup>rd</sup> February 2025)

Sanjay Jain - Chief Executive Officer

Sandeep Somani - Chief Financial Officer (upto 3<sup>rd</sup> January 2025)

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## D Fellow Subsidiary

Aditya Birla Finance Limited  
Aditya Birla Money Limited  
Aditya Birla Money Mart Limited  
Aditya Birla Sunlife Insurance Company Limited  
Aditya Birla Stressed Asset AMC Private Limited  
Aditya Birla Financial Shared Services Limited  
Aditya Birla Capital Digital Limited

## E Associate of Holding Company

Aditya Birla Sun Life AMC Limited

## F Joint Venture of Holding Company

Aditya Birla Wellness Private Limited

## G Post Employment Benefit Plan

Grasim Industries Limited -Employee Gratuity Trust Fund

## H ARC Trust - Controlled by the Company

ABARC-AST-001 Trust\*

ABARC-AST-008 Trust\*

ABARC-AST-010 Trust\*

\*Trusts set up by the Company for the purpose of carrying out asset securitization and reconstruction business. By virtue of provisions of SARFAESI Act and RBI guidelines, the Company acts as Trustee and Investment Manager (IM) of the aforesaid trusts and decides the acquisition and resolution strategy and takes necessary steps for recovery in line with the strategy decided. As prescribed by RBI, the Asset Acquisition and Resolution has to be approved by a "Committee" of the Company to ensure that there is no potential conflict with the interest of the Company and they are being carried out on arm's length basis at fair market value. Further, powers and duties of the Company, acting as Trustee and AMC of the aforesaid trusts are governed by relevant trust deeds / offer document and commitment agreement.

## b. Transactions and Balances with related parties for the year ended 31<sup>st</sup> March 2025 and 31<sup>st</sup> March 2024

(₹ in Lakh)

Sr. No.	Particulars	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
<b>A</b>	<b>Ultimate Holding Company</b>		
<b>1</b>	<b>Transactions during the year *</b>		
	Grasim Industries Limited (Transfer of employee benefits on employee transfer-out)	0.56	-
<b>B</b>	<b>Holding Company</b>		
<b>1</b>	<b>Transactions during the year *</b>		
	Aditya Birla Capital Limited (Issue of Compulsorily Convertible Preference Shares)	-	500.00
	Aditya Birla Capital Limited (ICD taken)	-	7,000.00
	Aditya Birla Capital Limited (ICD redeemed)	600.00	6,400.00
	Aditya Birla Capital Limited (ICD interest)	11.76	81.41
<b>2</b>	<b>Balance Outstanding</b>		
	Aditya Birla Capital Limited (Equity Shares)	10,000.00	10,000.00
	Aditya Birla Capital Limited (CCPS)	2,100.00	2,100.00
	Aditya Birla Capital Limited (ICD)	-	600.00
	Aditya Birla Capital Limited (Other - Payables)	1.89	6.03

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

(₹ in Lakh)

Sr. No.	Particulars	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
<b>C</b>	<b>Directors and Key Management Personnel</b>		
<b>1</b>	<b>Transactions during the year*</b>		
	Sanjay Jain (Remuneration)^	317.66	270.37
	Sandeep Somani (Remuneration)^	87.96	86.78
	Sandeep Somani (Sale of Vehicle)	4.76	-
	Venkatraman Ravi (Sitting Fees)	3.00	4.50
	Sharadkumar Bhatia (Sitting Fees)	7.90	5.95
	Sethurathnam Ravi (Sitting Fees)	8.80	6.30
	Kumar Sharadindu (Sitting Fees)	0.75	-
<b>2</b>	<b>Balance Outstanding</b>		
	Sharadkumar Bhatia	0.75	-
	Sethurathnam Ravi	0.75	-
	Kumar Sharadindu	0.75	-
<b>D</b>	<b>Fellow Subsidiaries</b>		
<b>1</b>	<b>Transactions during the year*</b>		
<b>i</b>	<b>Expenses Reimbursement</b>		
	Aditya Birla Finance Limited (Employee offsite cost)	-	9.28
	Aditya Birla Stressed Asset AMC Private Limited (Payroll expense)	59.12	125.22
	Aditya Birla Housing Finance Limited (Payroll-VPay expense)	23.53	-
	Aditya Birla Financial Shared Services Limited (Payroll-VPay expense)	1.54	-
	Aditya Birla Housing Finance Limited (Payroll-LTIP expense)	7.50	-
	Aditya Birla Housing Finance Limited (Payroll expense)	44.04	-
<b>ii</b>	<b>Expense Recovery</b>		
	Aditya Birla Stressed Asset AMC Private Limited (Insurance expense)	1.23	0.95
	Aditya Birla Stressed Asset AMC Private Limited (Professional expense)	0.02	0.04
	Aditya Birla Housing Finance Limited (GMC premium)	0.04	-
	Aditya Birla Money Limited (Payroll expense)	2.20	-
<b>iii</b>	<b>Expenses</b>		
	Aditya Birla Money Limited (Custodian fees)	0.01	0.07
	Aditya Birla Sun Life Insurance Company Limited (Insurance expense)	-	0.59
	Aditya Birla Money Mart Limited (ICD interest)	-	21.21
	Aditya Birla Finance Limited (Staff Training)	-	1.85
	Aditya Birla Capital Digital Limited (Staff Welfare)	0.08	-

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

(₹ in Lakh)

Sr. No.	Particulars	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
<b>iv</b>	<b>Others</b>		
	Aditya Birla Money Mart Limited (ICD taken)	-	1,650.00
	Aditya Birla Money Mart Limited (ICD redeemed)	-	1,650.00
	Aditya Birla Housing Finance Limited (Transfer of employee benefits on employee transfer-out)	6.24	3.09
	Aditya Birla Financial Shared Services Limited (Transfer of employee benefits on employee transfer-out)	-	18.02
	Aditya Birla Stressed Asset AMC Private Limited (Transfer of employee benefits on employee transfer-in)	-	0.57
	Aditya Birla Sun Life Insurance Company Limited (Advance for employee term insurance)	-	0.82
<b>v</b>	<b>Advance for Expenses</b>		
	Aditya Birla Sun Life Insurance Company Limited (Insurance premium deposit)	0.67	0.67
<b>2</b>	<b>Balance Outstanding</b>		
<b>i</b>	<b>Receivable</b>		
	Aditya Birla Sun Life Insurance Company Limited	0.13	0.82
<b>ii</b>	<b>Payable</b>		
	Aditya Birla Stressed Asset AMC Private Limited	0.23	9.23
	Aditya Birla Finance Limited	-	2.03
	Aditya Birla Housing Finance Limited	48.36	-
	Aditya Birla Capital Digital Limited	0.01	-
<b>E</b>	<b>Associate of Holding Company</b>		
<b>1</b>	<b>Transactions during the year *</b>		
<b>i</b>	<b>Expenses Reimbursement</b>		
	Aditya Birla Sun Life AMC Ltd (Payroll Expense)	24.92	-
	Aditya Birla Sun Life AMC Ltd (Transfer of employee benefits on employee transfer-out)	4.78	-
<b>2</b>	<b>Balance Outstanding</b>		
<b>i</b>	<b>Payable</b>		
	Aditya Birla Sun Life AMC Ltd	8.83	-
<b>F</b>	<b>Joint Venture of Holding Company</b>		
<b>1</b>	<b>Transactions during the year *</b>		
<b>i</b>	<b>Expenses</b>		
	Aditya Birla Wellness Private Limited (Staff Welfare Expense)	0.09	0.12
<b>2</b>	<b>Balance Outstanding</b>		
<b>i</b>	<b>Payable</b>		
	Aditya Birla Wellness Private Limited	0.09	-



# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

(₹ in Lakh)

Sr. No.	Particulars	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
<b>G</b>	<b>Post Employment Benefit Plan</b>		
<b>1</b>	<b>Transactions during the year *</b>		
<b>i</b>	<b>Others</b>		
	Grasim Industries Limited -Employee Gratuity Trust Fund (Fund Withdrawal)	4.18	-
<b>2</b>	<b>Balance Outstanding</b>		
<b>i</b>	<b>Receivable</b>		
	Grasim Industries Limited -Employee Gratuity Trust Fund (Amount paid towards Gratuity)	75.06	73.52
<b>H</b>	<b>ARC Trust - Controlled by the Company</b>		
<b>1</b>	<b>Transactions during the year*</b>		
<b>i</b>	<b>Income</b>		
	ABARC-AST-008 Trust (Trusteeship Fees)**	0.00	5.95
<b>ii</b>	<b>Redemption of security receipts</b>		
	ABARC-AST-008 Trust	-	595.93
	ABARC-AST-010 Trust	-	8.50
<b>iii</b>	<b>Upside Income</b>		
	ABARC-AST-008 Trust	-	6,262.59
	ABARC-AST-010 Trust	0.20	90.76
<b>iv</b>	<b>Advances</b>		
	ABARC-AST-001 Trust (Advances in the nature of loan)	-	0.36
	ABARC-AST-010 Trust (Advances in the nature of loan)	0.08	0.05
	ABARC-AST-008 Trust (Repayment of Advance)	-	1.77
	ABARC-AST-010 Trust (Repayment of Advance)	-	0.05
	ABARC-AST-001 Trust (Advances written off)	-	0.36
	ABARC-AST-010 Trust (Advances written off)	0.08	-
	ABARC-AST-010 Trust (Recovery of Initial Trust Fund)	0.01	-
	ABARC-AST-001 Trust (Recovery of Initial Trust Fund)	-	0.01
<b>2</b>	<b>Balance Outstanding</b>		
<b>i</b>	<b>Investments</b>		
	ABARC-AST-008 Trust (Investment in security receipts)	0.34	0.34
	ABARC-AST-008 Trust (Initial Trust Fund)	0.01	0.01
	ABARC-AST-010 Trust (Initial Trust Fund)	-	0.01

\* All amounts are exclusive of GST

\*\* Figures rounded off to the nearest thousand

^ Retirement Benefits are not included

**Note:** The Market Linked debentures and bank borrowings were fully redeemed/repaid by the Company during the previous year and current year respectively thereby the letter of comfort obtained for ₹ 15,000 lakhs from Aditya Birla Capital stands completely withdrawn as at 31<sup>st</sup> March 2025.

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 35 | MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

	31 <sup>st</sup> March 2025			31 <sup>st</sup> March 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Assets</b>						
<b>Financial assets</b>						
Cash and cash equivalents	44,770.41	-	44,770.41	615.30	-	615.30
Bank Balance other than above	69,550.95	743.46	70,294.41	4,634.11	1,424.89	6,059.00
Trade receivables	-	-	-	951.72	-	951.72
Loans	-	-	-	1,364.68	-	1,364.68
Investments	4,442.90	1,446.31	5,889.21	41,886.84	14,499.40	56,386.24
Other financial assets	3.65	40.20	43.85	17.01	37.15	54.16
<b>Non-financial Assets</b>						
Current tax asset	-	5,880.65	5,880.65	-	973.31	973.31
Property, plant and equipment	-	72.82	72.82	-	94.94	94.94
Other Intangible assets	-	7.12	7.12	-	17.79	17.79
Right to use of Assets	-	252.95	252.95	-	333.94	333.94
Other non financial assets	155.41	-	155.41	111.06	-	111.06
<b>Total assets</b>	<b>1,18,923.32</b>	<b>8,443.51</b>	<b>1,27,366.83</b>	<b>49,580.72</b>	<b>17,381.42</b>	<b>66,962.14</b>
<b>Liabilities</b>						
<b>Financial Liabilities</b>						
Trade payables						
total outstanding dues of micro enterprises and small enterprises	8.43	-	8.43	4.35	-	4.35
total outstanding dues of creditors other than micro enterprises and small enterprises	100.35	-	100.35	36.49	-	36.49
Debt Securities	22,767.50	-	22,767.50	5,793.02	15,272.01	21,065.03
Borrowings (Other than Debt Securities)	-	-	-	9,728.40	873.89	10,602.29
Subordinate Liabilities	-	3,200.00	3,200.00	-	3,200.00	3,200.00
Lease Liabilities	99.08	200.72	299.80	94.37	277.47	371.84
Other Financial liabilities	53,159.19	-	53,159.19	398.08	-	398.08
<b>Non-financial Liabilities</b>						
Provisions	182.69	119.81	302.50	141.64	154.67	296.31
Deferred tax liabilities (net)	-	833.69	833.69	-	3,000.20	3,000.20
Other non-financial liabilities	1,011.34	-	1,011.34	1,281.81	-	1,281.81
<b>Equity</b>						
Equity Share Capital	-	10,000.00	10,000.00	-	10,000.00	10,000.00
Other Equity	-	35,684.03	35,684.03	-	16,705.74	16,705.74
<b>Total Liabilities</b>	<b>77,328.58</b>	<b>50,038.25</b>	<b>1,27,366.83</b>	<b>17,478.15</b>	<b>49,483.99</b>	<b>66,962.14</b>

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 36 | EMPLOYEE BENEFIT DISCLOSURES

### Defined Contribution Plan

The amounts charged to the Statement of Profit and Loss during the year for Provident fund contribution aggregates to ₹ 18.37 lakhs (March 31, 2024 – ₹ 24.47 lakhs).

### Defined Benefit Plan

#### General Description of the plan:

The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service.

#### Nature of Benefits

The Company operates a defined benefit gratuity plan which is open to new entrants. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

#### Inherent Risks:

The plan is of a defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the balance sheet for the gratuity plan of the Company.

### Amounts recognized in the Balance sheet in respect of Gratuity

Particulars	(₹ in Lakh)	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Opening Defined Benefit Obligations	43.84	42.48
Current Service Cost	7.23	9.94
Interest Cost	3.13	3.11
Actuarial changes arising from changes in demographic assumptions	(5.04)	-
Actuarial changes arising from changes in financial assumptions	1.44	0.39
Actuarial changes arising from changes in experience assumptions	(3.65)	5.50
Add: Benefits paid including transfer in/out	(7.66)	(17.57)
Present value of defined benefit obligation	39.31	43.84

### Changes in Fair Value of Plan Assets

Particulars	(₹ in Lakh)	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Opening Fair Value of the Plan Assets	73.53	63.81
Interest Income on the Plan Assets	5.25	4.67
Employers Contribution	-	-
Benefits paid	(4.18)	-
Return on Plan Assets	0.46	5.05
Closing Fair Value of the Plan Assets	75.06	73.53

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## Amounts recognized in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity

Particulars	(₹ in Lakh)	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
In Statement of Profit and Loss	7.23	9.94
Interest on net defined benefit liability/(assets)	(2.12)	(1.56)
<b>Total Expenses Recognized for the period</b>	<b>5.11</b>	<b>8.38</b>

## Other Comprehensive Income:

Particulars	(₹ in Lakh)	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Actuarial (gains)/ losses		
Actual Return on Plan Assets excluding amount recognised in net interest expense	(0.46)	(5.05)
Actuarial changes arises from change		
- Demographic Assumptions	(5.04)	-
- Financial Assumptions	1.44	0.39
- Experience Variance	(3.65)	5.50
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Components of defined benefit costs recognized in OCI	(7.71)	0.84

### b) Maturity Profile of Defined Benefit Obligation

	(₹ in Lakh)
Weighted average duration (based on discounted cashflows)	3 years
Expected cash flows over the next (valued on undiscounted basis):	
1 years	8.89
2 to 5 years	23.58
6 to 10 years	16.15
More than 10 years	2.35

### c) Expected Contribution during the next annual reporting period

The company's best estimate of contribution during the next year	-
--	---

### d) Funding Arrangements and Funding Policy

The Scheme is on funded basis.

### e) Principal Actuarial Financial Assumptions

Particulars	(₹ in Lakh)	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Discount Rate (per annum)	6.50%	7.15%
Salary Growth Rate (per annum)	10%	10%
Decrement adjusted remaining working life (yrs)	3.35	5.80

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## f) Demographic Assumptions

Particulars	(₹ in Lakh)	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Mortality Rate	100% of IALM 2012-24	100% of IALM 2012-24
Normal retirement age	60 yrs	60 yrs
Attrition/Withdrawal rate (per annum)	25%	15%

Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

## g) Major Categories of Plan Assets (as a percentage of Total Plan Assets)

Particulars	(₹ in Lakh)	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Government of India Securities	1.73%	2.15%
State Govt. Securities	2.23%	3.18%
High Quality Corporate Bonds	0.28%	0.54%
Fund Managed by Insurers	40.81%	41.58%
Other Investments	54.95%	52.55%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

## Sensitivity Analysis

Description	(₹ in Lakh)			
	As at 31 <sup>st</sup> March 2025		As at 31 <sup>st</sup> March 2024	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+ 0.5%)	40.03	38.61	45.21	42.55
(% change compared to base due to sensitivity)	1.80%	-1.80%	3.10%	-3.00%
Salary Growth (-/+ 0.5%)	38.62	40.01	42.57	45.17
(% change compared to base due to sensitivity)	-1.70%	1.80%	-2.90%	3.00%
Attrition Rate (-/+ 50%)	46.42	36.16	54.64	38.90
(% change compared to base due to sensitivity)	18.10%	-8.00%	24.60%	-11.30%
Mortality Rate (-/+ 10%)	39.27	39.35	43.80	43.89
(% change compared to base due to sensitivity)	-0.10%	0.10%	-0.10%	0.10%

## Sensitivity Analysis Method

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

### NOTE: 37 TAXATION APPROACH

The Company has opted to pay income tax u/s 115BAA of Income Tax Act, 1961 from F.Y: 2019-20 in order to pay tax at the lower rate.

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 38 | INCOME TAX DISCLOSURE

Current tax for the year of ₹ 26,227.32 lakhs (March 31, 2024 - ₹ 1452.31 lakhs).

The major components of income tax expense for the years ended

Statement of profit and loss:

	(₹ in Lakh)	
Profit or loss Section	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Current tax	26,227.32	1,452.31
Deferred tax	(2,168.45)	1,883.32
<b>Income tax expense reported in the statement of profit or loss</b>	<b>24,058.87</b>	<b>3,335.63</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for years ended

	(₹ in Lakh)	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
A) Income before income tax	43,031.39	12,641.21
B) Enacted tax rate in India	25.168%	25.168%
C) Expected Tax Expense (A*B)	10,830.14	3,181.54
D) Permanent tax disallowances	17.71	7.33
E) Brought forward capital loss not considered in the deferred tax asset in earlier years considered in current year	-	42.28
F) Amount attributable to Varde Partners (Refer Note 26.1)	13,213.20	-
G) Other Adjustments	(2.18)	104.48
<b>Income tax expense reported in the statement of profit and loss</b>	<b>24,058.87</b>	<b>3,335.63</b>

### Deferred tax:

Deferred tax relates to the following:

Balance Sheet	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
<b>Deferred tax Liabilities</b>		
Marked to Market Value of Investment	951.42	3,126.30
Unrealised interest income on tax refund	11.85	-
Right to use of assets	63.66	84.05
<b>Subtotal (A)</b>	<b>1,026.93</b>	<b>3,210.34</b>
<b>Deferred tax Assets</b>		
Leave Encashment	(1.97)	(4.26)
Difference in WDV between Companies Act and Income Tax Act	(17.45)	(16.36)
Lease Liability	(75.45)	(93.58)
Security Deposit on Lease	(2.82)	(3.59)
Employee LTIP provision	(50.18)	(59.28)
Employee Deferred Compensation provision	(14.09)	-
ECL provisions	-	(2.35)
Deemed Income from Securitization Trusts	(5.56)	-
Brought forward capital losses	(25.72)	(30.71)
<b>Subtotal (B)</b>	<b>(193.24)</b>	<b>(210.14)</b>
<b>Net deferred tax liabilities</b>	<b>833.69</b>	<b>3,000.20</b>

Reflected in the balance sheet as follows:	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Deferred tax assets	(193.24)	(210.14)
Deferred tax liabilities	1,026.93	3,210.34
<b>Deferred tax liabilities (net)</b>	<b>833.69</b>	<b>3,000.20</b>

Reconciliation of deferred tax liabilities (net)	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
<b>Opening balance as of 1<sup>st</sup> April</b>	<b>3,000.20</b>	<b>1,117.09</b>
Tax expense during the period recognised in profit and loss	(2,168.45)	1,883.32
Tax expense / (income) during the period recognised in OCI	1.94	(0.21)
<b>Closing balance as at 31<sup>st</sup> March</b>	<b>833.69</b>	<b>3,000.20</b>

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 39 | LEASES

Following are the changes in the carrying value of right of use assets:

Particulars	(₹ in Lakh)	
	Category of ROU Asset Leasehold premises	
	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
<b>Balance as at 1<sup>st</sup> April</b>	<b>333.94</b>	<b>160.51</b>
Additions	-	415.00
Deletions	-	(160.51)
Depreciation	(80.99)	(81.06)
<b>Balance as at 31<sup>st</sup> March</b>	<b>252.95</b>	<b>333.94</b>

### Amounts recognised in profit and loss

	(₹ in Lakh)	
	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Depreciation expense on right-of-use assets	80.99	81.06
Interest expense on lease liabilities	25.75	28.05

The following is the break-up of current and non-current lease liabilities:

	(₹ in Lakh)	
	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Current Lease Liabilities	99.08	94.37
Non-Current Lease Liabilities	200.72	277.47
<b>Total</b>	<b>299.80</b>	<b>371.84</b>

The following is the movement in lease liabilities during the year:

	(₹ in Lakh)	
	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
<b>Balance as at 1<sup>st</sup> April</b>	<b>371.84</b>	<b>186.21</b>
Additions	-	398.43
Finance Cost accrued during the period	25.75	28.05
Deletions	-	(186.21)
Payment of Lease Liabilities	(97.79)	(54.64)
<b>Balance as at 31<sup>st</sup> March</b>	<b>299.80</b>	<b>371.84</b>

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	(₹ in Lakh)	
	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Less than one year	102.67	97.78
One to Five years	234.77	337.44
More than Five years	-	-
<b>Total</b>	<b>337.44</b>	<b>435.22</b>

The group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 40 | CAPITAL MANAGEMENT

The primary objective of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using capital adequacy ratio, which is weighted assets divided by total capital derived as per the RBI requirements. As per RBI guidelines, ARC has to maintain capital 15% of the capital adequacy ratio:

	(₹ in Lakh)	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Capital Adequacy Ratio	499.59%	40.70%

## NOTE: 41 | ANALYTICAL RATIOS

	(₹ in Lakh)	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Capital to risk-weighted assets ratio*	499.59%	40.70%
Liquidity Coverage Ratio**	35313.17%	2439.47%

\* Since Company is an Asset Reconstruction Company, Tier I CRAR and Tier II CRAR are not applicable.

\*\* Liquidity Coverage Ratio is calculated based on the closing balance of quick assets as numerator and quick liabilities as denominator.

## NOTE: 42 | FAIR VALUE

The following table provides the comparison of carrying value and fair value of the Company's Financial Assets and Liabilities as at 31<sup>st</sup> March 2025 & 31<sup>st</sup> March 2024.

### As at 31<sup>st</sup> March 2025

	(₹ in Lakh)	
	Carrying Value	Fair Value
<b>Financial Assets</b>		
Cash and Cash Equivalents	44,770.41	44,770.41
Bank Balance other than Cash and Cash Equivalents	70,294.41	70,294.41
Investments Unquoted (FVTPL)	5,889.21	5,889.21
Others financial Asset	43.85	43.85
<b>Total</b>	<b>1,20,997.88</b>	<b>1,20,997.88</b>
<b>Financial Liabilities</b>		
Trade payables	108.78	108.78
Debt Securities	22,767.50	22,767.50
Compulsorily Convertible Preference Shares	3,200.00	3,200.00
Lease liabilities	299.80	299.80
Others financial liabilities	53,159.19	53,159.19
<b>Total</b>	<b>79,535.27</b>	<b>79,535.27</b>

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## As at 31<sup>st</sup> March 2024

Financial Assets	Carrying Value	Fair Value
Cash and Cash Equivalents	615.30	615.30
Bank Balance other than Cash and Cash Equivalents	6,059.00	6,059.00
Trade Receivables	951.72	951.72
Loans	1,364.68	1,364.68
Investments Unquoted (FVTPL)	56,386.24	56,386.24
Others financial Asset	54.16	54.16
<b>Total</b>	<b>65,431.10</b>	<b>65,431.10</b>

Financial Liabilities	Carrying Value	Fair Value
Trade payables	36.49	36.49
Debt Securities	21,065.03	21,065.03
Borrowings (Other than Debt Securities)	10,602.29	10,602.29
Compulsorily Convertible Preference Shares	3,200.00	3,200.00
Lease liabilities	371.84	371.84
Others financial liabilities	398.08	398.08
<b>Total</b>	<b>35,673.73</b>	<b>35,673.73</b>

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

### NOTE: 43 | FAIR VALUE HIERARCHY

Following table provides the fair value measurement hierarchy of the Company's assets and liabilities as on 31<sup>st</sup> March 2025 & 31<sup>st</sup> March 2024.

#### As at 31<sup>st</sup> March 2025

(₹ in Lakh)

Financial Assets	Date of Valuation	Total	Level 1	Level 2*	Level 3
Investments Unquoted(FVTPL)	31/03/2025	5,889.21	-	2,152.39	3,736.82

Financial Assets & Financial Liabilities not measured at fair value, including their levels in the fair value heirarchy are presented below.

(₹ in Lakh)

Particulars	Date of Valuation	Total	Level 1	Level 2	Level 3
<b>Financial Assets</b>					
Others financial Asset	31/03/2025	43.85	-	-	43.85
<b>Financial Liabilities</b>					
Trade payables	31/03/2025	108.78	-	-	108.78
Debt Securities	31/03/2025	22,767.50	-	-	22,767.50
Compulsorily Convertible Preference Shares	31/03/2025	3,200.00	-	-	3,200.00
Lease liabilities	31/03/2025	299.80	-	-	299.80
Others financial liabilities	31/03/2025	53,159.19	-	-	53,159.19

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## As at 31<sup>st</sup> March 2024

(₹ in Lakh)					
Financial Assets	Date of Valuation	Total	Level 1	Level 2*	Level 3
Investments Unquoted(FVTPL)	31/03/2024	56,386.24	-	600.90	55,785.34

Financial Assets & Financial Liabilities not measured at fair value, including their levels in the fair value heirarchy are presented below.

(₹ in Lakh)					
Particulars	Date of Valuation	Total	Level 1	Level 2	Level 3
<b>Financial Assets</b>					
Trade Receivables	31/03/2024	951.72	-	-	951.72
Loans	31/03/2024	1,364.68	-	-	1,364.68
Others financial Asset	31/03/2024	54.16	-	-	54.16
<b>Financial Liabilities</b>					
Trade payables	31/03/2024	36.49	-	-	36.49
Debt Securities	31/03/2024	21,065.03	-	-	21,065.03
Borrowings (Other than Debt Securities)	31/03/2024	10,602.29	-	-	10,602.29
Compulsorily Convertible Preference Shares	31/03/2024	3,200.00	-	-	3,200.00
Lease liabilities	31/03/2024	371.84	-	-	371.84
Others financial liabilities	31/03/2024	398.08	-	-	398.08

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level-2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level-3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This means that fair values are determined in whole or in part part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. However, the fair value measurement objective remains the same, that is, to estimate an exit price.

\* Level 2 Investment is Fair value of investment in Mutual Funds as per NAV declared on these units.

There have been no transfers between levels during the year ended March 31, 2025 and year ended March 31, 2024.

### Movement in Level 3 Financial Instruments measured at Fair Value

(₹ in Lakh)		
Financial Assets	Investments Unquoted (in SRs)	
	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
As at beginning of the year	55,785.34	49,908.15
Investments	-	-
Redemptions/write offs	(43,358.26)	(1,168.49)
Gains for the year recognised in profit or loss	(8,690.26)	7,045.68
<b>As at end of the year</b>	<b>3,736.82</b>	<b>55,785.34</b>
Unrealised gains related to balances held at the end of the year	(8,690.26)	7,045.68

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## Unobservable inputs used in measuring fair value categorised within Level 3

(₹ in Lakh)

Type of Financial Instruments	Fair Value of Asset as on 31 <sup>st</sup> March 2025	Valuation Techniques	Significant Unobservable Input
Investments Unquoted(FVTPL)	3,736.82	Discounted Projected Cash Flow	Expected Gross Recoveries* & Discount Rates

(₹ in Lakh)

Type of Financial Instruments	Fair Value of Asset as on 31 <sup>st</sup> March 2024	Valuation Techniques	Significant Unobservable Input
Investments Unquoted(FVTPL)	55,785.34	Discounted Projected Cash Flow	Expected Gross Recoveries* & Discount Rates

\* Expected Gross Recoveries are pertaining to the overall assets under management of the Company. The cash attributable to the Company's share in expected gross recoveries will be dependant on the Company's investment share and terms of the SR subscribed.

## Qualitative analysis of significant unobservable inputs

### Discount margin/spreads

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

### Cash Flow

Expected Cash flow levels including timing of cash flows are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including default rates, manner of resolution and other economic drivers. The manner of resolution is determined based on financial position and negotiations with counterparty.

## NOTE: 44 | RISK MANAGEMENT FRAMEWORK

### a. Governance framework

The primary objective of the Company's risk and financial management framework is to protect the Company's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognises the critical importance of having efficient and effective risk management systems in place.

### b. Approach to capital management

The Company seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders.

The primary source of capital used by the Company is equity, CCPS, debt Securities and borrowings (other than debt securities).

#### Available capital resources:

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Debt Securities	22,767.50	21,065.03
Borrowings (Other than Debt Securities)	-	10,602.29
Lease Liability	299.80	371.84
Compulsorily Convertible Preferences shares	3,200.00	3,200.00
Total Equity	10,000.00	10,000.00
<b>Total Capital</b>	<b>36,267.30</b>	<b>45,239.16</b>

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## c. Regulatory framework

Regulators are primarily interested in protecting the rights of shareholders and monitor them closely to ensure that the Company is satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that the Company maintains an appropriate solvency position to meet unforeseeable liabilities arising from economic shocks or natural disasters. The operations of the Company are subject to regulatory requirements within the jurisdictions in which it operates.

### Financial risks

#### 1. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, preference shares. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company manages its liquidity risk through temporary funding from its holding Company and availing bank overdraft as and when require.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ in Lakh)

Year ended 31 <sup>st</sup> March 2025	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade and other payables	-	62.21	46.57	-	-	108.78
Debt Securities*	-	22,767.50	-	-	-	22,767.50
Compulsorily Convertible Preference Shares	-	-	-	3,200.00	-	3,200.00
Lease Liabilities	-	25.22	73.86	200.72	-	299.80
Other financial liabilities	-	416.19	52,743.00	-	-	53,159.19
	-	<b>23,271.12</b>	<b>52,863.43</b>	<b>3,400.72</b>	-	<b>79,535.27</b>

(₹ in Lakh)

Year ended 31 <sup>st</sup> March 2024	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade and other payables	-	19.39	21.45	-	-	40.84
Debt Securities*	-	131.10	5,661.92	15,272.01	-	21,065.03
Borrowings (Other than Debt Securities)	5,633.06	1,473.84	2,621.50	873.89	-	10,602.29
Compulsorily Convertible Preference Shares	-	-	-	-	3,200.00	3,200.00
Lease Liabilities	-	23.86	70.51	277.47	-	371.84
Other financial liabilities	-	398.08	-	-	-	398.08
	<b>5,633.06</b>	<b>2,046.26</b>	<b>8,375.38</b>	<b>16,423.38</b>	<b>3,200.00</b>	<b>35,678.08</b>

\* Term of Debt Securities is 8 years, repayment is dependent on distribution from Security Receipts which may stretch more than 5 years.

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

The table below summarises the maturity profile of the Company's financial Assets based on contractual undiscounted payments.

(₹ in Lakh)

Year ended 31 <sup>st</sup> March 2025	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Cash & Cash Equivalents	108.38	44,662.03	-	-	-	44,770.41
Fixed Deposit Accounts	-	-	69,550.95	743.46	-	70,294.41
Investments	-	3,384.06	1,058.84	1,446.31	-	5,889.21
Other Financial Assets	-	-	3.65	40.20	-	43.85
	<b>108.38</b>	<b>48,046.09</b>	<b>70,613.44</b>	<b>2,229.97</b>	-	<b>1,20,997.88</b>

(₹ in Lakh)

Year ended 31 <sup>st</sup> March 2024	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Cash & Cash Equivalents	120.10	495.20	-	-	-	615.30
Fixed Deposit Accounts	-	-	4,634.11	1,424.89	-	6,059.00
Trade Receivables	-	951.72	-	-	-	951.72
Loans	-	-	1,364.68	-	-	1,364.68
Investments	-	732.36	41,154.48	14,499.40	-	56,386.24
Other Financial Assets	-	10.54	6.47	37.15	-	54.16
	<b>120.10</b>	<b>2,189.82</b>	<b>47,159.74</b>	<b>15,961.44</b>	-	<b>65,431.10</b>

## 2. Operational risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process. Internal control deficiency are reviewed by management and audit committee on periodic basis.

## 3. Credit risks

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks, investments in security Receipts. The carrying amount of following financial assets represent the maximum credit risk exposure:

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Trade Receivables	-	951.72
Loans	-	<b>1,364.68</b>
Investments Unquoted(FVTPL)	5,889.21	56,386.24
Others financial Asset	43.85	54.16
<b>Total</b>	<b>5,933.06</b>	<b>58,756.80</b>

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 45 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(₹ in Lakh)				
Particulars	31 <sup>st</sup> March 2024	Cash flows	Interest	31 <sup>st</sup> March 2025
Debt Securities	21,065.03	(683.06)	2,385.53	22,767.50
Borrowings (Other than Debt Securities)	10,602.29	(11,071.61)	469.32	-
Subordinate Liabilities	3,200.00	-	-	3,200.00

(₹ in Lakh)				
Particulars	1 <sup>st</sup> April 2023	Cash flows	Interest	31 <sup>st</sup> March 2024
Debt Securities	26,825.15	(8,329.46)	2,569.34	21,065.03
Borrowings (Other than Debt Securities)	9,988.83	(534.06)	1,147.52	10,602.29
Subordinate Liabilities	2,700.00	500.00	-	3,200.00

## NOTE: 46 REVENUE FROM CONTRACTS WITH CUSTOMERS

### 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:

(₹ in Lakh)		
Particulars	For the year ended 31 <sup>st</sup> March 2025	For the year ended 31 <sup>st</sup> March 2024
<b>Primary geographical market</b>		
India	3,044.08	3,479.82
<b>Total</b>	<b>3,044.08</b>	<b>3,479.82</b>
<b>Major products/service lines</b>		
Fee Income	2,815.21	3,100.75
Recovery Incentive	228.87	379.07
<b>Total</b>	<b>3,044.08</b>	<b>3,479.82</b>
<b>Timing of revenue recognition</b>		
At a point in time	3,044.08	3,479.82
Over a period of time	-	-
<b>Total</b>	<b>3,044.08</b>	<b>3,479.82</b>

The following table provides information about contract balances:

(₹ in Lakh)		
Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Receivables	-	955.54

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 47 | LOANS AND ADVANCES TO PROMOTER, DIRECTORS KMPs AND THE RELATED PARTIES

Following is the disclosure for loans or advances in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act 2013) either severally or jointly with any other person that are without specifying any terms or period of repayment:

Type of Borrower	As at 31 <sup>st</sup> March 2025		As at 31 <sup>st</sup> March 2024	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans (% of Total loans)	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans (% of Total Loans)
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties	-	-	-	-
<b>Total</b>	-	-	-	-

## NOTE: 48 | CODE ON SOCIAL SECURITY

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

## NOTE: 49 | CONTINGENT LIABILITY

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.

## NOTE: 50 | CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is Nil as at 31<sup>st</sup> March 2025 and 31<sup>st</sup> March 2024.

## NOTE: 51 | LONG TERM CONTRACT

The Company doesn't have long term contract including Derivative contract as at 31<sup>st</sup> March 2025 and 31<sup>st</sup> March 2024.

## NOTE: 52 | EVENTS AFTER THE REPORTING DATE

There have been no events after the reporting date that require disclosure in these financial statements.

## NOTE: 53 | TRANSACTIONS WITH STRUCK-OFF COMPANIES

The Company has not entered into any transactions with struck-off companies during the year ended 31<sup>st</sup> March 2025 and 31<sup>st</sup> March 2024.

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 54 | SEGMENT INFORMATION

The Directors of the Company have been identified as the chief operating decision maker (CODM) as defined by Indian Accounting Standard 108 "Operating Segments". The CODM evaluates the Company's performance, allocates resources based on analysis of the various performance indicators of the Company as a single unit.

The principal business of the Company is of "acquisition and managing Securitisation Trust". All other activities of the Company revolve around its principal business. Therefore, directors have concluded that there is only one operating reportable segment as per Indian Accounting Standard 108 "Operating Segments".

## NOTE: 55 | ADDITIONAL DISCLOSURES AS REQUIRED BY RBI GUIDELINES

### (A) Names and addresses of the bank/financial institution from whom the financial assets were acquired and the value at which the assets were acquired from each bank/financial institution by the Trusts:

Seller wise acquisition details		31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Name of selling bank / financial institution	Address of selling bank / financial institution	Acquisition price	Acquisition price
(₹ in Lakh)			
<b>Sponsors</b>			
None	-	-	-
<b>Sub Total (A)</b>			
Non sponsors			
Power Finance Corporation Limited	'Urjanidhi" 1, Barakhamba Lane, Connaught Place, New Delhi -110001	75,584.11	75,584.11
State Bank of India	Corporate Centre, State Bank Bhavan, Madame Cama Road, Nariman Point, Mumbai -400021	52,879.17	52,879.17
Rural Electrification Corporation Limited	Core 4, Scope Complex, 7, Lodhi Road, New Delhi -110003	29,761.07	29,761.07
Bank of India	Star House, C-5, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400051	17,429.22	17,429.22
Axis Bank Limited	Trishul" - 3 <sup>rd</sup> Floor, Opp. Samartheswar Temple, Near Lawn Garden, Ellisbridge, Ahmedabad -380006	10,647.94	10,647.94
UCO Bank	10, BTM Sarani, Kolkata -700001, West Bengal	9,894.41	9,894.41
Life Insurance Corporation of India	'Yogakshema" 6 <sup>th</sup> Floor, West Wing, Project Section, Investment Department, Nariman Point, Mumbai -400021	7,716.32	7,716.32
Central Bank of India	Chandra Mukhi opposite Oberoi Towers, Nariman Point, Mumbai - 400021, Maharashtra	8,414.85	8,414.85
Canara bank	Nos. 112, J C Road, Bengaluru - 560002	19,516.91	19,516.91
United Bank of India	11, Hemant Basu Sarani, Kolkata - 700001	7,461.31	7,461.31
Syndicate Bank	11 Cross, Gandhi Nagar, Bangalore - 560009, Karnataka	5,905.24	5,905.24
Punjab National Bank	Plot Nos. 4, Sector -10, Dwarka, New Delhi - 110075	32,180.17	32,180.17
Axis Bank Limited	"Trishul" - 3 <sup>rd</sup> Floor, Opp. Samartheswar Temple, Near Lawn Garden, Ellisbridge, Ahmedabad -380006	42,500.00	42,500.00
Bank of Baroda	Baroda Bhavan, R.C. Dutt Road, Alkapuri, Baroda - 390007	13,050.00	13,050.00
Karnataka Bank	Mahaveera Circle, Kankanady, Mangaluru - 575002	3,395.00	3,395.00
Punjab National Bank	Large Corporate Branch, Banjara Hills, Hyderabad - 500034	75,240.00	75,240.00
State Bank of India	Stressed Asset Management Branch, D No. 3-4-1013/A, 1 <sup>st</sup> Floor, Commuter Amenity Center (CAC), TSRTC Bus Station, Kachiguda, Hyderabad- 500027.	1,62,200.00	1,62,200.00
<b>Sub Total (B)</b>		<b>5,73,775.72</b>	<b>5,73,775.72</b>
<b>Total (A + B)</b>		<b>5,73,775.72</b>	<b>5,73,775.72</b>

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## (B) Dispersion of financial assets acquired industry wise:

Industry	As at 31 <sup>st</sup> March 2025		As at 31 <sup>st</sup> March 2024	
	Acquisition price	% of total assets	Acquisition price	% of total assets
Infrastructure - Power	5,73,775.72	100.00%	5,73,775.72	100.00%
<b>Total</b>	<b>5,73,775.72</b>	<b>100.00%</b>	<b>5,73,775.72</b>	<b>100.00%</b>

## (C) Other additional disclosures:

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Value of financial assets acquired during the financial year	-	-
Value of financial asset realized during the financial year	2,87,924.84	7,898.64
Value of financial assets outstanding for realization at the end of the financial year	-	2,87,924.84
Value of security receipts redeemed partially and the security receipts redeemed fully during the financial year	2,89,054.92	4,364.67
Value of security receipts pending for redemption as at the end of the financial year	39.72	2,89,094.64
Value of security receipts which could not be redeemed as a result of non-realization of financial assets as per the policy formulated by the Company	-	-
Value of land and/or building acquired in ordinary course of business of reconstruction of assets	-	-

## (D) In terms of the requirements of RBI circular no. DNBS (PD) CC. No. 41/ SCRC / 26.03.001/ 2014-2015, as amended from time to time

- the Company has not acquired any financial assets (own books or in trusts) where the acquisition value of the assets is more than the Book Value (the value of the assets as declared by the seller bank in the auction) - Nil
- with respect to financial assets acquired (own books or in trusts), the Company has not disposed off assets (either by write off or by realisation) during the year at substantial discount (20% of valuation as on the previous year end) - Nil and
- with respect to financial assets acquired (own books or in trusts), details of assets where the value of the security receipts has declined substantially (20% or more) below the acquisition value - Nil

**NOTE: 56** **DISCLOSURE OF TEMPLATE IN NOTES AS PER RBI CIRCULAR DOR (NBFC).CC.PD. NO.109/22.10.106/2019-20 DATED MARCH 13, 2020 ON IMPLEMENTATION OF INDIAN ACCOUNTING STANDARDS**

(₹ in Lakh)

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
<b>Performing Assets</b>						
Standard	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
<b>Subtotal</b>		-	-	-	-	-
<b>Non Performing Assets (NPA)</b>						
Substandard	Stage 3	-	-	-	-	-
Doubtful- upto 1 year	Stage 3	-	-	-	-	-

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

(₹ in Lakh)

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 to 3 years	Stage 3			-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Subtotal for doubtful</b>		-	-	-	-	-
Loss	Stage 3			-		-
<b>Subtotal for NPA</b>		-	-	-	-	-
Other Items such as guarantees, loan commitments, etc. which are in the scope of IND AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) Norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Subtotal</b>		-	-	-	-	-
<b>Total</b>	<b>Stage 1</b>	-	-	-	-	-
	<b>Stage 2</b>	-	-	-	-	-
	<b>Stage 3</b>	-	-	-	-	-
	<b>Total</b>	-	-	-	-	-

**NOTE: 57****DISCLOSURE IN RESPECT OF EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES**

(₹ in Lakh)

Particulars	For the year ended 31 <sup>st</sup> March 2025	For the year ended 31 <sup>st</sup> March 2024
Opening Balance [A]	8.83	-
Amount required to be spent during the year [B]	70.35	29.10
Amount spent during the year [C]	61.52	37.93
(Shortfall) / Excess for the year [A] - [B] + [C]	-	8.83
Total of previous year shortfall	-	-
Reason for shortfall	NA	NA
<b>Nature of Expense</b>		
Promoting Healthcare	61.52	37.93
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the amount of provision made and movements in the provision during the year, if applicable.	NA	NA

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

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## **NOTE: 58** | **BENAMI PROPERTY UNDER BENAMI TRANSACTIONS (PROHIBITION) ACT, 1988**

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No proceedings has been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder as at 31<sup>st</sup> March 2025 and 31<sup>st</sup> March 2024.

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## **NOTE: 59** | **BUSINESS PLAN**

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The Company does not have any plan for further investment in the securitization trusts and is in the process of resolution of the financial assets held by the existing securitization trusts.

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## **NOTE: 60** | **WILFUL DEFAULTER**

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The Company is not declared as a wilful defaulter by any bank or financial institution or any other lender as at 31<sup>st</sup> March 2025 and 31<sup>st</sup> March 2024.

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## **NOTE: 61** | **UNRECORDED INCOME**

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The Company does not have any previously unrecorded income which needs to be recorded in the books of accounts for the year ended 31<sup>st</sup> March 2025 and 31<sup>st</sup> March 2024.

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## **NOTE: 62** | **MICRO, SMALL AND MEDIUM ENTERPRISES**

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As per information available with the Company, the Company has made payment to creditors within stipulated period as provided in "Micro, Small and Medium Enterprise Development Act 2006"("the Act"). Hence the Company has not provided for any interest payable to small, micro and medium enterprises as per the provisions of the Act and the necessary disclosures as per the Act have not been given.

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## **NOTE: 63** | **DEBENTURE REDEMPTION RESERVE**

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Pursuant to the Companies (Share Capital and Debentures) Amendment Rules, 2019 dated August 16, 2019, the Company being a Non-Banking Financial Company registered as an Asset Reconstruction Company is exempted from the requirement of creating Debenture Redemption Reserve in respect of the Redeemable Non-convertible Debentures issued under private placement.

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## **NOTE: 64**

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No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in parties identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

# Notes forming part of the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2025

## **NOTE: 65** | **PRIOR YEAR COMPARATIVES**

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Previous Year figures have been regrouped/reclassified wherever necessary to conform to the current year's presentation.

As per our report of even date attached  
For **C N K & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration No.:- 101961W/W-100036

**Hiren Shah**  
Partner  
Membership No. 100052

Mumbai, 9<sup>th</sup> May 2025

For and on behalf of the Board of Directors of  
**Aditya Birla ARC Limited**

**Tushar Shah**  
Director  
DIN: 00239762

**Sanjay Jain**  
Chief Executive Officer

**Sucheta Chaturvedi**  
Company Secretary

**Pinky Mehta**  
Director  
DIN: 00020429

**Ankur Garg**  
Chief Financial Officer



# INDEPENDENT AUDITOR'S REPORT

To the Members of **Aditya Birla ARC Limited**

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying consolidated financial statements of Aditya Birla ARC Limited (hereinafter referred to as the "Company" or the "Holding Company") and its Trusts (the Company and its Trusts together to as the "Group") comprising of the consolidated Balance Sheet as at 31<sup>st</sup> March, 2025 (financial position), the consolidated Statement of Profit and Loss (financial performance) including the statement of Other Comprehensive Income, the consolidated Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies information and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2025, their consolidated profit

including other comprehensive income, their consolidated cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), 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 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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.

Sr No.	Key Audit Matters	How the matter was addressed in our audit
1.	<b>Fair Valuation of financial instruments – Security Receipts (SRs)</b>	Audit procedures followed:
	<p>Holding Company has invested in SRs issued by various trust incorporated by the it for acquisition of distressed credit Business. Depending on the arrangement such Investments are in the range of 100% - 15% of the total SRs issued by the various trust. The said SRs are subsequently measured at Fair Value through Profit and Loss (FVTPL) as per the business model of the Holding Company and considered as level 3 in the valuation hierarchy. Total investment in SRs outstanding as on 31<sup>st</sup> March, 2025 is ₹ 3,736.82 Lakhs.</p>	<ul style="list-style-type: none"> <li>- We have tested the design and effectiveness of internal controls implemented by the management in respect of valuation of the investments including those relating to assessment of recovery plan by Asset Acquisition Committee for determination of appropriate recovery rate based on the range provided by the External Rating Agency.</li> </ul>
	<p>Holding Company determines the fair value of SRs based on the Net Assets Value (NAV) report provided by the trust. The NAV of the said investment can only be estimated by the trusts using a combination of the recovery range provided by the external rating agency, estimated cash flows, collateral values, discount rate used and various other assumptions.</p>	<ul style="list-style-type: none"> <li>- Assessment of the valuation inputs;                             <ul style="list-style-type: none"> <li>i. Analysed reasonableness of the estimated cash flows and recovery rate, the other relevant judgments and estimates, if any; and</li> <li>ii. Assessed the information used to determine the key assumptions;</li> <li>iii. Compared the historical estimates of the cash flows with the actual recoveries and obtained explanations for the variations, if any;</li> </ul> </li> </ul>

## INDEPENDENT AUDITOR'S REPORT (Contd.)

Sr No.	Key Audit Matters	How the matter was addressed in our audit
	Considering the complexities involved and various assumptions and significant judgements made by the trust in deriving Net Assets Value of such SRs, we have considered the valuation of these investments as a key audit matter.  Refer Note No. 9 of consolidated financial Statements.	iv. Compared the management's assumption of discount rate with the supporting internal/ external evidence;  v. Valuation report of collateral assets

### Information Other Than the Consolidated Financial Statements and Auditor's Report Thereon

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

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

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated 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 cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Management and Board of Directors is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls,

that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, management is responsible for 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.

Those Board of Directors are also responsible for overseeing the financial reporting process of the Group.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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



## INDEPENDENT AUDITOR'S REPORT (Contd.)

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal 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 financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are independent auditors and whose financial information we have audited to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

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

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

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

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. With respect to the matters specified in paragraph 3(xxii) 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 explanation given to us and based on the CARO report issued by us for the Holding Company, refer "Annexure 1" of the Independent Auditors report to the standalone financial statements for qualifications and adverse remarks.

Provisions of CARO are not applicable to the Trusts controlled and consolidated in the consolidated financial statements.

2. As required by Section 143(3) of the Act, 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 financial statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books (Also refer to our comments in para 2(g)(vi));

## INDEPENDENT AUDITOR'S REPORT (Contd.)

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act;
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2025 taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The requirements of reporting on Internal Financials Controls under Clause (i) of sub-section 143 of the Companies Act, 2013 are not applicable to Trusts controlled by the Holding Company. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our report in Annexure '2' of the standalone financial statements.
- (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, 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 31<sup>st</sup> March, 2025;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31<sup>st</sup> March, 2025.
  - iv. a) The management of the Holding Company has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The management of Holding Company has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - c) Based on the audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under clause (i) and (ii) of Rule (e), as provided under a) and b) above, contain any material misstatement.
  - v. There were no amounts which were declared or paid during the year as dividend by the Holding Company.
  - vi. Based on our examination which included test checks, the Holding Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same was enabled for the year. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with and



## INDEPENDENT AUDITOR'S REPORT (Contd.)

the audit trail has been preserved by the company as per the statutory requirements for record retention from the date of enabling the audit trail feature.

The above provision is not applicable to the Trusts controlled and consolidated in the consolidated financial statements.

3. The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended 31<sup>st</sup> March, 2025, since none of the directors of the Company have drawn any managerial remuneration.

### **For C N K & Associates LLP**

Chartered Accountants

Firm Registration No: 101961W/W – 100036

### **Hiren Shah**

Partner

Membership No. 100052

Place: Mumbai

Date: 09<sup>th</sup> May, 2025

UDIN: 25100052BMHUOW3027

# Consolidated Balance Sheet

as at 31<sup>st</sup> March 2025

(₹ in Lakh)

Particulars	Note No.	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>I ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and Cash Equivalents	6	44,773.24	620.37
(b) Bank Balance other than (a) above	7	70,294.41	6,059.00
(c) Receivables			
(i) Trade Receivables	8	-	951.72
(d) Loans	9	-	1,364.68
(e) Investments			
- Other Investments	10	5,888.86	56,385.88
(f) Other Financial Assets	11	43.85	54.16
<b>Sub-Total</b>		<b>1,21,000.36</b>	<b>65,435.81</b>
<b>(2) Non-Financial Assets</b>			
(a) Current Tax Assets (Net)		5,880.65	973.31
(b) Property, Plant and Equipment	12	72.82	94.94
(c) Other Intangible assets	13	7.12	17.79
(d) Right to use of Assets	40	252.95	333.94
(e) Other non-Financial assets	14	155.34	111.07
<b>Sub-Total</b>		<b>6,368.88</b>	<b>1,531.05</b>
<b>Total assets</b>		<b>1,27,369.24</b>	<b>66,966.86</b>
<b>II LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial Liabilities</b>			
(a) Payables			
(i) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	15	8.91	4.35
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		100.54	38.53
(b) Debt Securities	16	22,767.50	21,065.03
(c) Borrowings (Other than Debt Securities)	17	-	10,602.29
(d) Subordinated Liabilities	18	3,200.00	3,200.00
(e) Lease Liability	40	299.80	371.84
(f) Other Financial Liabilities	19	53,159.19	398.08
<b>Sub- Total</b>		<b>79,535.94</b>	<b>35,680.12</b>
<b>(2) Non Financial Liabilities</b>			
(a) Provisions	20	302.50	296.31
(b) Deferred tax liabilities (net)	39	833.69	3,000.20
(c) Other Non Financial Liabilities	21	1,011.35	1,281.86
<b>Sub- Total</b>		<b>2,147.54</b>	<b>4,578.37</b>
<b>(3) Equity</b>			
(a) Equity Share capital	22	10,000.00	10,000.00
(b) Other Equity	23	35,685.76	16,708.37
<b>Total equity</b>		<b>45,685.76</b>	<b>26,708.37</b>
<b>Total Liabilities and Equity</b>		<b>1,27,369.24</b>	<b>66,966.86</b>

Material accounting policy information

5

The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date attached

For **C N K & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.:- 101961W/W-100036

**Hiren Shah**

Partner

Membership No. 100052

For and on behalf of the Board of Directors of

**Aditya Birla ARC Limited****Tushar Shah**

Director

DIN: 00239762

**Pinky Mehta**

Director

DIN: 00020429

**Sanjay Jain**

Chief Executive Officer

**Ankur Garg**

Chief Financial Officer

**Sucheta Chaturvedi**

Company Secretary

Mumbai, 9<sup>th</sup> May 2025



# Consolidated Statement of Profit and Loss

for the Year ended 31<sup>st</sup> March 2025

(₹ in Lakh)

Particulars	Note No.	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
<b>Revenue from operations</b>			
(a) Interest Income	24	1,244.95	385.11
(b) Fee Income	25	2,815.21	3,094.80
(c) Recovery Incentive	26	228.87	379.07
(d) Net Gain on Fair Value Changes	27	42,987.36	13,958.58
<b>Total Revenue from Operations</b>		<b>47,276.39</b>	<b>17,817.56</b>
Other Income	28	55.91	41.69
<b>Total Income</b>		<b>47,332.30</b>	<b>17,859.25</b>
<b>EXPENSES</b>			
(a) Finance Costs	29	2,880.60	3,744.91
(b) Impairment on Financial Instruments	30	(9.30)	4.66
(c) Employee benefits expense	31	1,064.15	1,119.70
(d) Depreciation, amortization and impairment	32	117.46	112.36
(e) Other expenses	33	248.90	222.00
<b>Total Expenses</b>		<b>4,301.81</b>	<b>5,203.63</b>
<b>Profit Before Tax</b>		<b>43,030.49</b>	<b>12,655.62</b>
<b>Tax Expenses</b>			
Current Tax		26,227.32	1,452.31
Deferred Tax		(2,168.45)	1,883.32
<b>Total Tax Expenses</b>		<b>24,058.87</b>	<b>3,335.63</b>
<b>Profit after tax</b>		<b>18,971.62</b>	<b>9,319.99</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of the net defined benefit liability/asset (net)		7.71	(0.84)
Income tax relating to items that will not be reclassified to profit and loss		(1.94)	0.21
<b>Other Comprehensive Income for the year</b>		<b>5.77</b>	<b>(0.63)</b>
<b>Total Comprehensive Income for the year</b>		<b>18,977.39</b>	<b>9,319.36</b>
<b>Earnings per share :</b>			
Basic - (₹)	34	18.97	9.32
Diluted - (₹)		18.38	9.07
(Face Value of ₹ 10 each)			

Material accounting policy information

5

The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date attached

For **C N K & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.:- 101961W/W-100036

**Hiren Shah**

Partner

Membership No. 100052

For and on behalf of the Board of Directors of

**Aditya Birla ARC Limited****Tushar Shah**

Director

DIN: 00239762

**Sanjay Jain**

Chief Executive Officer

**Sucheta Chaturvedi**

Company Secretary

**Pinky Mehta**

Director

DIN: 00020429

**Ankur Garg**

Chief Financial Officer

Mumbai, 9<sup>th</sup> May 2025

# Consolidated Statement of Cash Flows

for the Year ended 31<sup>st</sup> March 2025

Particulars	(₹ in Lakh)	
	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
<b>Cash Flow From Operating Activities</b>		
Profit before tax	43,030.49	12,655.62
Adjustments for :		
Impairment on Financial Assets	(9.30)	4.66
Net gain on Fair value changes on Investment in security receipts	(95,418.67)	(13,914.40)
Net gain on Fair value changes on Investment in mutual fund units	(68.69)	(44.18)
Interest Income	(1,244.95)	(385.11)
Gain on Surrender of Lease	-	(25.65)
Notional interest on Security Deposits	(3.05)	(8.45)
Profit and Loss on sale of Property, Plant and Equipment (net)	(5.34)	2.24
Finance Cost	2,854.85	3,716.86
Notional Interest on Lease	25.75	28.05
Depreciation and Amortisation	117.46	112.36
Operating Profit Before Working Capital Changes	<b>(50,721.45)</b>	<b>2,142.00</b>
Adjustments for:		
Decrease in Loans	-	523.69
Decrease / (Increase) in Other Financial Assets	13.36	(13.06)
Decrease / (Increase) in Trade Receivables	955.54	(616.39)
Increase in Other Non-Financial Assets	(44.27)	(13.16)
Increase in Trade Payables	66.57	13.97
Increase in Provisions	13.90	128.48
Increase in Other Financial Liabilities	52,761.11	91.59
Decrease in Other Non Financial Liabilities	(270.49)	(68.87)
Cash From Operations	<b>53,495.72</b>	<b>46.25</b>
Income Taxes Paid	(31,134.66)	(2,170.36)
<b>Net Cash (Used In) / From Operating Activities</b>	<b>(28,360.39)</b>	<b>17.89</b>
<b>Cash Flow From Investing Activities</b>		
Addition to Property, Plant and Equipment	(13.31)	(81.01)
Sale of Property, Plant and Equipment	14.96	11.92
Redemption and Upside from Security Receipts	1,47,467.18	7,501.89
Interest Received	959.30	408.89
Purchase of Mutual fund units	(2,930.41)	(2,019.90)
Redemption of Mutual Fund	1,447.60	2,100.90
Bank Deposits placed during the period	(3,10,521.73)	(5,335.17)
Bank Deposits matured during the period	2,46,571.97	6,467.00
<b>Net Cash Flow From Investing Activities</b>	<b>82,995.56</b>	<b>9,054.52</b>
<b>Cash Flow From Financing Activities</b>		
Loans & Advances to Trust	(314.18)	(552.15)
Loans & Advances recovered from Trust	1,684.34	-
Lease Liability - Principal Portion	(72.04)	(26.59)
Lease Liability - Interest Portion	(25.75)	(28.05)
Repayment of Debt Securities	(591.00)	(7,534.00)
Proceeds from Borrowings	18,092.77	14,283.06
Repayment of Borrowings	(28,700.83)	(13,675.00)
Finance Cost on Debt Securities & Borrowings	(555.61)	(1,937.60)
Proceeds from Compulsorily Convertible Preference Shares	-	500.00
<b>Net Cash Used In Financing Activities</b>	<b>(10,482.30)</b>	<b>(8,970.33)</b>
Net Increase in Cash and Cash Equivalents	44,152.87	102.08
Cash And Cash Equivalents (Opening Balance)	620.37	518.29
Cash And Cash Equivalents (Closing Balance)	44,773.24	620.37

The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date attached

For **C N K & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.:- 101961W/W-100036

**Hiren Shah**

Partner

Membership No. 100052

For and on behalf of the Board of Directors of

**Aditya Birla ARC Limited****Tushar Shah**

Director

DIN: 00239762

**Sanjay Jain**

Chief Executive Officer

**Sucheta Chaturvedi**

Company Secretary

**Pinky Mehta**

Director

DIN: 00020429

**Ankur Garg**

Chief Financial Officer

Mumbai, 9<sup>th</sup> May 2025

# Consolidated Statement of Changes in Equity

for the Year ended 31<sup>st</sup> March 2025

## (A) EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2025		As at 31 <sup>st</sup> March 2024	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares of face value of ₹ 10/- each issued on subscribed and fully paid up				
Balance at the beginning of the year	10,00,00,000	10,000.00	10,00,00,000	10,000.00
Changes in Equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	10,00,00,000	10,000.00	10,00,00,000	10,000.00
Changes in Equity share capital during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>10,00,00,000</b>	<b>10,000.00</b>	<b>10,00,00,000</b>	<b>10,000.00</b>

## (B) OTHER EQUITY

(₹ in Lakh)

Particulars	Reserve and Surplus	Total Other Equity
<b>Balance as at 1<sup>st</sup> April, 2023</b>	<b>7,389.01</b>	<b>7,389.01</b>
Changes in accounting policies or prior period errors	-	-
<b>Restated balance as at 1<sup>st</sup> April 2023</b>	<b>7,389.01</b>	<b>7,389.01</b>
Profit for the year	9,319.99	9,319.99
Other Comprehensive loss for the year	(0.63)	(0.63)
Total Comprehensive income	9,319.36	9,319.36
<b>Balance as at 31<sup>st</sup> March, 2024</b>	<b>16,708.37</b>	<b>16,708.37</b>
<b>Equity attributable to Shareholders of Company</b>	<b>16,708.37</b>	<b>16,708.37</b>
<b>Balance as at 1<sup>st</sup> April, 2024</b>	<b>16,708.37</b>	<b>16,708.37</b>
Changes in accounting policies or prior period errors	-	-
<b>Restated balance as at 1<sup>st</sup> April 2024</b>	<b>16,708.37</b>	<b>16,708.37</b>
Profit for the year	18,971.62	18,971.62
Other Comprehensive income for the year	5.77	5.77
Total Comprehensive income	18,977.39	18,977.39
<b>Balance as at 31<sup>st</sup> March, 2025</b>	<b>35,685.76</b>	<b>35,685.76</b>
<b>Equity attributable to Shareholders of Company</b>	<b>35,685.76</b>	<b>35,685.76</b>

The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date attached

For **C N K & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.:- 101961W/W-100036

**Hiren Shah**

Partner

Membership No. 100052

For and on behalf of the Board of Directors of

**Aditya Birla ARC Limited**

**Tushar Shah**

Director

DIN: 00239762

**Sanjay Jain**

Chief Executive Officer

**Sucheta Chaturvedi**

Company Secretary

**Pinky Mehta**

Director

DIN: 00020429

**Ankur Garg**

Chief Financial Officer

Mumbai, 9<sup>th</sup> May 2025

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 01 ABOUT THE GROUP

Aditya Birla ARC Limited (the Company) was incorporated as a public limited company under the provisions of the Companies Act, 2013 on 10<sup>th</sup> March 2017.

The Company and its Trusts as at 31<sup>st</sup> March 2025 are together referred to as "Group". The principal activity of the Group is to carry on the business of securitization and asset reconstruction as defined in section 2 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ('the SARFAESI Act'). The Group acts as a Manager / Trustee for trusts set up for securitization pursuant to the SARFAESI Act. The financial assets are acquired under separate trusts set up for securitization or directly for asset reconstruction.

Reserve Bank of India ('RBI') granted a Certificate of Registration to the Company on 13<sup>th</sup> March 2018 to carry on business of securitization or asset reconstruction under section 3 of the SARFAESI Act.

The Group recognises its income through Trusteeship and Management Fee, which is recognized on accrual basis in accordance with the terms of the respective trust deed / offer document, wherever applicable.

The financial statements were authorized for issue by the Company's Board of Directors on 9<sup>th</sup> May 2025.

## NOTE: 02 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The financial statements have been prepared on a historical cost basis and accrual basis except for fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, other financial assets held for trading and financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs, except when otherwise indicated.

## NOTE: 03 USE OF ESTIMATES

The preparation of financial statements in conformity with IND AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period.

Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

## NOTE: 04 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its Trusts (hereinafter referred to as "structured entities") as at 31<sup>st</sup> March 2025 (together referred to as "Group"). The Group consolidates a structured entity when it controls it. Control is achieved when the Group 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. Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a structured entity begins when the Group obtains control over the structured entity and ceases when the Group loses control of the structured entity. Assets, liabilities, income and expenses of a structured entity acquired during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the structured entity.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on 31 March.



# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## Consolidation Procedure: -

Structured Entities:

The consolidated financial statements comprise the financial statements of the Company and its structured Entities. Structured Entities are entities controlled by the Group. The Group controls an investee only if, the Group has:

Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

Exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns.

The Group combines the financial statement of the Parent and its structured entities line by line adding together like items. Inter- Group transactions, balances and unrealised gains on transactions between the Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred assets.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the Parent of the Group and to the non- controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of structured entities to bring their accounting policies into line with the Group's accounting policies. All inter-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a structured entity, without a loss of control, is accounted for as an equity transaction. When the Group loses control of a structured entity, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest; and (ii) the carrying amount of the assets (including goodwill) and liabilities of the structured entity and any non-controlling interests. Amounts previously recognised in OCI in relation to the structured entities are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner, as would be required, if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former structured entity at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

## NOTE: 05 MATERIAL ACCOUNTING POLICY INFORMATION

### 5.1 Revenue from contract with customer

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at transaction price i.e. the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third parties. The Group consider the terms of the contract and its customary business practices to determine the transaction price.

The Group recognises revenue from the following sources:

- a. The fee income comprises of Trusteeship and Management Fee. The Group receives management fee from trusts declared by it for acquisition of financial assets and the same is accounted for on accrual basis as per terms of the relevant trust deeds and offer document issued by the Trust. With reference to the Notification on 'Review of Regulatory Framework' issued by RBI dated 11<sup>th</sup> October 2022, the management fee for all the new acquisitions post the said notification shall be recovered only from the recoveries from the financial asset of the underlying Trusts. Management fees are calculated and charged as a percentage of the Net Assets Value (NAV) at the lower end of the range of the NAV specified by the Credit Rating Agency.
- b. Recovery incentive is accounted as and when the right to receive the amount is established as per the terms of Trust Deed.
- c. Any upside share in excess realisation over acquisition price of security receipts by the Group is recognised at point in time basis as per terms of the relevant trust deed/offer document.
- d. The above receipts are recognised as revenue excluding GST.

### Interest Income

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group calculates

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

For interest income on Fixed Deposit, the Group recognizes it on accrual basis

For purchased or originated credit-impaired (POCI) financial assets, the Group calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets. Interest income on all trading assets and financial assets mandatorily required to be measured at FVTPL is recognised using the contractual interest rate in net gain on fair value changes.

## 5.2 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.

### Date of Recognition

Financial assets and liabilities, debt securities, deposits and borrowings are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument

#### 5.2.1 Financial Assets

##### Initial Measurement

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price.

##### Measurement categories of financial assets and liabilities

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Debt instruments at amortised cost

- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments, mutual funds at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

##### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

##### Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit and loss. Interest

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

## Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.

## Investment in Mutual Funds at FVTPL

Mutual fund included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

## De-Recognition of Financial Assets

The Group de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises an associated liability.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit and loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial assets.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part is no longer recognised on the basis of relative fair values of those parts on the date of transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

## Impairment of Financial Assets (ECL Policy)

In accordance with IND AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets & credit risk exposure.

The Group assesses at each reporting date whether a financial asset (or a group of financial assets) such as loans and advances held at amortised cost for impairment based on evidence or information that is available without undue cost or effort.

The Group applies a three-stage approach to measuring expected credit losses (ECLs) for financial assets.

### Stage 1: 12-months ECL

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Group has assessed that all loans and advances with no default or upto 30 days default would fall under this category.

For these assets, 12-month ECL are recognized and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance).

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## Stage 2: Lifetime ECL – Significant increase in credit risk

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. Financial instruments that have had a significant increase in credit risk since initial recognition are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk and classified under this category. For these assets, lifetime ECL are recognized, but interest revenue is calculated on the gross carrying amount of the asset less ECL already provided.

## Stage 3: Lifetime ECL – Credit Impaired

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures 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 provision) rather than the gross carrying amount.

### Credit-impaired financial assets:

At each reporting date, the Group assesses whether financial assets carried at amortised cost is credit impaired. A financial asset is 'credit-impaired' when a breach of contract such as a default or past due event that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

ECL provisioning is being done on each reporting date basis probability of default and loss given default on outstanding financial asset.

### Purchased or originated credit-impaired (POCI) financial assets:

POCI financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Group recognises all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognised in Statement of Profit and Loss. A favorable change for such assets creates an impairment gain.

### Trade Receivables

Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of IND AS 115

are recognized. The Company provides 0.4% ECL on prudential basis on Standard Assets.

### Other Financial Assets

Other financial assets are tested for impairment based on significant change in credit risk since initial recognition and impairment is measured based on probability of default over the lifetime when there is significant increase in credit risk. The Company provides 0.4% ECL on prudential basis on Standard Assets.

## 5.2.2 Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, debt securities and subordinated liabilities, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts. The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair- value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI.

These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity.

All other changes in fair value of such liability are recognized in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

### Financial liabilities and equity instruments

Financial instruments issued by the Group are classified as either financial liabilities or as equity in



# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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 a Group entity are recognized at the proceeds received, net of direct issue costs.

## Loans & Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss

## De-recognition of financial liabilities

A financial liability shall be de-recognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

### 5.2.3 Offsetting of Financial Instruments

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business.
- The event of default.
- The event of insolvency or bankruptcy of the Company and/or its counterparties.

## 5.3 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments

with an original maturity of three months or less which are subject to an insignificant risk of changes in value.

The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) - 7 'Statement of Cash Flows' prescribed under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, as amended.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above as they are considered an integral part of the Company's cash management.

## 5.4 Property, Plant & Equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and arrangements arising from exchange rate variations attributable to the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow the entity and the cost can be measured reliably. Depreciation on property, plant and equipment is provided using straight line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Depreciation on Tangible Fixed Assets is provided on Straight Line using the rates arrived at based on the useful lives as specified in the Schedule II of the Companies Act, 2013 or estimated by the management. The Group has used the following useful life to provide depreciation on its

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

fixed assets, which is in line with the useful life suggested by Schedule II.

Asset	Useful Life as Prescribed by Schedule II of the Companies Act, 2013
Computers (end user computers, Laptops)	3
Office Equipment	5
Furniture & Fixtures	10
Motor Vehicles	6

Useful life of assets estimated by management supported by the Internal Technical assessment.

Asset	Estimated Useful Life
Leasehold Improvements *	3
Motor Vehicles <sup>^</sup>	4-5

\*In case of Leasehold Improvements, Depreciation calculated based on lease period

<sup>^</sup> In case of Motor Vehicles, depreciation calculated on basis of its replacement period as mentioned in the Car Policy of the Company.

Depreciation on the Fixed Assets added/disposed off/discarded during the year is provided on pro-rata basis with reference to the date of addition/disposal/discarding.

## 5.5 Intangible Assets and Amortization

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised on a straight-line basis over their estimated useful lives.

Gains or losses, arising from the retirement or disposal of an intangible asset, are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and recognized as income or expense in the Statement of Profit and Loss.

Useful life of intangible assets estimated by management is as under:

Asset	Estimated Useful Life
Computer Software	3

The estimated useful lives of the intangible assets and the amortisation period are reviewed at the end of each financial year, and the amortisation period is revised to reflect the changed pattern, if any.

## Fair Value Measurement

The Group measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or the liability; or in the absence of a principal market, in the most advantageous market for the asset or liability, the principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level-1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level-2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level-3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

## 5.6 Impairment of Non-Financial Assets

The Group assesses, at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists or when annual impairment testing for any asset is required, the Group estimates the assets recoverable amount. An assets recoverable amount is the higher of an assets fair value less cost of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate



# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

cash inflow that is largely independent of those from other assets or Group of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written-down to its recoverable amount.

## 5.7 Retirement and Other Employee Benefits

Employee benefits are accrued in the period in which the associated services are rendered by employees of the Group, as detailed below:

### Defined contribution plan

In accordance with Indian law, eligible employees receive benefits from provident fund, which is a defined contribution plan. Both the employee and employer make monthly contributions to the plan, each equal to a specified percentage of employee's basic salary. The Group has no further obligations under the plan beyond its monthly contributions. The Group does not have any legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Obligation for contributions to the plan is recognized as an employee benefit expense in the Statement of Profit and Loss when incurred.

### Defined Benefit Plans

In accordance with applicable Indian laws, the Group provides for gratuity, a defined benefit retirement plan (the Gratuity Plan) covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Group.

The Group's net obligation in respect of the gratuity plan is calculated by estimating the amount of future benefits that the employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service cost and the fair value of plan assets are deducted. The discount rate is the yield at the reporting date on risk free government bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

The Group recognizes all re-measurements of net defined benefit liability/asset directly in other comprehensive income and presented within equity. The Group has employees' gratuity fund under Grasim Industries Limited Employees Gratuity Trust managed by the ultimate parent Group.

### Short Term Benefit

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### Compensated Absences

The employees of the Group are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement.

The Group measures the expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

The Group recognises accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognised in the period in which the absences occur. The Group recognises actuarial gains and losses immediately in the Statement of Profit and Loss.

### Other Benefits

Few employees transferred from other business of the Aditya Birla Capital Group were eligible under long term incentive plan (the "old LTIP scheme") issued by that business in September 2017. The scheme is for 4 years and pay out under the scheme to employees will be made at end of 4 years, as per option opted by the employees. This is a onetime option, which cannot be changed to the option of early vesting, hence liability has been equally spread over the tenure. The old LTIP scheme is vested during the year for the covered employees and the same was settled.

Further Senior employees of the Company were offered the long term incentive plan (the "new LTIP scheme")

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

effective 1<sup>st</sup> September 2022. The scheme is for 3 years and pay out under the new LTIP scheme to employees will be made on an annual basis as per the plan which is under approval. The liability of the new LTIP scheme is recognized based on the valuation report obtained from the actuarial.

## 5.8 Leases as per Ind AS 116

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a 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: (1) the contract involves the use of an identified asset (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes right – of – use (“ROU”) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value – in – use) is determined on an individual asset basis

unless the asset generates cash flows that are largely dependent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment on exercise of an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## 5.9 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not discounted to their present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

## 5.10 Taxes

### Current Tax

Current income tax assets and liabilities 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, at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly 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.

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## Deferred Tax

Deferred tax is recognised using the Balance Sheet approach on the temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset, if there is a legally enforceable right to offset current tax liabilities and assets, and these relate to income taxes levied by the same tax authority and are intended to settle current tax liabilities and assets on a net basis or such tax assets and liabilities will be realised simultaneously.

In the event of unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets are recognised to the extent that it is probable that sufficient future taxable income will be available to realise such assets.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Current and deferred tax are recognised in Statement of Profit and Loss, except when the same relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax relating to such items are also recognised in other comprehensive income or directly in equity respectively.

## 5.11 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split, if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares

outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 5.12 Capital Management

The primary objective of the Group's capital management is to maximize the shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

## 5.13 Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements, in conformity, with the Ind AS requires management to make judgements, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

### Measurement of Defined Benefit Obligations

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### Provisions

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cashflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amount of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## Property plant and equipment and investment property

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful life and residual values of the Group's assets at the end of its useful life are estimated by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The useful life are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

## Impairment of trade receivables

Trade receivables are the trusts of which Group is a trustee and also holds investments in the trust through Security Receipts. The Group estimates the probability of collection of accounts receivable by analyzing the future cash flow in the trust. If the financial condition of the trust deteriorates, additional allowances may be required.

## 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.

## ECL on financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of

future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different level of allowances.

The Group ECL calculation are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates includes:

- Probabilities of Defaults (PDs) the calculations of which includes historical data, assumptions and expectations of future conditions.
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss model basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Developments of ECL models, including the various formulas and choices of inputs
- Determination of associations between macroeconomic scenarios and economic inputs, such as unemployment levels and collateral values, and the effects of PDs, exposure at defaults and loss given defaults.

## Critical judgements required in the application of Ind AS 116 may include, among others, the following:

- Identifying whether a contract (or part of a contract) includes a lease;
- Determining whether it is reasonably certain that an extension or termination option will be exercised;
- Determination of whether variable payments are in-substance fixed;
- Establishing whether there are multiple leases in an arrangement;
- Determining the stand-alone selling prices of lease and non-lease components.



# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## Key sources of estimation uncertainty in the application of Ind AS 116 may include, among others, the following:

- Estimation of the lease term;
- Determination of the appropriate rate to discount the lease payments;
- Assessment of whether a right-of-use asset is impaired.

## Policy for sales out of amortised cost business model portfolios

Group existing business model focuses on acquisition of financial assets through trusts, with or without participation from external investors. Our existing

resolution strategy is to right size the debt and restructure the debt with focus on improvement in operational performance of the acquired financial assets with existing sponsors or strategic investors.

At present Group has no amortised cost business model portfolio, therefore it has not prepared and adopted any such policy.

## 5.14 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31<sup>st</sup> March 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 06 CASH AND CASH EQUIVALENTS

Particulars	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Balances with Banks		
Current Accounts*	111.21	125.17
Deposit Accounts (with original maturity period of 3 months or less)**	44,662.03	495.20
<b>Total</b>	<b>44,773.24</b>	<b>620.37</b>

\* Includes amount of ₹ 6.16 lakhs (Previous year: ₹ 2.55 lakhs) held in Escrow Account.

\*\* Includes deposits amounting to ₹ 2,926.36 lakhs (Previous year: Nil) from Escrow Account.

## NOTE: 07 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Fixed Deposit Accounts (with original maturity period of more than 3 months)*	70,294.41	6,059.00
<b>Total</b>	<b>70,294.41</b>	<b>6,059.00</b>

\* Includes lien marked Fixed Deposits amounting to ₹ 4,381.19 lakhs and ₹ 17,619.90 lakhs (Previous year: ₹ 3,095.17 lakhs and Nil) for Bank Overdraft and the Debenture Trustee of the Escrow Account respectively.

## NOTE: 08 TRADE RECEIVABLES, UNSECURED

Particulars	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Receivables considered good	-	955.54
Less: Expected Credit Loss	-	(3.82)
	-	<b>951.72</b>

### Note: 8.1

#### Ageing Schedule for Trade Receivable as at 31<sup>st</sup> March 2025

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Receivables receivables considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## Ageing Schedule for Trade Receivable as at 31<sup>st</sup> March 2024

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Receivables receivables considered good	955.54	-	-	-	-	955.54
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

## Note: 8.2

### Reconciliation of ECL on Trade Receivables

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Opening Balance	3.82	1.36
Add: ECL allowance during the year	(3.82)	2.46
<b>Closing Balance</b>	<b>-</b>	<b>3.82</b>

## Note: 8.3

### Ageing Schedule for Unrealised Management fee as per RBI Circular DOR.ACC.REC.No. 104/21.07.001/2022-23

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Outstanding amount of unrealised management fee	-	955.54
1. Out of the above, amount outstanding for:		
(a) Amounts where the net asset value of the security receipts has fallen below 50 percent of the face value	-	-
(b) Other amounts unrealised for:		
(i) More than 180 days but upto 1 year	-	-
(ii) More than 1 year but upto 3 years	-	-
(iii) More than 3 years	-	-
Allowances held for unrealised management fee	-	3.82
Net unrealised management fee receivable	-	951.72

## NOTE: 09 | LOANS

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Loans (Carried at amortised cost) (Refer Note 9.1)	-	1370.16
Less: Impairment loss allowance (Refer Note 9.1)	-	(5.48)
	-	<b>1,364.68</b>

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## Note: 09.1

		(₹ in Lakh)	
Sr. No.	Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
(A)	(i) Retail (Housing Loan)	-	-
	(ii) Term Loan	-	-
	(iii) Advances in the nature of loan	-	1,370.16
	<b>Total Gross (A)</b>	<b>-</b>	<b>1,370.16</b>
	Less: Impairment loss allowance	-	(5.48)
	<b>Total Net (A)</b>	<b>-</b>	<b>1,364.68</b>
(B)	(i) Secured by tangible assets	-	-
	(ii) Unsecured	-	1,370.16
	<b>Total Gross (B)</b>	<b>-</b>	<b>1,370.16</b>
	Less: Impairment loss allowance	-	(5.48)
	<b>Total Net (B)</b>	<b>-</b>	<b>1,364.68</b>
(C)(I)	Loans in India		
	(i) Public Sector	-	-
	(ii) Others	-	1,370.16
	<b>Total Gross (C)(I)</b>	<b>-</b>	<b>1,370.16</b>
	Less: Impairment loss allowance	-	(5.48)
	<b>Total Net (C)(I)</b>	<b>-</b>	<b>1,364.68</b>
(C)(II)	Loans outside India	-	-
	Less: Impairment loss allowance	-	-
	<b>Total Net (C)(II)</b>	<b>-</b>	<b>-</b>
	<b>Total (C)(I) and (II)</b>	<b>-</b>	<b>1,364.68</b>

## NOTE: 10 | OTHER INVESTMENTS

(Carried at fair value through profit or loss)

		(₹ in Lakh)	
Particulars		As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Investments in Security Receipts		3,736.47	55,784.98
Investment in Liquid Mutual funds		2,152.39	600.90
		<b>5,888.86</b>	<b>56,385.88</b>
In India		5,888.86	56,385.88
Outside India		-	-

## NOTE: 11 | OTHER FINANCIAL ASSETS

(Unsecured, considered good, unless stated otherwise)

		(₹ in Lakh)	
Particulars		As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Security Deposits (Carried at amortised cost)		43.85	42.85
Other Receivable		-	10.54
Other Advance		-	0.77
		<b>43.85</b>	<b>54.16</b>

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 12 | PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

Particulars	Computers	Leasehold Improvements	Office Equipments	Furniture & Fixtures	Vehicles	TOTAL
<b>Gross Block</b>						
As at 1 <sup>st</sup> April 2023	14.64	87.60	13.74	2.29	51.41	169.68
Additions	1.66	-	2.02	-	77.30	80.98
Deletions	-	-	-	-	(18.03)	(18.03)
<b>As at 31<sup>st</sup> March 2024</b>	<b>16.30</b>	<b>87.60</b>	<b>15.76</b>	<b>2.29</b>	<b>110.68</b>	<b>232.63</b>
<b>Accumulated Depreciation</b>						
As at 1 <sup>st</sup> April 2023	9.47	87.60	11.23	1.02	11.64	120.96
Depreciation for the year	2.64	-	1.70	0.22	16.04	20.60
Deletions	-	-	-	-	(3.87)	(3.87)
<b>As at 31<sup>st</sup> March 2024</b>	<b>12.11</b>	<b>87.60</b>	<b>12.93</b>	<b>1.24</b>	<b>23.81</b>	<b>137.69</b>
<b>Net Carrying amount as at 31<sup>st</sup> March 2024</b>	<b>4.19</b>	<b>-</b>	<b>2.83</b>	<b>1.05</b>	<b>86.87</b>	<b>94.94</b>
<b>Gross Block</b>						
<b>As at 1<sup>st</sup> April 2024</b>	<b>16.30</b>	<b>87.60</b>	<b>15.76</b>	<b>2.29</b>	<b>110.68</b>	<b>232.63</b>
Additions	1.25	-	0.45	-	11.61	13.31
Deletions	-	-	-	-	(33.40)	(33.40)
<b>As at 31<sup>st</sup> March 2025</b>	<b>17.55</b>	<b>87.60</b>	<b>16.21</b>	<b>2.29</b>	<b>88.89</b>	<b>212.54</b>
<b>Accumulated Depreciation</b>						
<b>As at 1<sup>st</sup> April 2024</b>	<b>12.11</b>	<b>87.60</b>	<b>12.93</b>	<b>1.24</b>	<b>23.81</b>	<b>137.69</b>
Depreciation for the year	3.00	-	0.90	0.23	21.67	25.80
Deletions	-	-	-	-	(23.77)	(23.77)
<b>As at 31<sup>st</sup> March 2025</b>	<b>15.11</b>	<b>87.60</b>	<b>13.83</b>	<b>1.47</b>	<b>21.71</b>	<b>139.72</b>
<b>Net Carrying amount as at 31<sup>st</sup> March 2025</b>	<b>2.44</b>	<b>-</b>	<b>2.38</b>	<b>0.82</b>	<b>67.18</b>	<b>72.82</b>

## NOTE: 13 | OTHER INTANGIBLE ASSETS

(₹ in Lakh)

Particulars	Software License	TOTAL
<b>Gross Block</b>		
As at 1 <sup>st</sup> April 2023	32.00	32.00
Additions	-	-
Deletions	-	-
<b>As at 31<sup>st</sup> March 2024</b>	<b>32.00</b>	<b>32.00</b>
<b>Accumulated Amortization</b>		
As at 1 <sup>st</sup> April 2023	3.54	3.54
Amortization for the year	10.67	10.67
Deletions	-	-
<b>As at 31<sup>st</sup> March 2024</b>	<b>14.21</b>	<b>14.21</b>
<b>Net Carrying amount as at 31<sup>st</sup> March 2024</b>	<b>17.79</b>	<b>17.79</b>

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

(₹ in Lakh)

Particulars	Software License	TOTAL
<b>Gross Block</b>		
As at 1 <sup>st</sup> April 2024	32.00	32.00
Additions	-	-
Deletions	-	-
<b>As at 31<sup>st</sup> March 2025</b>	<b>32.00</b>	<b>32.00</b>
<b>Accumulated Amortization</b>		
As at 1 <sup>st</sup> April 2024	14.21	14.21
Amortization for the year	10.67	10.67
Deletions	-	-
<b>As at 31<sup>st</sup> March 2025</b>	<b>24.88</b>	<b>24.88</b>
<b>Net Carrying amount as at 31<sup>st</sup> March 2025</b>	<b>7.12</b>	<b>7.12</b>

## NOTE: 14 | OTHER NON-FINANCIAL ASSETS

(Unsecured, considered good, unless stated otherwise)

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Dues Receivable from Government - GST	27.64	17.83
Interest on income tax refund receivable from Government	47.07	
Advance to Vendor	4.03	5.08
Prepaid expenses	1.54	14.64
Gratuity Plan Assets	75.06	73.52
	<b>155.34</b>	<b>111.07</b>

## NOTE: 15

Ageing Schedule for Trade Payables as at 31<sup>st</sup> March 2025

(₹ in Lakh)

As at 31 <sup>st</sup> March 2025	Unbilled	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	7.25	1.66	-	-	-	8.91
(ii) Others	39.99	60.55	-	-	-	100.54
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>47.24</b>	<b>62.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>109.45</b>

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## Ageing Schedule for Trade Payables as at 31<sup>st</sup> March 2024

(₹ in Lakh)

As at 31 <sup>st</sup> March 2024	Unbilled	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	3.94	0.41	-	-	-	4.35
(ii) Others	19.55	18.98	-	-	-	38.53
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>23.49</b>	<b>19.39</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42.88</b>

Micro and Small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been determined based on the information available with the Company and the required disclosure are given below:

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
a. Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act		
- Principal	8.91	4.35
- Interest	-	-
b. The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
d. The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

## NOTE: 16 | DEBT SECURITIES

(Secured, carried at amortised cost)

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Non Convertible Debentures (Refer Note 16.1)	22,767.50	21,065.03
	<b>22,767.50</b>	<b>21,065.03</b>
In India	22,767.50	21,065.03
Outside India	-	-

### Note 16.1:

Following is the repayment terms of Non Convertible Debentures.

(₹ in Lakh)

Repayment clause	Coupon rate	Maturity period
Repayment is linked to the receipt of distribution amount from redemption of Security Receipts (SR), against which the debentures are issued and subject to the approval from the Debenture Trustee.	11.50%	8 years

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## Notes:

- Security over the SR distributions, debt service trust accounts and all rights, title, benefit and interest in the debt service trust account.
- Company is also required to create pledge on SRs issued, however no pledge created on SRs till date. Further Company has executed a Non Disposal Undertaking in favour of Debenture Trustee. Subject to applicable law, as and when the Debenture Trustee instructs the Company to create pledge, Company will create the pledge.

## NOTE: 17 | BORROWINGS (OTHER THAN DEBT SECURITIES)

(Secured, carried at amortised cost)

Particulars	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Term Loans (Carried at amortised cost)	-	4,369.23
(i) From Banks (Secured)	-	600.00
(ii) From Related parties (Unsecured)		
Loans repayable on demand	-	3,000.00
(i) From Banks (Secured)	-	2,633.06
Bank Overdraft	-	10,602.29
	-	<b>10,602.29</b>
In India	-	10,602.29
Outside India		

Following is the repayment terms of the Bank Borrowings outstanding as at 31<sup>st</sup> March 2024

Type of Bank Loan	Repayment clause	Interest rate	Security Details
Term Loan	In 36 months (including moratorium period of 12 months) commencing from 27 <sup>th</sup> September 2023 upto 27 <sup>th</sup> June 2025 by way of 8 equal quarterly instalments of ₹ 875 lakhs each or such other amount that the Bank may from time to time fix, to the intent that the entire Facility together with interest, additional interest, cost and other expenses shall be repaid within the expiry of the aforesaid period.	MCLR for 3 months tenor + Spread 1.67%	Primary - Pledge of Security Receipts (SRs).  Collateral - (i) Letter of Comfort from the Holding Company; (ii) Charge on on Cash flows from all unencumbered SRs including pledged SRs mentioned above (excluding cashflows and security receipts already charged to other creditors).
Working Capital Demand Loan	In lump/by way of bullet payment on or before 26 <sup>th</sup> June 2024	MCLR for 3 months tenor + Spread 1.17%	

Following is the repayment terms of the outstanding loans taken from related party as at 31<sup>st</sup> March 2024

Repayment clause	Interest rate	Maturity period
Repayable anytime within 6 months from the date of disbursement. Interest payable at the end of each quarter of calendar year.	9.20%	6 months or on call

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

Following is the terms of Bank Overdraft as at 31<sup>st</sup> March 2025

Facility Limit	Tenure	Interest rate	Security Details
₹ 5,000 lakhs	On Demand	1% over Fixed Deposit Rate	Term Deposits (Refer Note 6)

Following is the terms of Bank Overdraft as at 31<sup>st</sup> March 2024

Facility Limit	Tenure	Interest rate	Security Details
₹ 3,000 lakhs	On Demand	1% over Fixed Deposit Rate	Term Deposits (Refer Note 6)

## NOTE: 18 | SUBORDINATE LIABILITIES

(Carried at amortised cost)

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Compulsorily Convertible Preference Shares	3,200.00	3,200.00
	<b>3,200.00</b>	<b>3,200.00</b>
In India	3,200.00	3,200.00
Outside India	-	-

Notes:

- 0.01% Compulsorily Convertible Preference Shares ('CCPS') on a non-cumulative basis.
- To be compulsorily converted into equity shares of ₹ 10/- each at higher of
  - Fair Market value determined as on the date of conversion or
  - ₹ 10/- per equity share (being the face value of equity shares).
- The date of allotment and the tenor of the outstanding CCPS is as mentioned in the below table:

Date of allotment	Tenor	CCPS Amount (₹ in Lakhs)
20/02/2018	20 Years	800.00
29/10/2018	20 Years	300.00
31/03/2020	10 Years	500.00
21/06/2021	10 Years	500.00
24/06/2022	10 Years	600.00
26/03/2024	10 Years	500.00

## NOTE: 19 | OTHER FINANCIAL LIABILITIES

(Carried at amortised cost)

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Accrued salaries and benefits	659.19	398.08
Other Obligations (Refer Note 27.1)	52,500.00	-
	<b>53,159.19</b>	<b>398.08</b>

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 20 | PROVISIONS

Particulars	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Provision for Employee Benefits		
Provision for Leave encashment	7.82	16.94
Provision for Gratuity	39.31	43.84
Provision for Others	255.37	235.53
	<b>302.50</b>	<b>296.31</b>

## NOTE: 21 | OTHER NON FINANCIAL LIABILITIES

(Carried at amortised cost)

Particulars	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Unearned Revenue	927.25	1,159.67
Statutory Dues	84.10	122.19
	<b>1,011.35</b>	<b>1,281.86</b>

## NOTE: 22 | SHARE CAPITAL

Particulars	(₹ in Lakh)			
	Number	As at 31 <sup>st</sup> March 2025	Number	As at 31 <sup>st</sup> March 2024
<b>Authorised:</b>				
Equity Shares of ₹ 10/- each	15,00,00,000	15,000.00	15,00,00,000	15,000.00
	<b>15,00,00,000</b>	<b>15,000.00</b>	<b>15,00,00,000</b>	<b>15,000.00</b>
<b>Issued:</b>				
<b>Equity Share Capital</b>				
Equity Shares of ₹ 10/- each	10,00,00,000	10,000.00	10,00,00,000	10,000.00
	<b>10,00,00,000</b>	<b>10,000.00</b>	<b>10,00,00,000</b>	<b>10,000.00</b>
<b>Subscribed and Paid-up:</b>				
<b>Equity Share Capital</b>				
Equity Shares of ₹ 10/- each, fully paid-up	10,00,00,000	10,000.00	10,00,00,000	10,000.00
	<b>10,00,00,000</b>	<b>10,000.00</b>	<b>10,00,00,000</b>	<b>10,000.00</b>

1) Reconciliation of the number of shares authorized at the beginning and at the end of the year

Sr. No.	Description	As at 31 <sup>st</sup> March 2025		As at 31 <sup>st</sup> March 2024	
		Equity Shares	Amount	Equity Shares	Amount
1	No. of Shares Outstanding at the beginning of the year	15,00,00,000	15,000.00	15,00,00,000	15,000.00
2	Add: Increased during the year	-	-	-	-
3	No. of Shares Outstanding at the end of the year	15,00,00,000	15,000.00	15,00,00,000	15,000.00

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## 2) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

(₹ in Lakh)

Sr. No.	Description	As at 31 <sup>st</sup> March 2025		As at 31 <sup>st</sup> March 2024	
		Equity Shares	Amount	Equity Shares	Amount
1	No. of Shares Outstanding at the beginning of the year	10,00,00,000	10,000.00	10,00,00,000	10,000.00
2	Add: Increased during the year	-	-	-	-
3	No. of Shares Outstanding at the end of the year	10,00,00,000	10,000.00	10,00,00,000	10,000.00

### Term/Right Attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution to all preferential holders. The distribution will be in proportion to the number of the equity shares held by the shareholders.

### Terms of any securities convertible into equity shares

For the terms of compulsarily convertible preference shares, refer note 18 on Subordinated Liabilities.

### Shares held by holding / ultimate holding Company and / or their subsidiaries / associates

Out of equity shares issued by the company, shares held by its holding company, ultimate company and their subsidiaries / associates are as below:

(₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2025 Amount (₹)	As at 31 <sup>st</sup> March 2024 Amount (₹)
Parent - Aditya Birla Capital Limited 9,99,99,940 equity shares	99,99,99,400	99,99,99,400

### Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31 <sup>st</sup> March 2025 Amount (₹)	As at 31 <sup>st</sup> March 2024 Amount (₹)
Parent - Aditya Birla Capital Limited (in numbers)	9,99,99,940	9,99,99,940
% of shareholding	99.99%	99.99%

### Shares held by promoters

Out of equity shares issued by the company, shares held by promoters are as below:

Shares held by promoters as at 31 <sup>st</sup> March 2025				% Change during the year
Sr. No	Promoters Name	No. of Shares	% of total shares	
1	Aditya Birla Capital Limited	9,99,99,940	99.99%	-

Shares held by promoters as at 31 <sup>st</sup> March 2024				% Change during the year
Sr. No	Promoters Name	No. of Shares	% of total shares	
1	Aditya Birla Capital Limited	9,99,99,940	99.99%	-

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 23 | OTHER EQUITY

(₹ in Lakh)		
Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Retained Earnings*		
Opening Balance	16,708.37	7,389.01
Addition:		
Profit for the Year	18,971.62	9,319.99
Other Comprehensive income / (loss) for the year	5.77	(0.63)
Closing Balance	<b>35,685.76</b>	<b>16,708.37</b>
<b>Total Other Equity</b>	<b>35,685.76</b>	<b>16,708.37</b>

\* Retained Earning comprises of Surplus in Profit & Loss Account of the Company

## NOTE: 24 | INTEREST INCOME

(₹ in Lakh)		
Particulars	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Interest on deposits with Banks		
On Financial Assets carried at amortised cost	1,244.95	385.11
	<b>1,244.95</b>	<b>385.11</b>

## NOTE: 25 | FEE INCOME

(₹ in Lakh)		
Particulars	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Trusteeship and Management Fees	2,815.21	3,072.06
Debt Restructuring fee	-	22.74
	<b>2,815.21</b>	<b>3,094.80</b>

## NOTE: 26 | RECOVERY INCENTIVE

(₹ in Lakh)		
Particulars	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Recovery Incentive	228.87	379.07
	<b>228.87</b>	<b>379.07</b>

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 27 | NET GAIN ON FAIR VALUE CHANGES

Particulars	(₹ in Lakh)	
	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Net gain / (loss) on financial asset at fair value through profit or loss		
On Investments in Security Receipts	95,418.67	13,914.40
Less: Amount attributable to Varde Partners (Refer note 27.1)	(52,500.00)	-
On Mutual Fund units	68.69	44.18
	<b>42,987.36</b>	<b>13,958.58</b>
Fair Value changes :		
Realised	53,843.76	6,983.81
Unrealised	(10,856.40)	6,974.77
	<b>42,987.36</b>	<b>13,958.58</b>

### NOTE: 27.1

In 2018, Aditya Birla Capital (“ABCL”) and Varde Partners (“Varde”) established a strategic partnership to pursue investments in stressed and distressed assets in India. In accordance with the commercial agreements between ABCL and Varde, the Company has recognised amounts attributable to Varde’s economic interest in the funds available from the resolution and redemption of specific security receipts, in line with letter dated 28<sup>th</sup> March 2025 issued by ABCL to the Company. The above agreements were earlier entered into by ABCL with Varde for protecting the Company from losses, if any, suffered by the Company due to the Company’s investment in specific security receipts.

In view of the same, an estimated amount of ₹ 52,500 lakhs has been provided by the company by reducing ‘Net gain on fair value changes’ and corresponding amount, being amounts attributable to Varde has been disclosed under ‘Other Financial Liabilities’. Any payment to Varde pursuant to the aforesaid shall be subject to applicable Laws and applicable Regulatory approvals.

## NOTE: 28 | OTHER INCOME

Particulars	(₹ in Lakh)	
	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Profit on sale of Property, plant and equipments	5.73	-
<b>Interest on Others</b>		
On Financial Assets carried at amortised cost	3.11	8.45
Interest on tax refunds	47.07	7.59
<b>Net gain / (loss) on financial instruments at fair value through profit or loss</b>		
Gain on cancellation of lease	-	25.65
	<b>55.91</b>	<b>41.69</b>

## NOTE: 29 | FINANCE COSTS

Particulars	(₹ in Lakh)	
	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
<b>Interest on Financial Liabilities carried at amortised cost</b>		
Debt securities	2,385.53	2,569.34
Borrowing other than Debt securities	469.32	1,147.52
Finance Cost - Lease Liability	25.75	28.05
	<b>2,880.60</b>	<b>3,744.91</b>

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 30 | IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	(₹ in Lakh)	
	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
On Trade Receivables	(3.82)	2.47
On Other Financial Assets held at Amortised Cost	(5.48)	2.19
	<b>(9.30)</b>	<b>4.66</b>

## NOTE: 31 | EMPLOYEE BENEFITS EXPENSES

Particulars	(₹ in Lakh)	
	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Salaries and Wages	1,019.09	1,041.01
Contribution to provident and other funds (Refer Note no 37)	24.99	38.29
Staff Welfare Expenses	20.07	40.40
	<b>1,064.15</b>	<b>1,119.70</b>

## NOTE: 32 | DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	(₹ in Lakh)	
	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Depreciation of Property, plant and equipment	25.80	20.63
Amortization of other Intangible assets	10.67	10.67
Amortisation on Lease Assets	80.99	81.06
	<b>117.46</b>	<b>112.36</b>

## NOTE: 33 | OTHER EXPENSES

Particulars	(₹ in Lakh)	
	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Rent	0.18	0.57
Repairs & Maintenance - Others	17.25	15.74
Insurance	1.12	1.03
Rates & Taxes	3.57	10.44
Legal & Professional Expenses (Refer Note 33.1)	101.19	83.58
Travelling & Conveyance	2.88	5.55
Printing and Stationery	1.36	0.57
Communication Expenses	0.08	0.13
Electricity Charges	4.54	4.45
Subscription Expenses	17.94	22.33
Director Sitting Fees	18.85	16.75
Corporate Social Responsibility (Refer Note 54)	70.35	29.10
Bid Participation Fee	-	10.00
Net loss on sale of Property, plant and equipments	0.39	2.24
Miscellaneous Expenses	9.20	19.52
<b>Total</b>	<b>248.90</b>	<b>222.00</b>

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## Note 33.1 Includes Auditors Remuneration

Particulars	(₹ in Lakh)	
	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Audit Fees	8.70	8.42
Tax Audit Fees	2.00	1.82
Other Certification Fees	0.50	1.25
Out of Pocket Expenses	-	0.11
	<b>11.20</b>	<b>11.60</b>

### NOTE: 34 DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 33 EARNINGS PER SHARE

Particulars	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Earnings per Share (EPS) is calculated as under:		
Weighted-average Number of Equity Shares for calculation of Basic EPS	1,000.00	1,000.00
Weighted-average number of Equity Shares for calculation of Diluted EPS	1,032.00	1,027.08
Nominal Value of Shares (₹)	10.00	10.00
Profit attributable to equity shareholders for Basic EPS	18971.62	9319.99
Profit attributable to equity shareholders for Diluted EPS	18971.62	9319.99
Basic EPS (₹)	<b>18.97</b>	<b>9.32</b>
Diluted EPS (₹)	<b>18.38</b>	<b>9.07</b>

Dilutive shares for computation of Earnings per share pertain to 32,00,000 (Previous year: 32,00,000) 0.01% compulsorily convertible preference shares.

### NOTE: 35 DISCLOSURE IN RESPECT OF RELATED PARTY PURSUANT TO INDIAN ACCOUNTING STANDARD (IND AS) 24: (AS IDENTIFIED BY MANAGEMENT AND RELIED UPON BY AUDITOR)

#### a. List of Related Parties:

##### A Ultimate Holding Company

Grasim Industries Limited

##### B Holding Company

Aditya Birla Capital Limited (ABCL)

##### C Directors and Key Management Personnel

Vishakha Mulye - Director (upto 24<sup>th</sup> May 2024)

Tushar Shah- Director

Pinky Mehta - Director

Venkatraman Ravi - Independent Director (upto 18<sup>th</sup> November 2024)

Sharadkumar Bhatia - Independent Director

Sethurathnam Ravi - Independent Director

Kumar Sharadindu - Additional Independent Director (w.e.f 3<sup>rd</sup> February 2025)

Sanjay Jain - Chief Executive Officer

Sandeep Somani - Chief Financial Officer (upto 3<sup>rd</sup> January 2025)

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## D Fellow Subsidiary

Aditya Birla Finance Limited  
Aditya Birla Money Limited  
Aditya Birla Money Mart Limited  
Aditya Birla Sunlife Insurance Company Limited  
Aditya Birla Stressed Asset AMC Private Limited  
Aditya Birla Financial Shared Services Limited  
Aditya Birla Capital Digital Limited

## E Associate of Holding Company

Aditya Birla Sun Life AMC Limited

## F Joint Venture of Holding Company

Aditya Birla Wellness Private Limited

## G Post Employment Benefit Plan

Grasim Industries Limited -Employee Gratuity Trust Fund

## b. Transactions and Balances with related parties for the year ended 31<sup>st</sup> March 2025 and 31<sup>st</sup> March 2024

(₹ in Lakh)

Sr. No.	Particulars	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
<b>A</b>	<b>Ultimate Holding Company</b>		
<b>1</b>	<b>Transactions during the year *</b>		
	Grasim Industries Limited (Transfer of employee benefits on employee transfer-out)	0.56	-
<b>B</b>	<b>Holding Company</b>		
<b>1</b>	<b>Transactions during the year *</b>		
	Aditya Birla Capital Limited (Issue of Compulsorily Convertible Preference Shares)	-	500.00
	Aditya Birla Capital Limited (ICD taken)	-	7,000.00
	Aditya Birla Capital Limited (ICD redeemed)	600.00	6,400.00
	Aditya Birla Capital Limited (ICD interest)	11.76	81.41
<b>2</b>	<b>Balance Outstanding</b>		
	Aditya Birla Capital Limited (Equity Shares)	10,000.00	10,000.00
	Aditya Birla Capital Limited (CCPS)	2,100.00	2,100.00
	Aditya Birla Capital Limited (ICD)	-	600.00
	Aditya Birla Capital Limited (Other - Payables)	1.89	6.03
<b>C</b>	<b>Directors and Key Management Personnel</b>		
<b>1</b>	<b>Transactions during the year*</b>		
	Sanjay Jain (Remuneration)^	317.66	270.37
	Sandeep Somani (Remuneration)^	87.96	86.78
	Sandeep Somani (Sale of Vehicle)	4.76	-
	Venkatraman Ravi (Sitting Fees)	3.00	4.50
	Sharadkumar Bhatia (Sitting Fees)	7.90	5.95
	Sethurathnam Ravi (Sitting Fees)	8.80	6.30
	Kumar Sharadindu (Sitting Fees)	0.75	-



# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

(₹ in Lakh)

Sr. No.	Particulars	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
<b>2</b>	<b>Balance Outstanding</b>		
	Sharadkumar Bhatia	0.75	-
	Sethurathnam Ravi	0.75	-
	Kumar Sharadindu	0.75	-
<b>D</b>	<b>Fellow Subsidiaries</b>		
<b>1</b>	<b>Transactions during the year*</b>		
<b>i</b>	<b>Expenses Reimbursement</b>		
	Aditya Birla Finance Limited (Employee offsite cost)	-	9.28
	Aditya Birla Stressed Asset AMC Private Limited (Payroll expense)	59.12	125.22
	Aditya Birla Housing Finance Limited (Payroll-VPay expense)	23.53	-
	Aditya Birla Financial Shared Services Limited (Payroll-VPay expense)	1.54	-
	Aditya Birla Housing Finance Limited (Payroll-LTIP expense)	7.50	-
	Aditya Birla Housing Finance Limited (Payroll expense)	44.04	-
<b>ii</b>	<b>Expense Recovery</b>		
	Aditya Birla Stressed Asset AMC Private Limited (Insurance expense)	1.23	0.95
	Aditya Birla Stressed Asset AMC Private Limited (Professional expense)	0.02	0.04
	Aditya Birla Housing Finance Limited (GMC premium)	0.04	-
	Aditya Birla Money Limited (Payroll expense)	2.20	-
<b>iii</b>	<b>Expenses</b>		
	Aditya Birla Money Limited (Custodian fees)	0.01	0.07
	Aditya Birla Sun Life Insurance Company Limited (Insurance expense)	-	0.59
	Aditya Birla Money Mart Limited (ICD interest)	-	21.21
	Aditya Birla Finance Limited (Staff Training)	-	1.85
	Aditya Birla Capital Digital Limited (Staff Welfare)	0.08	-
<b>iv</b>	<b>Others</b>		
	Aditya Birla Money Mart Limited (ICD taken)	-	1,650.00
	Aditya Birla Money Mart Limited (ICD redeemed)	-	1,650.00
	Aditya Birla Housing Finance Limited (Transfer of employee benefits on employee transfer-out)	6.24	3.09
	Aditya Birla Financial Shared Services Limited (Transfer of employee benefits on employee transfer-out)	-	18.02
	Aditya Birla Stressed Asset AMC Private Limited (Transfer of employee benefits on employee transfer-in)	-	0.57
	Aditya Birla Sun Life Insurance Company Limited (Advance for employee term insurance)	-	0.82
<b>v</b>	<b>Advance for Expenses</b>		
	Aditya Birla Sun Life Insurance Company Limited (Insurance premium deposit)	0.67	0.67
<b>2</b>	<b>Balance Outstanding</b>		
<b>i</b>	<b>Receivable</b>		
	Aditya Birla Sun Life Insurance Company Limited	0.13	0.82

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

(₹ in Lakh)

Sr. No.	Particulars	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
<b>ii</b>	<b>Payable</b>		
	Aditya Birla Stressed Asset AMC Private Limited	0.23	9.23
	Aditya Birla Finance Limited	-	2.03
	Aditya Birla Housing Finance Limited	48.36	-
	Aditya Birla Capital Digital Limited	0.01	-
<b>E</b>	<b>Associate of Holding Company</b>		
<b>1</b>	<b>Transactions during the year *</b>		
<b>i</b>	<b>Expenses Reimbursement</b>		
	Aditya Birla Sun Life AMC Ltd (Payroll Expense)	24.92	-
	Aditya Birla Sun Life AMC Ltd (Transfer of employee benefits on employee transfer-out)	4.78	-
<b>2</b>	<b>Balance Outstanding</b>		
<b>i</b>	<b>Payable</b>		
	Aditya Birla Sun Life AMC Ltd	8.83	-
<b>F</b>	<b>Joint Venture of Holding Company</b>		
<b>1</b>	<b>Transactions during the year *</b>		
<b>i</b>	<b>Expenses</b>		
	Aditya Birla Wellness Private Limited (Staff Welfare Expense)	0.09	0.12
<b>2</b>	<b>Balance Outstanding</b>		
<b>i</b>	<b>Payable</b>		
	Aditya Birla Wellness Private Limited	0.09	-
<b>G</b>	<b>Post Employment Benefit Plan</b>		
<b>1</b>	<b>Transactions during the year *</b>		
<b>i</b>	<b>Others</b>		
	Grasim Industries Limited -Employee Gratuity Trust Fund (Fund Withdrawal)	4.18	-
<b>2</b>	<b>Balance Outstanding</b>		
<b>i</b>	<b>Receivable</b>		
	Grasim Industries Limited -Employee Gratuity Trust Fund (Amount paid towards Gratuity)	75.06	73.52

\* All amounts are exclusive of GST

^ Retirement Benefits are not included

**Note:** The Market Linked debentures and bank borrowings were fully redeemed/repaid by the company during the previous year and current year respectively thereby the letter of comfort obtained for ₹ 15,000 lakhs from Aditya Birla Capital stands completely withdrawn as at 31<sup>st</sup> March 2025.

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 36 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

	31 <sup>st</sup> March 2025			31 <sup>st</sup> March 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Assets</b>						
<b>Financial assets</b>						
Cash and cash equivalents	44,773.24	-	44,773.24	620.37	-	620.37
Bank Balance other than above	69,550.95	743.46	70,294.41	4,634.11	1,424.89	6,059.00
Trade receivables	-	-	-	951.72	-	951.72
Loans	-	-	-	1,364.68	-	1,364.68
Investments	4,442.55	1,446.31	5,888.86	41,886.48	14,499.40	56,385.88
Other financial assets	3.65	40.20	43.85	17.01	37.15	54.16
<b>Non-financial Assets</b>						
Current tax asset	-	5,880.65	5,880.65	-	973.31	973.31
Property, plant and equipment	-	72.82	72.82	-	94.94	94.94
Other intangible assets	-	7.12	7.12	-	17.79	17.79
Right to use of Assets	-	252.95	252.95	-	333.94	333.94
Other non financial assets	155.34	-	155.34	111.07	-	111.07
<b>Total assets</b>	<b>1,18,925.73</b>	<b>8,443.51</b>	<b>1,27,369.24</b>	<b>49,585.44</b>	<b>17,381.42</b>	<b>66,966.86</b>
<b>Liabilities</b>						
<b>Financial Liabilities</b>						
Trade payables						
total outstanding dues of creditors other than micro enterprises and small enterprises	109.45	-	109.45	42.88	-	42.88
Debt Securities	22,767.50	-	22,767.50	5,793.02	15,272.01	21,065.03
Borrowings (Other than Debt Securities)	-	-	-	9,728.40	873.89	10,602.29
Subordinate Liabilities	-	3,200.00	3,200.00	-	3,200.00	3,200.00
Lease Liabilities	99.08	200.72	299.80	94.37	277.47	371.84
Other Financial liabilities	53,159.19	-	53,159.19	398.08	-	398.08
<b>Non-financial Liabilities</b>						
Provisions	182.69	119.81	302.50	141.64	154.67	296.31
Deferred tax liabilities (net)	-	833.69	833.69	-	3,000.20	3,000.20
Other non-financial liabilities	1,011.35	-	1,011.35	1,281.86	-	1,281.86
<b>Equity</b>						
Equity Share Capital	-	10,000.00	10,000.00	-	10,000.00	10,000.00
Other Equity	-	35,685.76	35,685.76	-	16,708.37	16,708.37
<b>Total Liabilities</b>	<b>77,329.27</b>	<b>50,039.97</b>	<b>1,27,369.24</b>	<b>17,480.24</b>	<b>49,486.62</b>	<b>66,966.86</b>

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 37 | EMPLOYEE BENEFIT DISCLOSURES

### Defined Contribution Plan

The amounts charged to the Statement of Profit and Loss during the year for Provident fund contribution aggregates to ₹ 18.37 lakhs (31<sup>st</sup> March 2024 – ₹ 24.47 lakhs).

### Defined Benefit Plan

#### General Description of the plan:

The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service.

#### Nature of Benefits

The Company operates a defined benefit gratuity plan which is open to new entrants. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

#### Inherent Risks:

The plan is of a defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the balance sheet for the gratuity plan of the Company.

### Amounts recognized in the Balance sheet in respect of Gratuity

Particulars	(₹ in Lakh)	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Opening Defined Benefit Obligations	43.84	42.48
Current Service Cost	7.23	9.94
Interest Cost	3.13	3.11
Actuarial changes arising from changes in demographic assumptions	(5.04)	-
Actuarial changes arising from changes in financial assumptions	1.44	0.39
Actuarial changes arising from changes in experience assumptions	(3.65)	5.50
Add: Benefits paid including transfer in/out	(7.66)	(17.57)
Present value of defined benefit obligation	39.31	43.84

### Changes in Fair Value of Plan Assets

Particulars	(₹ in Lakh)	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Opening Fair Value of the Plan Assets	73.53	63.81
Interest Income on the Plan Assets	5.25	4.67
Employers Contribution	-	-
Benefits paid	(4.18)	-
Return on Plan Assets	0.46	5.05
Closing Fair Value of the Plan Assets	75.06	73.53

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## Amounts recognized in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity

(₹ in Lakh)		
Particulars	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
In Statement of Profit and Loss	7.23	9.94
Interest on net defined benefit liability/(assets)	(2.12)	(1.56)
<b>Total Expenses Recognized for the period</b>	<b>5.11</b>	<b>8.38</b>

## Other Comprehensive Income:

(₹ in Lakh)		
Particulars	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Actuarial (gains)/ losses		
Actual Return on Plan Assets excluding amount recognised in net interest expense	(0.46)	(5.05)
Actuarial changes arises from change		
- Demographic Assumptions	(5.04)	-
- Financial Assumptions	1.44	0.39
- Experience Variance	(3.65)	5.50
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Components of defined benefit costs recognized in OCI	(7.71)	0.84

### b) Maturity Profile of Defined Benefit Obligation

(₹ in Lakh)	
Weighted average duration (based on discounted cashflows)	3 years
Expected cash flows over the next (valued on undiscounted basis):	
1 years	8.89
2 to 5 years	23.58
6 to 10 years	16.15
More than 10 years	2.35

### c) Expected Contribution during the next annual reporting period

The company's best estimate of contribution during the next year	-
--	---

### d) Funding Arrangements and Funding Policy

The Scheme is on funded basis.

### e) Principal Actuarial Financial Assumptions

(₹ in Lakh)		
Particulars	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Discount Rate (per annum)	6.50%	7.15%
Salary Growth Rate (per annum)	10%	10%
Decrement adjusted remaining working life (yrs)	3.35	5.80

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## f) Demographic Assumptions

Particulars	(₹ in Lakh)	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Mortality Rate	100% of IALM 2012-24	100% of IALM 2012-24
Normal retirement age	60 yrs	60 yrs
Attrition/Withdrawal rate (per annum)	25%	15%

Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

## g) Major Categories of Plan Assets (as a percentage of Total Plan Assets)

Particulars	(₹ in Lakh)	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Government of India Securities	1.73%	2.15%
State Govt. Securities	2.23%	3.18%
High Quality Corporate Bonds	0.28%	0.54%
Fund Managed by Insurers	40.81%	41.58%
Other Investments	54.95%	52.55%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

## Sensitivity Analysis

Description	(₹ in Lakh)			
	As at 31 <sup>st</sup> March 2025		As at 31 <sup>st</sup> March 2024	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+ 0.5%)	40.03	38.61	45.21	42.55
(% change compared to base due to sensitivity)	1.80%	-1.80%	3.10%	-3.00%
Salary Growth (-/+ 0.5%)	38.62	40.01	42.57	45.17
(% change compared to base due to sensitivity)	-1.70%	1.80%	-2.90%	3.00%
Attrition Rate (-/+ 50%)	46.42	36.16	54.64	38.90
(% change compared to base due to sensitivity)	18.10%	-8.00%	24.60%	-11.30%
Mortality Rate (-/+ 10%)	39.27	39.35	43.80	43.89
(% change compared to base due to sensitivity)	-0.10%	0.10%	-0.10%	0.10%

## Sensitivity Analysis Method

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

### NOTE: 38 TAXATION APPROACH

The Company has opted to pay income tax u/s 115BAA of Income Tax Act, 1961 from F.Y: 2019-20 in order to pay tax at the lower rate.

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 39 | INCOME TAX DISCLOSURE

Current tax for the year of ₹ 26,227.32 lakhs (31<sup>st</sup> March 2024 - ₹ 1,452.31 lakhs).

The major components of income tax expense for the years ended

Statement of profit and loss:

	(₹ in Lakh)	
Profit or loss Section	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Current tax	26,227.32	1,452.31
Deferred tax	(2,168.45)	1,883.32
<b>Income tax expense reported in the statement of profit or loss</b>	<b>24,058.87</b>	<b>3,335.63</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for years ended

	(₹ in Lakh)	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
A) Income before income tax	43,030.49	12,655.62
B) Enacted tax rate in India	25.168%	25.168%
C) Expected Tax Expense (A*B)	10,829.91	3,185.17
D) Permanent tax disallowances	17.71	7.33
E) Brought forward capital loss not considered in the deferred tax asset in earlier years considered in current year	-	42.28
F) Amount attributable to Varde Partners (Refer Note 27.1)	13,213.20	-
G) Other Adjustments	(1.95)	100.85
<b>Income tax expense reported in the statement of profit and loss</b>	<b>24,058.87</b>	<b>3,335.63</b>

Deferred tax:

Deferred tax relates to the following:

Balance Sheet	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
<b>Deferred tax Liabilities</b>		
Marked to Market Value of Investment	951.42	3,126.30
Unrealised interest income on tax refund	11.85	-
Right to use of assets	63.66	84.05
<b>Subtotal A</b>	<b>1,026.93</b>	<b>3,210.34</b>
<b>Deferred tax Assets</b>		
Leave Encashment	(1.97)	(4.26)
Difference in WDV between Companies Act and Income Tax Act	(17.45)	(16.36)
Lease Liability	(75.45)	(93.58)
Security Deposit on Lease	(2.82)	(3.59)
Employee LTIP provision	(50.18)	(59.28)
Employee Deferred Compensation provision	(14.09)	-
ECL provisions	-	(2.35)
Deemed Income from Securitization Trusts	(5.56)	-
Brought forward capital losses	(25.72)	(30.71)
<b>Subtotal B</b>	<b>(193.24)</b>	<b>(210.14)</b>
<b>Net deferred tax liabilities</b>	<b>833.69</b>	<b>3,000.20</b>

Reflected in the balance sheet as follows:

	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Deferred tax assets	(193.24)	(210.14)
Deferred tax liabilities	1,026.93	3,210.34
<b>Deferred tax (assets)/liabilities (net)</b>	<b>833.69</b>	<b>3,000.20</b>

Reconciliation of deferred tax liabilities (net)

	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
<b>Opening balance as of 1<sup>st</sup> April</b>	<b>3,000.20</b>	<b>1,117.09</b>
Tax expense during the period recognised in profit and loss	(2,168.45)	1,883.32
Tax expense / (income) during the period recognised in OCI	1.94	(0.21)
<b>Closing balance as at 31<sup>st</sup> March</b>	<b>833.69</b>	<b>3,000.20</b>

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 40 | LEASES

Following are the changes in the carrying value of right of use assets:

Particulars	(₹ in Lakh)	
	Category of ROU Asset Leasehold premises	
	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
<b>Balance as at 1<sup>st</sup> April</b>	<b>333.94</b>	<b>160.51</b>
Additions	-	415.00
Deletions	-	(160.51)
Depreciation	(80.99)	(81.06)
<b>Balance as at 31<sup>st</sup> March</b>	<b>252.95</b>	<b>333.94</b>

### Amounts recognised in profit and loss

	(₹ in Lakh)	
	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Depreciation expense on right-of-use assets	80.99	81.06
Interest expense on lease liabilities	25.75	28.05

The following is the break-up of current and non-current lease liabilities:

	(₹ in Lakh)	
	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Current Lease Liabilities	99.08	94.37
Non-Current Lease Liabilities	200.72	277.47
<b>Total</b>	<b>299.80</b>	<b>371.84</b>

The following is the movement in lease liabilities during the year:

	(₹ in Lakh)	
	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
<b>Balance as at 1<sup>st</sup> April</b>	<b>371.84</b>	<b>186.21</b>
Additions	-	398.44
Finance Cost accrued during the period	25.75	28.05
Deletions	-	(186.21)
Payment of Lease Liabilities	(97.79)	(54.64)
<b>Balance as at 31<sup>st</sup> March</b>	<b>299.80</b>	<b>371.84</b>

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	(₹ in Lakh)	
	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Less than one year	102.67	97.78
One to Five years	234.77	337.44
More than Five years	-	-
<b>Total</b>	<b>337.44</b>	<b>435.22</b>

The group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 41 | FAIR VALUE

The following table provides the comparison of carrying value and fair value of the Company's Financial Assets and Liabilities as at 31<sup>st</sup> March 2025 & 31<sup>st</sup> March 2024.

### As at 31<sup>st</sup> March 2025

	(₹ in Lakh)	
Financial Assets	Carrying Value	Fair Value
Cash and Cash Equivalents	44,773.24	44,773.24
Bank Balance other than Cash and Cash Equivalents	70,294.41	70,294.41
Investments Unquoted(FVTPL)	5,888.86	5,888.86
Others financial Asset	43.85	43.85
<b>Total</b>	<b>1,21,000.36</b>	<b>1,21,000.36</b>
Financial Liabilities	Carrying Value	Fair Value
Trade payables	109.45	109.45
Debt Securities	22,767.50	22,767.50
Compulsorily Convertible Preference Shares	3,200.00	3,200.00
Lease liabilities	299.80	299.80
Others financial liabilities	53,159.19	53,159.19
<b>Total</b>	<b>79,535.94</b>	<b>79,535.94</b>

### As at 31<sup>st</sup> March 2024

Financial Assets	Carrying Value	Fair Value
Cash and Cash Equivalents	620.37	620.37
Bank Balance other than Cash and Cash Equivalents	6,059.00	6,059.00
Trade Receivables	951.72	951.72
Loans	1,364.68	1,364.68
Investments Unquoted(FVTPL)	56,385.88	56,385.88
Others financial Asset	54.16	54.16
<b>Total</b>	<b>65,435.81</b>	<b>65,435.81</b>
Financial Liabilities	Carrying Value	Fair Value
Trade payables	42.88	42.88
Debt Securities	21,065.03	21,065.03
Borrowings (Other than Debt Securities)	10,602.29	10,602.29
Compulsorily Convertible Preference Shares	3,200.00	3,200.00
Lease liabilities	371.84	371.84
Others financial liabilities	398.08	398.08
<b>Total</b>	<b>35,680.12</b>	<b>35,680.12</b>

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 42 | FAIR VALUE HIERARCHY

Following table provides the fair value measurement hierarchy of the Company's assets and liabilities as on 31<sup>st</sup> March 2025 & 31<sup>st</sup> March 2024

### As at 31<sup>st</sup> March 2025

(₹ in Lakh)					
Financial Assets	Date of Valuation	Total	Level 1	Level 2*	Level 3
Investments Unquoted (FVTPL)	31/03/2025	5,888.86	-	2,152.39	3,736.47

Financial Assets & Financial Liabilities not measured at fair value, including their levels in the fair value heirarchy are presented below.

(₹ in Lakh)					
Particulars	Date of Valuation	Total	Level 1	Level 2	Level 3
<b>Financial Assets</b>					
Others financial Asset	31/03/2025	43.85	-	-	43.85
<b>Financial Liabilities</b>					
Trade payables	31/03/2025	109.45	-	-	109.45
Debt Securities	31/03/2025	22,767.50	-	-	22,767.50
Compulsorily Convertible Preference Shares	31/03/2025	3,200.00	-	-	3,200.00
Lease liabilities	31/03/2025	299.80	-	-	299.80
Others financial liabilities	31/03/2025	53,159.19	-	-	53,159.19

### As at 31<sup>st</sup> March 2024

(₹ in Lakh)					
Financial Assets	Date of Valuation	Total	Level 1	Level 2*	Level 3
Investments Unquoted (FVTPL)	31/03/2024	56,385.88	-	600.90	55,784.98

Financial Assets & Financial Liabilities not measured at fair value, including their levels in the fair value heirarchy are presented below.

(₹ in Lakh)					
Particulars	Date of Valuation	Total	Level 1	Level 2	Level 3
<b>Financial Assets</b>					
Trade Receivables	31/03/2024	951.72	-	-	951.72
Loans	31/03/2024	1,364.68	-	-	1,364.68
Others financial Asset	31/03/2024	54.16	-	-	54.16
<b>Financial Liabilities</b>					
Trade payables	31/03/2024	42.88	-	-	42.88
Debt Securities	31/03/2024	21,065.03	-	-	21,065.03
Borrowings (Other than Debt Securities)	31/03/2024	10,602.29	-	-	10,602.29
Compulsorily Convertible Preference Shares	31/03/2024	3,200.00	-	-	3,200.00
Lease liabilities	31/03/2024	371.84	-	-	371.84
Others financial liabilities	31/03/2024	398.08	-	-	398.08

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level-2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

Level-3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This means that fair values are determined in whole or in part part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. However, the fair value measurement objective remains the same, that is, to estimate an exit price.

\* Level 2 Investment is Fair value of investment in Mutual Funds as per NAV declared on these units.

There have been no transfers between levels during the year ended 31<sup>st</sup> March 2025 and year ended 31<sup>st</sup> March 2024.

## Movement in Level 3 Financial Instruments measured at Fair Value

(₹ in Lakh)

Financial Assets	Investments Unquoted (in SRs)	
	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Particulars		
As at beginning of the year	55,784.98	49,895.37
Investments	-	-
Redemptions/write offs	(43,358.25)	(1,086.96)
Gains for the year recognised in profit or loss	(8,690.26)	6,976.57
<b>At at end of the year</b>	<b>3,736.47</b>	<b>55,784.98</b>
Unrealised gains related to balances held at the end of the year	(8,690.26)	6,976.57

## Unobservable inputs used in measuring fair value categorised within Level 3

(₹ in Lakh)

Type of Financial Instruments	Fair Value of Asset as on 31 <sup>st</sup> March 2025	Valuation Techniques	Significant Unobservable Input
Investments Unquoted(FVTPL)	3,736.47	Discounted Projected Cash Flow	Expected Gross Recoveries* & Discount Rates

(₹ in Lakh)

Type of Financial Instruments	Fair Value of Asset as on 31 <sup>st</sup> March 2024	Valuation Techniques	Significant Unobservable Input
Investments Unquoted(FVTPL)	55,784.98	Discounted Projected Cash Flow	Expected Gross Recoveries* & Discount Rates

\* Expected Gross Recoveries are pertaining to the overall assets under management of the Company. The cash attributable to the Company's share in expected gross recoveries will be dependant on the Company's investment share and terms of the SR subscribed.

## Qualitative analysis of significant unobservable inputs

### Discount margin/spreads

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

### Cash Flow

Expected Cash flow levels including timing of cash flows are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including default rates, manner of resolution and other economic drivers. The manner of resolution is determined based on financial position and negotiations with counterparty.

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 43 | RISK MANAGEMENT FRAMEWORK

### a. Governance framework

The primary objective of the Company's risk and financial management framework is to protect the Company's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognises the critical importance of having efficient and effective risk management systems in place.

### b. Approach to capital management

The Company seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders.

The primary source of capital used by the Company is equity, CCPS, debt Securities and borrowings (other than debt securities).

Available capital resources:

Particulars	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Debt Securities	22,767.50	21,065.03
Borrowings (Other than Debt Securities)	-	10,602.29
Lease Liability	299.80	371.84
Compulsorily Convertible Preferences shares	3,200.00	3,200.00
Total Equity	10,000.00	10,000.00
<b>Total Capital</b>	<b>36,267.30</b>	<b>45,239.16</b>

### c. Regulatory framework

Regulators are primarily interested in protecting the rights of shareholders and monitor them closely to ensure that the company is satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that the company maintains an appropriate solvency position to meet unforeseeable liabilities arising from economic shocks or natural disasters. The operations of the company are subject to regulatory requirements within the jurisdictions in which it operates.

#### Financial risks

##### 1. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, preference shares. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company manages its liquidity risk through temporary funding from its holding Company and availing bank overdraft as and when required.

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ in Lakh)

Year ended 31 <sup>st</sup> March 2025	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade and other payables	-	62.21	47.24	-	-	109.45
Debt Securities*	-	22,767.50	-	-	-	22,767.50
Compulsorily Convertible Preference Shares	-	-	-	3,200.00	-	3,200.00
Lease Liabilities	-	25.22	73.86	200.72	-	299.80
Other financial liabilities	-	416.19	52,743.00	-	-	53,159.19
	-	<b>23,271.12</b>	<b>52,864.10</b>	<b>3,400.72</b>	-	<b>79,535.94</b>

(₹ in Lakh)

Year ended 31 <sup>st</sup> March 2024	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade and other payables	-	19.39	23.49	-	-	42.88
Debt Securities*	-	131.10	5,661.92	15,272.01	-	21,065.03
Borrowings (Other than Debt Securities)	5,633.06	1,473.84	2,621.50	873.89	-	10,602.29
Compulsorily Convertible Preference Shares	-	-	-	-	3,200.00	3,200.00
Lease Liabilities	-	23.86	70.51	277.47	-	371.84
Other financial liabilities	-	398.08	-	-	-	398.08
	<b>5,633.06</b>	<b>2,046.27</b>	<b>8,377.42</b>	<b>16,423.38</b>	<b>3,200.00</b>	<b>35,680.12</b>

\* Term of Debt Securities is 8 years, repayment is dependent on distribution from Security Receipts which may stretch more than 5 years.

The table below summarises the maturity profile of the Company's financial Assets based on contractual undiscounted payments.

(₹ in Lakh)

Year ended 31 <sup>st</sup> March 2025	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Cash & Cash Equivalents	111.21	44,662.03	-	-	-	44,773.24
Fixed Deposit Accounts	-	-	69,550.95	743.46	-	70,294.41
Investments	-	3,384.06	1,058.49	1,446.31	-	5,888.86
Other Financial Assets	-	-	3.65	40.20	-	43.85
	<b>111.21</b>	<b>48,046.09</b>	<b>70,613.09</b>	<b>2,229.97</b>	-	<b>1,21,000.36</b>

(₹ in Lakh)

Year ended 31 <sup>st</sup> March 2024	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Cash & Cash Equivalents	125.17	495.20	-	-	-	620.37
Fixed Deposit Accounts	-	-	4,634.11	1,424.89	-	6,059.00
Trade Receivables	-	951.72	-	-	-	951.72
Loans	-	-	1,364.68	-	-	1,364.68
Investments	-	732.00	41,154.48	14,499.40	-	56,385.88
Other Financial Assets	-	10.54	6.47	37.15	-	54.16
	<b>125.17</b>	<b>2,189.46</b>	<b>47,159.74</b>	<b>15,961.44</b>	-	<b>65,435.81</b>

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## 2. Operational risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process. Internal control deficiency are reviewed by management and audit committee on periodic basis.

## 3. Credit risks

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks, investments in security Receipts. The carrying amount of following financial assets represent the maximum credit risk exposure:

Particulars	(₹ in Lakh)	
	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Trade Receivables	-	951.72
Loans	-	<b>1,364.68</b>
Investments Unquoted(FVTPL)	5,888.86	56,385.88
Others financial Asset	43.85	54.16
<b>Total</b>	<b>5,932.71</b>	<b>58,756.44</b>

## NOTE: 44 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Particulars	(₹ in Lakh)			
	31 <sup>st</sup> March 2024	Cash flows	Interest	31 <sup>st</sup> March 2025
Debt Securities	21,065.03	(683.06)	2,385.53	22,767.50
Borrowings (Other than Debt Securities)	10,602.29	(11,071.61)	469.32	-
Subordinate Liabilities	3,200.00	-	-	3,200.00

Particulars	(₹ in Lakh)			
	1 <sup>st</sup> April 2023	Cash flows	Interest	31 <sup>st</sup> March 2024
Debt Securities	26,825.15	(8,329.46)	2,569.34	21,065.03
Borrowings (Other than Debt Securities)	9,988.83	(534.06)	1,147.52	10,602.29
Subordinate Liabilities	2,700.00	500.00	-	3,200.00

## NOTE: 45 INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

The company has concluded that the Assets Reconstruction trust in which it invests, but that it does not consolidate meet the definition of structured entities because -

- The voting rights in the company are not dominant rights in deciding who controls them because the right relate to administrative tasks only.
- Each Trust activities are restricted by trust deed.
- Insufficient equity to permit the structured entity to finance its activities without substantial financial support, and
- The trust have well defined objective to provide recovery activities to investors.

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

The following table describes the type of structured entities that the company does not consolidate but in which it holds an interest-

Type of Structures Entity	Nature and Purpose	Interest Held by the Company	As of 31 <sup>st</sup> March 2025		As of 31 <sup>st</sup> March 2024	
		Investment in Security Receipts	SRs issued by Trust	SRs subscribed by Company	SRs issued by Trust	SRs subscribed by Company
Asset Reconstruction Trust	To acquire stressed assets for the purpose of carrying on the activity of securitization and assets reconstruction	Acting as trustee to the Trusts	3,93,78,610	59,06,791	5,70,38,072	85,55,711

The following table sets out an analysis of the carrying amount of interest held by company in unconsolidated structure entities. The maximum exposure to loss in carrying amount of the asset held is as below:

Carrying Amount	As at	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Investment in SR	3,736.47	55,784.98
Advance to Trusts	-	1,370.16
Reimbursement from Trusts	-	0.77
Fees Receivable	-	955.54

(₹ in Lakh)

## NOTE: 46 REVENUE FROM CONTRACTS WITH CUSTOMERS

### 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:

Particulars	For the year ended	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
<b>Primary geographical market</b>		
India	3,044.08	3,473.87
<b>Total</b>	<b>3,044.08</b>	<b>3,473.87</b>
<b>Major products/service lines</b>		
Fee Income	2,815.21	3,094.80
Other Fees	228.87	379.07
<b>Total</b>	<b>3,044.08</b>	<b>3,473.87</b>
<b>Timing of revenue recognition</b>		
At a point in time	3,044.08	3,473.87
Over a period of time	-	-
<b>Total</b>	<b>3,044.08</b>	<b>3,473.87</b>

(₹ in Lakh)

The following table provides information about contract balances:

Particulars	As at	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Receivables	-	955.54

(₹ in Lakh)

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

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## **NOTE: 47** | **CODE ON SOCIAL SECURITY**

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

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## **NOTE: 48** | **CONTINGENT LIABILITY**

The Group has reviewed its pending litigations and proceedings and on the basis of the same, it has been concluded that there is no contingent liability as at 31<sup>st</sup> March 2025 and 31<sup>st</sup> March 2024.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.

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## **NOTE: 49** | **CAPITAL COMMITMENTS**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is Nil as at 31<sup>st</sup> March 2025 and 31<sup>st</sup> March 2024.

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## **NOTE: 50** | **LONG TERM CONTRACT**

The Group doesn't have long term contract including Derivative contract as at 31<sup>st</sup> March 2025 and 31<sup>st</sup> March 2024.

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## **NOTE: 51** | **EVENTS AFTER THE REPORTING DATE**

There have been no events after the reporting date that require disclosure in these financial statements.

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## **NOTE: 52** | **TRANSACTIONS WITH STRUCK-OFF COMPANIES**

The Group has not entered into any transactions with struck-off companies during the year ended 31<sup>st</sup> March 2025 and 31<sup>st</sup> March 2024.

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## **NOTE: 53** | **SEGMENT INFORMATION**

The Directors of the Company have been identified as the chief operating decision maker (CODM) as defined by Indian Accounting Standard 108 "Operating Segments". The CODM evaluates the Company's performance, allocates resources based on analysis of the various performance indicators of the Company as a single unit.

The principal business of the Company is of "acquisition and managing Securitisation Trust". All other activities of the Company revolve around its principal business. Therefore, directors have concluded that there is only one operating reportable segment as per Indian Accounting Standard 108 "Operating Segments".

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 54 DISCLOSURE IN RESPECT OF EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

(₹ in Lakh)

Particulars	For the year ended 31 <sup>st</sup> March 2025	For the year ended 31 <sup>st</sup> March 2024
Opening Balance [A]	8.83	-
Amount required to be spent during the year [B]	70.35	29.10
Amount spent during the year [C]	61.52	37.93
(Shortfall) / Excess for the year [A] - [B] + [C]	-	8.83
Total of previous year shortfall	-	-
Reason for shortfall	NA	NA
<b>Nature of Expenses</b>		
Promoting Healthcare	61.52	37.93
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the amount of provision made and movements in the provision during the year, if applicable.	NA	NA

## NOTE: 55 BENAMI PROPERTY UNDER BENAMI TRANSACTIONS (PROHIBITION) ACT, 1988

No proceedings has been initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder as at 31<sup>st</sup> March 2025 and 31<sup>st</sup> March 2024.

## NOTE: 56 BUSINESS PLAN

The Company does not have any plan for further investment in the securitization trusts and is in the process of resolution of the financial assets held by the existing securitization trusts.

## NOTE: 57 WILFUL DEFAULTER

The Group is not declared as a wilful defaulter by any bank or financial institution or any other lender as at 31<sup>st</sup> March 2025 and 31<sup>st</sup> March 2024.

## NOTE: 58 UNRECORDED INCOME

The Group does not have any previously unrecorded income which needs to be recorded in the books of accounts for the year ended 31<sup>st</sup> March 2025 and 31<sup>st</sup> March 2024.

## NOTE: 59 MICRO, SMALL AND MEDIUM ENTERPRISES

As per information available with the company, the Company has made payment to creditors within stipulated period as provided in "Micro, Small and Medium Enterprise Development Act 2006" ("the Act"). Hence the company has not provided for any interest payable to small, micro and medium enterprises as per the provisions of the Act and the necessary disclosures as per the Act have not been given.

## NOTE: 60 DEBENTURE REDEMPTION RESERVE

Pursuant to the Companies (Share Capital and Debentures) Amendment Rules, 2019 dated 16<sup>th</sup> August 2019, the Company being a Non-Banking Financial Company registered as an Asset Reconstruction Company is exempted from the requirement of creating Debenture Redemption Reserve in respect of the Redeemable Non-convertible Debentures issued under private placement.

# Notes forming part of the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2025

## NOTE: 61

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entities (“Intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in parties identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any parties (Funding Party) with the understanding that the Group shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Group (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## NOTE: 62 | PRIOR YEAR COMPARATIVES

Previous year figures have been regrouped/reclassified wherever necessary to conform to the current year’s presentation.

As per our report of even date attached  
For **C N K & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration No.:- 101961W/W-100036

**Hiren Shah**  
Partner  
Membership No. 100052

Mumbai, 9<sup>th</sup> May 2025

For and on behalf of the Board of Directors of  
**Aditya Birla ARC Limited**

**Tushar Shah**  
Director  
DIN: 00239762

**Sanjay Jain**  
Chief Executive Officer

**Sucheta Chaturvedi**  
Company Secretary

**Pinky Mehta**  
Director  
DIN: 00020429

**Ankur Garg**  
Chief Financial Officer



**Aditya Birla ARC Limited**  
CIN: U65999MH2017PLC292331

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