Aditya Birla ARC Limited

ADITYA BIRLA CAPITAL
ASSET RECONSTRUCTION

With you for a better tomorrow

ANNUAL REPORT 2025-26

Corporate Information

BOARD OF DIRECTORS
(As on April 21, 2026)

Mr. Sharadkumar Bhatia*
Independent Director & Chairman

Mr. Tushar Shah
Non-Executive Director

Ms. Pinky Mehta
Non-Executive Director

Mr. Sethurathnam Ravi**
Independent Director

Mr. Kumar Sharadindu
Independent Director

COMMITTEES OF THE BOARD

AUDIT COMMITTEE$

Mr. Sethurathnam Ravi (Chairman)
Mr. Kumar Sharadindu
Ms. Pinky Mehta

NOMINATION AND REMUNERATION COMMITTEE$$

Mr. Sharadkumar Bhatia (Chairman)
Mr. Sethurathnam Ravi
Mr. Tushar Shah

ASSET ACQUISITION AND RESOLUTION COMMITTEE$$$

Mr. Tushar Shah (Chairman)
Mr. Sharadkumar Bhatia
Ms. Pinky Mehta

INFORMATION TECHNOLOGY STRATEGY COMMITTEE$$$$

Mr. Sethurathnam Ravi (Chairman)
Mr. Tushar Shah
Ms. Pinky Mehta

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE$$$$$

Mr. Tushar Shah (Chairman)
Mr. Sharad Bhatia
Ms. Pinky Mehta

FINANCE COMMITTEE

Mr. Tushar Shah (Chairman)
Mr. Sharad Agarwal
Mr. Sunil Kumar Jain

KEY MANAGERIAL PERSONNEL

Mr. Sharad Agarwal#
Manager

Mr. Sunil Kumar Jain##
Chief Financial Officer

Mr. Tanay Shah###
Company Secretary

STATUTORY AUDITORS

M/s CNK & Associates LLP
Chartered Accountants

SECRETARIAL AUDITORS

M/s Dilip Bharadiya & 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@kfintech.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
W:https://assetreconstruction.adityabirlacapital.com

CORPORATE OFFICE

One World Centre,
Tower-1, 7th Floor,
Jupiter Mill Compound,
841, Senapati Bapat Marg,
Elphinstone Road,
Mumbai - 400 013
T: +91 22 4356 7000
F: +91 22 4356 7266

**Re-appointed with effect from February 06, 2026*
***Re-appointed with effect from February 11, 2026*
$Re-constituted with effect from April 02, 2026
$$Re-constituted with effect from April 02, 2026
$$$Re-constituted with effect from April 21, 2026
$$$$Re-constituted with effect from April 09, 2026
$$$$$Re-constituted with effect from April 09, 2026
#Appointed with effect from February 04, 2026
##Appointed with effect from August 11, 2025
##Appointed with effect from October 27, 2025
^Appointed with effect from May 09, 2025

NOTICE

NOTICE is hereby given that the 9th Annual General Meeting of the Members of Aditya Birla ARC Limited will be held on Wednesday, July 29, 2026, at 10:30 A.M. IST at One World Centre, 18th 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, 2026, 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, 2026, together with the Report of the Auditors thereon.

2. To appoint a director in place of Mrs. Pinky Mehta (DIN: 00020429), who retires by rotation and being eligible, offers herself for re-appointment.

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

Date: April 21, 2026
Place: Mumbai

ADITYA BIRLA ARC LIMITED MUMBAI

Tanay Shah
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 or on +91 9820134150.

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

Date: April 21, 2026
Place: Mumbai

ADITYA BIRLA ARC LIMITED MUMBAI

Tanay Shah
Company Secretary

Annexure I to the Notice

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

<table>
<tr><th>Nature of Information</th><th colspan="2">Item No. 2</th></tr>
<tr><td>Name</td><td colspan="2">Mrs. Pinky Mehta</td></tr>
<tr><td>Age</td><td colspan="2">59 years</td></tr>
<tr><td>Director Identification Number</td><td colspan="2">00020429</td></tr>
<tr><td>Qualifications</td><td colspan="2">CA</td></tr>
<tr><td>Terms and Conditions of Appointment / Re-appointment</td><td colspan="2">Her office shall be liable to retire by rotation.</td></tr>
<tr><td>Experience</td><td colspan="2">Please refer to Annexure I-A</td></tr>
<tr><td>Remuneration sought to be paid and last drawn</td><td colspan="2">No approval is sought for remuneration.</td></tr>
<tr><td>Date of Appointment on the Board</td><td colspan="2">May 15, 2020</td></tr>
<tr><td>Shareholding in the Company</td><td colspan="2">10 Equity shares as nominee of Aditya Birla Capital Limited</td></tr>
<tr><td>Relationship with other Directors, Manager and Key Managerial Personnel of the Company</td><td colspan="2">None</td></tr>
<tr><td rowspan="2">Details of attendance at the Board Meeting(s) during F.Y. 2025-26</td><td>Held during her tenure</td><td>Attended during her tenure</td></tr>
<tr><td>7</td><td>6</td></tr>
<tr><td>Directorship in other companies, Membership / Chairmanship of Committees of other Boards</td><td colspan="2">Please refer to Annexure I-B</td></tr>
</table>

ADITYA BIRLA ARC LIMITED MUMBAI

Annexure I-A

Experience / Profile of Pinky Mehta

Pinky Mehta is the Chief Financial Officer at Aditya Birla Capital Limited.

A qualified chartered accountant with over three decades of diversified experience, Pinky joined the Aditya Birla Group in 1991 as its first woman officer. In her current role. Pinky is responsible for Finance, Accounts, Banking, Secretarial, Taxation, MIS, Mergers, Restructuring, Acquisitions and Fund Raising, as well as the ongoing development and monitoring of control systems and reporting of financial performance.

Prior to joining Aditya Birla Capital, she served as the Chief Financial Officer at Aditya Birla Nuvo Ltd. She played critical roles in driving the demerger of Madura Garments to Pantaloons Fashion & Retail Limited; merger of Aditya Birla Nuvo Ltd., with Grasim; followed by the subsequent listing of Aditya Birla Capital Limited. Over the years, her contribution in the areas of demergers, mergers and acquisitions for the Aditya Birla Group companies has been significant. She was also involved in the demerger of the cement business, the joint venture with the Sun Life Group for the life insurance business and acquisitions of Madura Garments, Transworks Information Services Limited, Minacs Worldwide Inc., and Apollo Sindhoori Capital Investments Limited. She also served as the President of the Bombay Chamber of Commerce & Industry for FY 2024-25.

Pinky is a distinguished woman leader within the Aditya Birla Group, recognized for her exemplary achievements.

She has been honoured with the 'CII Excellence Woman CFO of the Year Award' (2023-24), ET Prime's Women Leadership Award (2021), and ICAI's CA CFO - Woman Award (2016). She is also a two-time recipient of the prestigious Chairman's Awards for Accomplished Leader (2016) and Exceptional Contributor (2008).

Pinky is an alumnus of the London Business School's Chief Financial Officer Programme.

ADITYA BIRLA ARC LIMITED
MUMBAI

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

MRS. PINKY MEHTA

Details of Directorship in other Companies:

Sr. No.	Names of Companies / Bodies Corporate / Firms / Association of individuals	Nature of concern / interest *	Shareholding (% of paid-up capital)	Date on which concern or interest arose/changed
I. Public companies				
A. Listed Companies				
1.	Aditya Birla Capital Limited (ABCL)	Chief Financial Officer	4,95,349 Equity Shares (0.02%)	01.07.2017
2.	Aditya Birla Money Limited	Director	Nil	30.03.2015
3.	Aditya Birla Sun Life Insurance Company Limited (Debt Listed)	Director	1 Equity Share*	16.12.2016
B. Unlisted Companies				
4.	Aditya Birla Health Insurance Co. Limited	Director	Nil	16.04.2024
5.	Aditya Birla Capital Digital Limited	Director	10 Equity Shares*	23.03.2023
6.	Aditya Birla Renewables SPV 1 Limited	Director	Nil	19.06.2017
7.	Aditya Birla ARC Limited	Director	10 Equity Shares*	15.05.2020
8.	Aditya Birla Sun Life AMC International (IFSC) Limited	Director	10 Equity Shares (Held as a nominee of Aditya Birla Sun Life AMC Limited)	04.12.2025
9.	Aditya Birla Financial Shared Services Limited	Additional Director	1 Equity Share*	08.05.2026
II. Private companies				
10.	Aditya Birla PE Advisors Private Limited	Director	1000 Equity Shares*	20.01.2021
III. Non-profit organizations/companies/Section 8				
		NIL		
IV. Bodies Corporate (including Foreign companies)				
		NIL		
V. Association of individuals				
		NIL		
VI. Partnership Firms/Proprietary Concern/ LLP				
		NIL		
VII. Others				
		NIL		

*Held as a nominee of Aditya Birla Capital Limited

ADITYA BIRLA ARC LIMITED * MUMBAI

Details of Membership / Chairmanship of Committees across the Companies:

Sr. No.	Name of the Company	Name of the Committee	Status (Chairman/ Member)
1.	Aditya Birla Capital Limited	a) Asset- Liability Management Committee b) IT Strategy Committee c) PIT Disciplinary Committee	Member
2.	Aditya Birla Money Limited	a) Corporate Social Responsibility Committee b) PIT Regulations	Member
3.	Aditya Birla ARC Limited	a) Audit Committee b) Asset Acquisition and Resolution Committee c) Information Technology Strategy Committee d) Corporate Social Responsibility Committee	Member
4.	Aditya Birla Sun Life Insurance Company Limited	a) Asset Liability Management Committee b) Investment Committee c) Policyholder Protection, Grievance Redressal and Claims Monitoring Committee Meeting d) Finance Committee	Member
5.	Aditya Birla Health Insurance Co. Limited	a) Investment Committee b) Audit Committee c) Share Allotment Committee	Chairperson Member Member
6.	Aditya Birla Renewables SPV 1 Limited	Audit Committee	Member

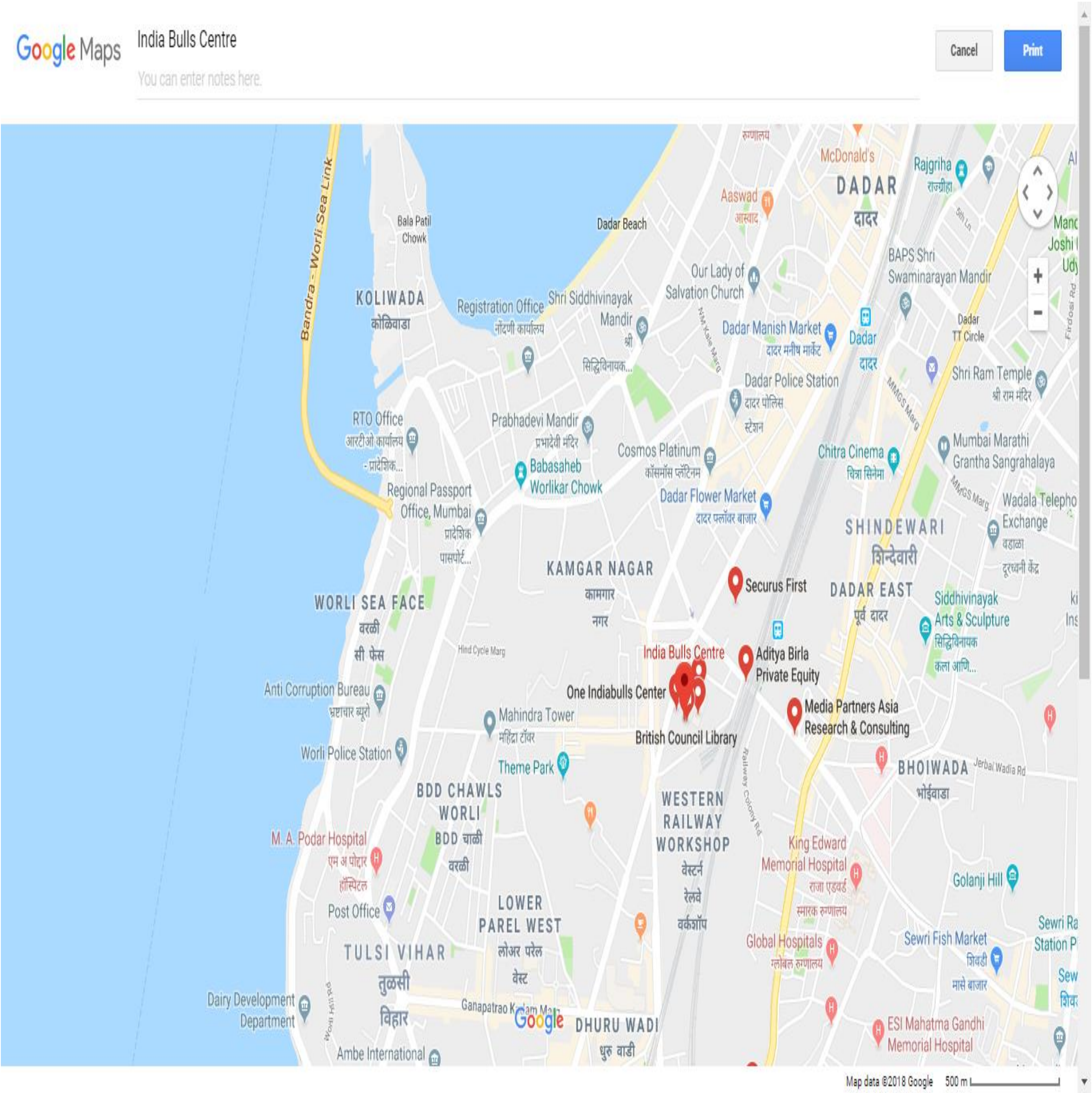
ADITYA BIRLA ARC LIMITED
MUMBAI

ROUTE MAP

9th AGM of Aditya Birla ARC Limited

Date of Meeting : July 29, 2026

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



ADITYA BIRLA ARC LIMITED
MUMBAI

ATTENDANCE SLIP

ADITYA BIRLA ARC LIMITED
CIN: U65999MH2017PLC292331
Regd. Office: 18th 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: abarcl@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 9th Annual General Meeting of Aditya Birla ARC Limited held at One World Centre, 18th Floor, Tower 1, Jupiter Mills Compound, 841, S. B. Marg, Mumbai – 400013 on July 29, 2026, at 10:30 A.M. IST.

____
Member's / Proxy's Signature

ADITYA BIRLA ARC LIMITED
MUMBAI

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 : 18th 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 9th Annual General Meeting of the Company, to be held on Wednesday, July 29, 2026, at 10:30 A.M. IST at One World Centre, 18th 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, 2026.
2. Re-appointment of Mrs. Pinky Mehta as a Director.

ADITYA BIRLA ARC LIMITED MUMBAI

Affix Re.1 Rev Stamp

Signed this _________ day of ________________________

Signature of Shareholder: ______________________________

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 Ninth Annual Report and the Audited Financial Statements (Consolidated and Standalone) of your Company for the financial year ended March 31, 2026 ("***financial year under review***").

FINANCIAL SUMMARY AND HIGHLIGHTS

Your Company's financial performance for the financial year ended March 31, 2026, as compared to the previous financial year ended March 31, 2025, is summarized below:

Particulars	Standalone (Rs. in crore)		Consolidated (Rs. in crore)	
	2025-26	**2024-25**	**2025-26**	**2024-25**
Revenue from Operations	97.74	472.77	97.74	472.76
Other Income	3.38	0.56	3.38	0.56
Total Income	**101.13**	**473.33**	**101.13**	**473.32**
Total Expenses	42.83	43.01	42.84	43.02
Profit / (Loss) before tax	58.30	430.31	58.29	430.30
Tax / Deferred Tax	25.86	240.59	25.86	240.59
Profit / (Loss) after tax	**32.44**	**189.73**	**32.43**	**189.72**
Earnings per share (In ₹)				
Basic	3.24	18.97	3.24	18.97
Diluted	3.14	18.38	3.14	18.38

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 2025-26, which include the Financial Statements of one of the Trust which is 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, 2026, are as under:

- Standalone Revenue: Rs 97.74 crore (PY Rs. 472.77 crore)
- Standalone Net Profit: Rs 32.44 crore (PY Rs. 189.73 crore)
- Consolidated Revenue: Rs 97.74 crore (PY Rs. 472.76 crore)
- Consolidated Net Profit: Rs 32.43 crore (PY Rs. 189.72 crore)

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").**

MATERIAL EVENTS DURING THE YEAR

There were no material events during the financial year under review. As advised to our shareholders in our Annual Report for Financial Year 2024-25, the Company has decided to run down the business and not make any further investments as advised by our Holding Company i.e. Aditya Birla Capital Limited. Accordingly, the company is working towards running down the business. Further, pursuant to the Reserve Bank of India (RBI) inspection report, the Board of Directors of the Company at its meeting held on January 15, 2026, had approved the roadmap of winding down the operations of the Company and submitted the same to RBI.

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. The securities of Grasim Industries Limited and Aditya Birla Capital Limited are listed at 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, 2026. The Issued, Subscribed and Paid-up Capital stood at Rs. 132 Crore as on March 31, 2026, 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 355 Non-Convertible Debentures ("**NCDs**") of Rs. 1,00,000/- each aggregating to Rs. 3,55,00,000/- (Rupee Three Crore Fifty-Five Lakhs Only).

The Non-Convertible Debentures outstanding as at March 31, 2026, are as below:

Facility/Instrument	Amount (Rs. in crore) for 2025-26	Amount (Rs. in crore) for 2024-25
Non-Convertible Debentures	249.79	227.68
TOTAL	**249.79**	**227.68**

DEPOSITORY

As on March 31, 2026, the Company's Equity shares, Preference shares and Unlisted Non-Convertible Debentures were held in dematerialized mode.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

The requirement of including a Management Discussion and Analysis Report is not applicable to the Company for the financial year under review as none of the securities of the Company are listed on the any of the Stock Exchanges.

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. 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

Our company has well-documented Business Continuity Management Programmes which have been designed to ensure continuity of critical processes during any disruption. A robust Disaster Recovery Framework has been put in place to manage business and technology interruption risk, ensure uninterrupted operations and service to customers.

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 financial 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 ("RBIA") 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, 2026, 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, 2026 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, 2026, 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.

Mr. Kumar Sharadindu (DIN: 07341455) has been regularized as an Independent Director for 1st Term of Five (5) years with effect from August 08, 2025, being the date of approval received from members in the Annual General Meeting.

Further, during the financial year under review, Mr. Sharadkumar Bhatia (DIN: 07327383) and Mr. Sethurathnam Ravi (DIN: 00009790) were re-appointed as the Independent Directors for 2nd Term of Five (5) years with effect from February 06, 2026, and February 11, 2026, respectively, 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, Ms. Pinky Mehta (DIN: 00020429), Non-Executive Director, retires from the Board by rotation this year and being eligible, offers herself for re-appointment at the 9th AGM.

A detailed profile of Ms. Pinky Mehta is provided in the Notice of the 9th 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.

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 inducted their names in the Independent Director's Databank.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and hold the highest standards of integrity.

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. Sharad Agarwal, Manager, Mr. Sunil Kumar Jain, Chief Financial Officer, and Mr. Tanay Shah, Company Secretary, are the Key Managerial Personnel of your Company.

During the financial year under review, Mr. Sanjay Kumar Jain resigned from the position of Chief Executive Officer with effect from July 31, 2025, and was retained as an advisor to the Board from August 01, 2025, to March 31, 2026, and Mr. Ankur Garg resigned from the position of Chief Financial Officer with effect from August 08, 2025.

ANNUAL PERFORMANCE EVALUATION

The evaluation framework for assessing the performance of the Directors 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.

During the financial year under review, considering the evolving good governance practices in India, the Nomination and Remuneration Committee ("NRC") approved revised Board Evaluation Framework.

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 Chairman 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 financial year under review, the Board met Seven times and its meetings were held on May 09, 2025, June 26, 2025, July 25, 2025, August 11, 2025, October 01, 2025, October 27, 2025, and January 15, 2026.

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, 2026, the composition of Audit Committee consists of Mr. S Ravi, Chairman & Independent Director, Mr. Kumar Sharadindu, Independent Director and Ms. Pinky Mehta, Non-Executive Director.

During the financial year under review, the Audit Committee met four times and its meetings were held on May 09, 2025, July 25, 2025, October 27, 2025, and January 15, 2026.

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 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, 2026, 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 four times on May 09, 2025, June 26, 2025, August 11, 2025, and October 27, 2025.

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 meetings were not held.

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 04, 2025, July 07, 2025, August 08, 2025, October 01, 2025, November 03, 2025, and January 07, 2026.

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 Ms. Pinky Mehta, Non-Executive Director.

During the financial year under review, the CSR committee met once on May 16, 2025.

Information Technology and Strategy Committee (*"ITSC"*)

The Board has constituted an ITSC at its meeting held on 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 Ms. Pinky Mehta, Non-Executive Director.

During the financial year under review, the Information Technology and Strategy Committee met twice on May 09, 2025, and October 27, 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 18, 2026, 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 2025-2026 is uploaded on the Company's web page 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 was re-appointed as Statutory Auditors of the Company for a period of 3 (Three) years from the conclusion of 7th 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. Dilip Bharadiya & 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. Dilip Bharadiya & Associates, Practicing Company Secretaries, is attached as "**Annexure II**" 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 available on the Company's website at https://assetreconstruction.adityabirlacapital.com/policies-of-abarc."

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 and details of complaint received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are as below:-

a) number of complaints of sexual harassment received in the year: - Nil
b) number of complaints disposed off during the year:- Nil
c) number of cases pending for more than ninety days: - Nil

HUMAN RESOURCES

Our people philosophy is anchored in fostering an inclusive and diverse workplace that encourages collaboration, strengthens relationships, and enables individuals to contribute meaningfully to long term value creation.

We continue to provide merit-based growth opportunities and challenging assignments that empower employees to build fulfilling careers aligned with their aspirations. We believe that engagement is strongest when employees connect deeply with the organization's purpose, experience access to leadership, and feel a strong sense of belonging.

As on 31st March 2026, the employee strength of the Company has reduced from 6 to 4.

TALENT MANAGEMENT & SUCCESSION PLANNING

Talent management continues to be aligned with the Aditya Birla Group's strategic priority of building a resilient and future-ready workforce while strengthening leadership pipelines.

We focus on identifying and accelerating high-potential and high-performing talent through structured development interventions. These efforts are aimed at nurturing leaders who combine strong customer-centricity with disciplined execution.

BUILDING CAPABILITIES, ENABLING SUCCESS

During the financial year, capability-building efforts were directed towards strengthening role-critical skills, enhancing leadership effectiveness, and enabling cross-functional agility.

Key focus areas included:
- Deepening functional expertise
- Building digital and data-driven capabilities
- Strengthening people leadership

These were supported through structured learning interventions and internal talent mobility, with the objective of enhancing execution excellence, ensuring business continuity, and building capacity for future growth.

EMPLOYEE WELLNESS

Our employee wellness approach is guided by a holistic framework centred on four pillars—Physical, Social, Emotional, and Family Well-being—designed to support a multi-generational workforce.
- Physical Well-being: Focused on preventive care through health assessments, personalized coaching, and comprehensive insurance coverage.
- Social Well-being: Strengthened through employee volunteering, community engagement initiatives, and interest-based groups that foster connection and purpose.
- Emotional Well-being: Supported through awareness initiatives and access to confidential counselling services, extended to employees and their families, promoting proactive mental health care.

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. The Company has complied with the provisions of the Maternity Benefit Act, 1961, and the rules framed thereunder, as amended from time to time.

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 : April 21, 2026
Place : Mumbai

Tushar Shah
Director
[DIN: 00239762]

Pinky Mehta
Director
[DIN: 00020429]

ANNEXURE I

1. **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.

2. **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	0
2.	Mr. Sharadkumar Bhatia	Member	1	1
3.	Ms. Pinky Mehta	Member	1	1

3. 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

4. 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 (in Crore)
FY 2022-23	56.86
FY 2023-24	56.02
FY 2024-25	538.78
Total	**217.22**

b. Two percent of average net profit of the company as per sub-section (5) of section 135: Rs. 4.34 Crore

c. Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: NIL

d. Amount required to be set-off for the financial year, if any: NIL

e. Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs. 4.34 Crore

6.

(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Other than Ongoing Project

(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. 3.71 Crore

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

Total Amount Spent for the Financial Year (in Crore)	**Amount Unspent (in Crore) Rs. 0.63**				
	Total Amount transferred to Unspent CSR Account as per sub- section (6) of section 135 (in Crore)		**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**
Rs. 3.71	Rs. 0.63	30th April 2026	NIL	NIL	NIL

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

Sl. 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	NIL
(ii)	Total amount spent for the Financial Year	NIL
(iii)	Excess brought forward from previous Financial Year	NIL
(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.: **The Company could not spend the entire CSR amount during the financial year primarily because the identified CSR project is multi-year (two-year) projects, resulting in spillover to the next financial year.**

For Aditya Birla ARC Limited

Sharad Agarwal
Manager

Annexure II

Dilip Bharadiya
B.Com., A.C.A., F.C.S.
Shivangini Gohel
B.Com., LLB, PGDSLC, A.C.S.
Aayushi Lahoti
B.Com., LLB, A.C.S.

DILIP BHARADIYA & ASSOCIATES
COMPANY SECRETARIES
Phone : 91 - 22 - 2888 3756
Mob. : 91 - 98202 90360
: 91 - 98334 46652
Email : dilipbcs@gmail.com
: dilip@csdilip.com

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

[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
Jupitor Mills compound,
841, S B Marg,
Mumbai 400013

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate governance practices by **ADITYA BIRLA ARC LIMITED** *(hereafter referred to as "the Company")*. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

We have verified books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on **31st March, 2026** *("the audit period")*, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in **Annexure A**, during the financial year ended on 31st March, 2026, according to the provisions of:

   (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
   (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
   (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
   (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
   (v) The following Regulations and Guidelines to the extent applicable as prescribed under the Securities and Exchange Board of India Act, 1992 *("SEBI Act")* and circulars issued under:
      (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

DILIP BHARADIYA & ASSOCIATES MUMBAI Company Secretaries

Contd . .2

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
(e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and
(g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We hereby state that the Company is a subsidiary of a listed entity, namely Aditya Birla Capital Limited, and accordingly complies with the applicable SEBI Regulations.

We have relied on the representations made by the Company and its officers and report of the Statutory Auditor, Internal Auditor and other designated professionals for systems and mechanism formed by the Company for compliances.

We have also examined compliance with the applicable clauses of

a. The Secretarial Standards issued by 'The Institute of Company Secretaries of India' with respect to board and general meetings
b. The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) and Guidelines, Notifications & Circulars as may be applicable.
c. Guidelines, Notifications and Circulars as driven by the Reserve Bank of India to such Asset Reconstruction Companies (ARCs).
d. The Indian Trusts Act, 1980

During the period under review, the Company has generally complied with all the applicable provisions of the above Regulations and circulars/ guidelines issued.

We further report that the Board of Directors of the Company is constituted with proper balance of Non-Executive Directors (including Women Directors) and Independent Directors. The changes in the composition of the Board of Directors and Committees and the Key Managerial Personnels during the period under review have been complied with.

Adequate notice was given to all Directors w.r.t. the Board/Committee Meetings held during the year. Agenda and detailed notes on agenda were sent in compliance with the provisions of the Act. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

DILIP BHARADIYA & ASSOCIATES
MUMBAI
Company Secretaries

Contd . .3

All resolutions/decisions, including Circular Resolutions of the Board of Directors and its Committees are approved by the requisite majority and are duly recorded in the respective minutes. Majority decisions are carried through, while the dissenting views of the Directors/ Members, if any, are captured and recorded as part of the minutes.

We further report that

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under review; the Company had:

a. Sought approval of the Board Members in their meeting held on July 25, 2025 for extension of life from 5 years to 8 Years for the following:

   i. ABARC AST - 006 -TRUST
   ii. ABARC AST - 007 -TRUST

b. Following the Risk Assessment conducted by the Reserve Bank of India (RBI) on the Company's operations for FY 2024-25, including the online and off-site Inspection for Supervisory Evaluation (ISE) carried out from October 9 to October 28, 2025, the RBI made certain observations, all of which have been duly complied with by the Company.

c. Pursuant to the off-site assessment and Inspection for Supervisory Evaluation (ISE) conducted under Sections 3 and 12 of the SARFAESI Act, 2002 during the period from October 9 to October 28, 2025 for records maintained from April 2024 till October 9, 2025, a Preliminary Inspection & Risk Assessment Report (Pre-IRAR) was shared with the Company on January 1, 2026. Further, the Senior Supervisory Manager (SSM) held discussions with the top management of the Company on January 2, 2026 to consider the Company's views for finalization of the report. The Company submitted its response to the report and is taking steps to comply with the observations of RBI.

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

For DILIP BHARADIYA & ASSOCIATES

DILIP BHARADIYA
Partner
FCS No.: 7956, C P No.: 6740
UDIN: F007956H000161991

DILIP BHARADIYA & ASSOCIATES
MUMBAI
Company Secretaries

Place: Mumbai
Date: April 21, 2026

Annexure - A

List of documents verified:

1. Memorandum and Articles of Association of the Company.
2. Annual Report for the Financial Year ended March 31, 2025.
3. Minutes and Attendance Registers of the meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Finance Committee, Information Technology Strategy Committee, Corporate Social Responsibility Committee held during the period under review.
4. Circular Resolutions approved by the Board of Directors and its Committees from time to time.
5. Minutes of General Body Meetings/ Postal Ballot held during the period under review.
6. Statutory Registers viz.
   - Register of Members;
   - Register of Debenture holders and other security holders;
   - Register of Directors and Key Managerial Personnel and their Shareholding;
   - Register of Employee Stock Options;
   - Register of loans, guarantee, security and acquisition made by the Company;
   - Register of Renewed and Duplicate Share Certificates;
   - Register of Charges and
   - Register of Contracts with Related Party and contracts and bodies, etc. in which directors are interested.
7. Agenda papers submitted to all the Directors/Members for the Board and Committee Meetings.
8. Declarations received from the Directors of the Company pursuant to the provisions of Sections 184(1), 164(2), 149(3) and 149(7) of the Act.
9. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Act, along with the attachments thereof, during the period under review.

DILIP BHARADIYA & ASSOCIATES
MUMBAI
Company Secretaries

Annexure - B

To,
The Members,
ADITYA BIRLA ARC LIMITED

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

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

For DILIP BHARADIYA & ASSOCIATES

DILIP BHARADIYA
Partner
FCS No.: 7956, C P No.: 6740

DILIP BHARADIYA & ASSOCIATES
MUMBAI
Company Secretaries

Place: Mumbai
Date: April 21, 2026

Independent Auditors' 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 31st March 2026 the Standalone Statement of Profit and Loss including the Standalone statement of Other Comprehensive Income, the Standalone Cash Flow Statement and the Standalone 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 31st March 2026 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.	**Fair Valuation of financial instruments–Security Receipts (SRs)** 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 15% - 100% 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 31st March 2026 is ₹ 1,932.46 Lakhs. 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. 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 standalone financial statements.	Audit procedures followed: • 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 Management for determination of appropriate recovery rate based on the range provided by the External Rating Agency. • Assessment of the valuation inputs; i. Analysed reasonableness of the estimated cash flows and recovery rate, the other relevant judgments and estimates, if any; and ii. Assessed the information used to determine the key assumptions; iii. Compared the historical estimates of the cash flows with the actual recoveries and obtained explanations for the variations, if any; iv. Review of management's assumption of discount rate with the supporting evidence; v. Valuation report of collateral assets, if applicable

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 Draft 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 Board of Directors 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 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 Standalone 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 31st March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2026 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.

   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 31st March 2026 since none of the directors of the Company have drawn any managerial remuneration other than sitting fees.

For **C N K & Associates LLP**
Chartered Accountants
Firm Registration No: 101961W/W–100036

Hiren Shah
Partner
Membership No.: 100052
UDIN: 26100052XENPJI8228

Place: Mumbai
Date: 21st April,2026.

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 31st March 2026]

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 53, 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 securitisation and asset reconstruction and hence does not have any inventory. Accordingly reporting under clause 3(ii)(a) of the Order is not applicable;

(b) The Company does not have any working capital limit which has been sanctioned and utilised and accordingly the requirement under clause 3(ii)(b) of the Order are not applicable.

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. Hence requirement of paragraph 3(iii) of the Order are not applicable.

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 59, 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.

(b) As disclosed in Note 58, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) 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.

(d) On an overall examination of the financial statements of the Company, we report that no funds had been raised on short term basis and hence reporting under the clause 3(ix)(d) of the Order is not applicable.

(e) 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.

(f) 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) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

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

(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	Registered	Related Party
IGH Holdings Private Limited	Registered	Related Party

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 realisation 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 Standalone 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 Standalone Balance Sheet date, will get discharged by the Company as and when they fall due."

xx. (a) Based on our verification of the documents provided to us and according to the information and explanations given by the Management, the Company has not transferred the amount remaining unspent in respect of other than ongoing projects, to a Fund specified in Schedule VII to the Companies Act, 2013 till the date of our report. However, the time period for such transfer i.e. six months of the expiry of the financial year as permitted under the second proviso to sub-section (5) of section 135 of the Act, has not elapsed till the date of our report

(b) The Company does not require to transfer to special account in compliance with the provisions of sub-section (6) of section 135 of the said Act. Accordingly reporting under this clause is not applicable for the year.

For **C N K & Associates LLP**
Chartered Accountants
Firm Registration No: 101961W/W–100036

Hiren Shah
Partner
Membership No.: 100052
UDIN: 26100052XENPJI8228

Place: Mumbai
Date: 21st April,2026.

Annexure 2 to the 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 31st March 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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 31st March 2026 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.

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.

For **C N K & Associates LLP**
Chartered Accountants
Firm Registration No: 101961W/W–100036

Hiren Shah
Partner
Membership No.: 100052
UDIN: 26100052XENPJI8228

Place: Mumbai
Date: 21st April,2026

Standalone Balance Sheet

as at 31st March 2026

(₹ in Lakh)

Particulars	Note No.	As at 31st March 2026	As at 31st March 2025
I ASSETS			
(1) Financial Assets			
(a) Cash and Cash Equivalents	6	543.39	44,770.41
(b) Bank Balance other than (a) above	7	1,21,833.67	70,294.41
(c) Receivables			
(I) Trade Receivables	8	60.13	-
(d) Investments			
- Other Investments	9	5,900.72	5,889.21
(e) Other Financial Assets	10	45.17	43.85
Sub-Total		**1,28,383.08**	**1,20,997.88**
(2) Non-Financial Assets			
(a) Current Tax Assets (Net)		5,659.37	5,880.65
(b) Property, Plant and Equipment	11	31.42	72.82
(c) Other Intangible Assets	12	-	7.12
(d) Right-to-use of Assets	38	171.96	252.95
(e) Other Non-Financial Assets	13	389.65	155.41
Sub-Total		**6,252.40**	**6,368.95**
Total Assets		**1,34,635.48**	**1,27,366.83**
II LIABILITIES AND EQUITY			
Liabilities			
(1) Financial Liabilities			
(a) Payables			
(I) Trade Payables			
(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises	14	6.87	8.43
(ii) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		34.65	100.35
(b) Debt Securities	15	24,978.71	22,767.50
(c) Subordinated Liabilities	16	3,200.00	3,200.00
(d) Lease Liabilities	38	216.87	299.80
(e) Other Financial Liabilities	17	56,477.44	53,159.19
Sub-Total		**84,914.54**	**79,535.27**
(2) Non-Financial Liabilities			
(a) Provisions	18	212.23	302.50
(b) Deferred Tax Liabilities (Net)	37	527.09	833.69
(c) Other Non-Financial Liabilities	19	34.76	1,011.34
Sub-Total		**774.08**	**2,147.53**
(3) Equity			
(a) Equity Share Capital	20	10,000.00	10,000.00
(b) Other Equity	21	38,946.86	35,684.03
Total Equity		**48,946.86**	**45,684.03**
Total Liabilities and Equity		**1,34,635.48**	**1,27,366.83**
Material Accounting Policy Information	5		

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

As per our report even date attached

For C N K & Associates LLP
ICAI Firm Registration No.:-101961W/W-100036
Chartered Accountants

Hiren Shah
Partner
Membership No. 100052

Place: Mumbai
Date: 21st April 2026

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

Tushar Shah
Director
DIN-00239762

Pinky Mehta
Director
DIN-00020429

Sharad Agarwal
Manager

Sunil Kumar Jain
Chief Financial Officer

Tanay Shah
Company Secretary

Standalone Statement of Profit and Loss

for the year ended 31st March 2026

(₹ in Lakh)

Particulars	Note No.	Year ended 31st March 2026 Audited	Year ended 31st March 2025 Audited
REVENUE FROM OPERATIONS			
(a) Interest Income	22	5,850.70	1,244.95
(b) Fee Income	23	1,013.28	2,815.21
(c) Recovery Incentive	24	528.58	228.87
(d) Net Gain on Fair Value Changes	25	2,381.81	42,987.56
Total Revenue from Operations		**9,774.37**	**47,276.59**
Other Income	26	338.46	55.91
Total Income		**10,112.83**	**47,332.50**
EXPENSES			
(a) Finance Costs	27	2,610.95	2,880.60
(b) Impairment on Financial Instruments	28	-	(9.30)
(c) Employee Benefits Expense	29	868.93	1,064.15
(d) Depreciation and Amortisation Expenses	30	104.22	117.46
(e) Other expenses	31	698.65	248.20
Total Expenses		**4,282.75**	**4,301.11**
Profit Before Exceptional Items and Tax		**5,830.08**	**43,031.39**
Exceptional Items		-	-
Profit Before Tax		**5,830.08**	**43,031.39**
Tax Expenses			
Current Tax		2,815.14	26,227.32
Excess Provision for Tax Related to Earlier Years (Net)		83.98	-
Deferred Tax		(312.96)	(2,168.45)
Total Tax Expenses		**2,586.16**	**24,058.87**
Profit After Tax		**3,243.92**	**18,972.52**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of the Net Defined Benefit Liabilities/Assets (Net)		25.27	7.71
Income Tax relating to items that will not be reclassified to profit and loss		(6.36)	(1.94)
Other Comprehensive Income for the year		**18.91**	**5.77**
Total Comprehensive Income for the year		**3,262.83**	**18,978.29**
Earnings Per Share:			
Basic - (₹)	32	3.24	18.97
Diluted - (₹)		3.14	18.38
(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 even date attached

For C N K & Associates LLP
ICAI Firm Registration No.:-101961W/W-100036
Chartered Accountants

Hiren Shah
Partner
Membership No. 100052

Place: Mumbai
Date: 21st April 2026

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

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DIN-00239762

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Sharad Agarwal
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Chief Financial Officer

Tanay Shah
Company Secretary

Standalone Statement of Cash Flows

for the year ended 31st March 2026

(₹ in Lakh)

	Particulars	Year ended 31st March 2025	Year ended 31st March 2024
A	**Cash Flow from Operating Activities**		
	Profit Before Tax	**5,830.08**	**43,031.39**
	Adjustments for:		
	Impairment on Financial Assets	-	(9.30)
	Net Gain on Fair Value Changes on Investments in Security Receipts	(3,393.37)	(95,418.87)
	Net Gain on Fair Value Changes on Investments in Mutual Fund Units	(231.85)	(68.69)
	Interest Income	(8,449.79)	(1,244.95)
	Gain on Surrender of Lease	-	-
	Notional Interest on Security Deposits	(3.30)	(3.05)
	Profit and Loss on Sale of Property, Plant and Equipment (Net)	11.82	(5.34)
	Finance Costs	2,591.20	2,854.85
	Notional Interest on Lease	19.75	25.75
	Other Comprehensive Income	25.27	-
	Depreciation and Amortisation	104.22	117.46
	Operating Profit Before Working Capital Changes	**(3,495.97)**	**(50,720.75)**
	Adjustments for:		
	Decrease/(Increase) in Other Financial Assets	1.98	13.36
	Decrease/(Increase) in Trade Receivables	(60.13)	955.54
	Decrease/(Increase) in Other Non-Financial Assets	(234.24)	(44.35)
	(Decrease)/Increase in Trade Payables	(67.26)	67.94
	(Decrease)/Increase in Provisions	(90.27)	13.90
	(Decrease)/Increase in Other Financial Liabilities	3,318.25	52,761.11
	(Decrease)/Increase in Other Non-Financial Liabilities	(976.58)	(270.45)
	Cash From Operations	**1,891.75**	**53,497.05**
	Income Taxes Paid	(2,677.43)	(31,134.66)
	Net Cash (Used In)/From Operating Activities	**(4,281.65)**	**(28,358.36)**
B	**Cash Flow from Investing Activities**		
	Addition to Property, Plant and Equipment	(25.63)	(13.31)
	Sale of Property, Plant and Equipment	39.10	14.96
	Redemption and Upside from Securitys Receipts	5,197.52	1,47,467.39
	Relised Gain on Mutual Funds	137.18	959.30
	Interest Received	6,025.47	-
	Purchase of Mutual Fund Units	(5,674.91)	(2,930.41)
	Redemption of Mutual Funds	3,953.52	1,447.60
	Bank Deposits Placed during the period	(1,77,967.33)	(3,10,521.73)
	Bank Deposits Matured during the period	1,28,852.38	2,46,571.97
	Net Cash Flow from Investing Activities	**(39,462.70)**	**82,995.77**
C	**Cash Flow From Financing Activities**		
	Loans and Advances to Trust	-	(314.26)
	Loans and Advances recovered from Trust	-	1,684.42
	Lease Liabilities - Principal Portion	(82.93)	(72.04)
	Lease Liabilities - Interest Portion	(19.75)	(25.75)
	Repayment of Debt Securities	(355.00)	(591.00)
	Proceeds from Borrowings	-	18,092.77
	Repayment of Borrowings	-	(28,700.83)
	Finance Cost on Debt Securities and Borrowings	(24.99)	(555.61)
	Net Cash Used in Financing Activities	**(482.67)**	**(10,482.30)**
	Net Increase in Cash and Cash Equivalents	(44,227.02)	44,155.11
	Cash and Cash Equivalents (Opening Balance)	44,770.41	615.30
	Cash and Cash Equivalents (Closing Balance)	543.39	44,770.41

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

As per our report even date attached

For C N K & Associates LLP
ICAI Firm Registration No.:-101961W/W-100036
Chartered Accountants

Hiren Shah
Partner
Membership No. 100052

Place: Mumbai
Date: 21st April 2026

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

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Sharad Agarwal
Manager

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Chief Financial Officer

Tanay Shah
Company Secretary

Statement of Changes in Equity

for the year ended 31st March 2026

(A) EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	As at 31st March 2026		As at 31st March 2025	
	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	-	-	-	-
Balance at the end of the year	**10,00,00,000**	10,000.00	**10,00,00,000**	**10,000.00**

(B) OTHER EQUITY

(₹ in Lakh)

Particulars	Reserves and Surplus	Total Other Equity
Balance as at 1st April,2024	**16,705.74**	**16,705.74**
Changes in accounting policies or prior period errors	-	-
Restated Balance as at 1st April 2024	**16,705.74**	**16,705.74**
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
Balance as at 31st March,2025	**35,684.03**	**35,684.03**
Equity Attributable to Shareholders of the Company	35,684.03	35,684.03
Balance as at 1st April,2025	**35,684.03**	**35,684.03**
Changes in accounting policies or prior period errors	-	-
Restated Balance as at 1st April 2025	**35,684.03**	**35,684.03**
Profit for the year	3,243.92	3,243.92
Other Comprehensive Income for the year	18.91	18.91
Total Comprehensive Income	3,262.83	3,262.83
Balance as at 31st March 2026	**38,946.86**	**38,946.86**
Equity Attributable to Shareholders of the Company	**38,946.86**	**38,946.86**

The accompanying notes are an integral part of the Financial Statements.
As per our report even date attached

For C N K & Associates LLP
ICAI Firm Registration No.:-101961W/W-100036
Chartered Accountants

Hiren Shah
Partner
Membership No. 100052

Place: Mumbai
Date: 21st April 2026

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

Tushar Shah
Director
DIN-00239762

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Sharad Agarwal
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Company Secretary

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

NOTE: 1 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 10th March 2017.

The principal activity of the Company is to carry on the business of securitisation and asset reconstruction as defined in Section 2 of the Securitisation 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 securitisation pursuant to the SARFAESI Act. The financial assets are acquired under separate trusts set up for securitisation or directly for asset reconstruction.

Reserve Bank of India ('RBI') granted a Certificate of Registration to the Company on 13th March 2018 to carry on business of securitisation or asset reconstruction under Section 3 of the SARFAESI Act.

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

The financial statements were authorised for issue by the Company's Board of Directors on 21st April 2026.

NOTE: 2 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 lakh, except when otherwise indicated.

NOTE: 3 USE OF ESTIMATES

The preparation of financial statements in conformity with Ind AS requires the Management to make judgements, 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: 4 RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March 2026 MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

NOTE: 5 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 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 11th 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.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

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.

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 recognises 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.

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 Company 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. 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 assets' contractual terms, measured either:

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

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

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 and reversals and foreign exchange gain or loss in the Standalone Statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Standalone Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interests income using the EIR method.

Debt Instruments 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 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 Standalone Statement of Profit and Loss.

Investments in Mutual Funds at FVTPL

Mutual funds included within the FVTPL category are measured at fair value with all changes recognised in the Standalone statement of Profit and Loss.

DeRecognition 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 derecognition 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 financials asset between the part it continues to recognise under continuing involvement, and the part is no longer recognises 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 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 and 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.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

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 up to 30 days default would fall under this category.

For these assets, 12-month ECL are recognised 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 recognitions 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 recognised, 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 Company assesses whether financial assets carried at amortised cost are 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 recognised. 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 recognised 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 recognised in OCI.

These gains/loss are not subsequently transferred to Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

All other changes in fair value of such liability are recognised in the Standalone 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 recognised at the proceeds received, net of direct issue costs.

Loans and Borrowings

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

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 as finance costs in the Standalone statement of Profit and Loss

Derecognition of Financial liabilities

A financial liability shall be derecognised 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 Standalone 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 Standalone Balance Sheet comprise cash at bank and on 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 Standalone Statement of Cash Flow 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 Standalone 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 Expenses Incurred by the Company on behalf of the Trust

Expenses incurred at pre-acquisition stage are recognised 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 Loans and Advances to Trust in the Standalone Balance Sheet. These expenses are reimbursed to the Company in terms of provisions of relevant Trust Deed and Offer Document of the Trusts.

5.5 Property, Plant and 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

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

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 of 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 Standalone 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 years
Office Equipment	5 years
Furniture and Fixtures	10 years
Motor Vehicles	6 years

Useful Life of Assets estimated by Management supported by the Internal Technical Assessment.

Asset	Estimated Useful Life
Leasehold Improvements*	3 years
Motor Vehicles^	4-5 years

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

^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.

5.6 Intangible Assets and Amortisation:

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 recognised as income or expense in the Standalone Statement of Profit and Loss.

Useful Life of Intangible Assets estimated by Management is as under:

Asset	Estimated Useful Life
Computer Software	3 years

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.

5.7 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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

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

5.8 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 asset recoverable amount is the higher of an asset 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 it recoverable amount.

5.9 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 recognised as an employee benefit expense in the Standalone Statement of Profit and Loss when incurred.

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 unrecognised 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 recognised asset is limited to the total of any unrecognised 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 recognises all remeasurements 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 Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised 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

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

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 Standalone 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 the end of 4 years, as per option opted by the employees. This is a one time 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 1st 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 recognised based on the valuation report obtained from the actuarial.

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

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

The Right-of-use assets are initially recognised 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 under lying 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.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

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

5.11 Provisions

Provisions are recognised 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 the Management estimate required to settle the obligation at the Standalone Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

5.12 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 recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. the 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 profits will be available to allow all or part of the assets to be recovered.

Current and deferred tax are recognised in the Standalone 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.

5.13 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 number 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.

5.14 Capital Management

The primary objective of the Company's Capital Management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

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.

5.15 Significant Accounting Judgements, Estimates and Assumptions:

The preparation of financial statements, in conformity, with the Ind AS requires the 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 the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The useful life is 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 the 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 using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the Standalone 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 Assets

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:

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

- 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 macro-economic 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, are 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, are 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.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

NOTE: 6 CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Balances with Banks		
Current Accounts*	543.39	108.38
Deposit Accounts (with original maturity period of 3 months or less)**	-	44,662.03
Total	**543.39**	**44,770.41**

*Includes amount of ₹ 308.77 lakh (Previous year: ₹ 6.16 lakh) held in Escrow Account.
**Includes deposits amounting to ₹ Nil lakh (Previous year: ₹ 2,926.36 lakh) from Escrow Account.

NOTE: 7 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Fixed Deposit Accounts (with original maturity period of more than 3 months)*	1,21,833.67	70,294.41
Total	**1,21,833.67**	**70,294.41**

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

NOTE: 8 TRADE RECEIVABLES, UNSECURED

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Receivables Considered Good	60.13	-
Less: Expected Credit Loss	-	-
Total	**60.13**	**-**

NOTE: 8.1

Ageing Schedule for Trade Receivable as at 31st March 2026

(₹ in Lakh)

Particulars	Outstanding for the following periods from the due date of payment					
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade Receivables Considered Good	60.13	-	-	-	-	60.13
(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 31st March 2026

Ageing Schedule for Trade Receivable as at 31st March,2025

(₹ in Lakh)

Particulars	Outstanding for the following periods from the due date of payment					
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade 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	-	-	-	-	-	-

NOTE: 8.2

Reconciliation of ECL on Trade Receivables

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Opening Balance	-	3.82
Add: ECL allowance during the year	-	(3.82)
Closing Balance	**-**	**-**

NOTE: 8.3

Ageing Schedule for Unrealised Management fee as per RBI Circular DOR.ACC.REC.No. 293/26.03.001/2025-26

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Outstanding Amount of Unrealised Management Fee	0.11	-
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 up to 1 year	-	-
(ii) More than 1 year but up to 3 years	-	-
(iii) More than 3 years	-	-
Allowances held for unrealised Management Fee	-	-
Net Unrealised Management Fee Receivable	**0.11**	**-**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

NOTE: 9 OTHER INVESTMENTS

(Carried at Fair Value through Profit or Loss)

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Investments in Security Receipts	1,932.46	3,736.82
Investments in Liquid Mutual Funds	3,968.26	2,152.39
	5,900.72	**5,889.21**
In India	5,900.72	5,889.21
Outside India	-	-

NOTE: 10 OTHER FINANCIAL ASSETS

(Unsecured, considered good, unless stated otherwise)

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Security Deposits (Carried at Amortised Cost)	45.17	43.85
Total	**45.17**	**43.85**

NOTE: 11 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

Particulars	Computers	Leasehold Improvements	Office Equipments	Furniture and Fixtures	Vehicles	Total
Gross Block						
As at 1st April,2024	**16.30**	**87.60**	**15.76**	**2.29**	**110.68**	**232.63**
Additions	1.25	-	0.45	-	11.61	13.31
Deletions	-	-	-	-	(33.40)	(33.40)
As at 31st March,2025	**17.55**	**87.60**	**16.21**	**2.29**	**88.89**	**212.54**
Accumulated Depreciation						
As at 1st April,2024	**12.11**	**87.60**	**12.93**	**1.24**	**23.81**	**137.69**
Depreciation for the year	3.00	-	0.90	0.23	21.67	25.80
Deletions	-	-	-	-	(23.77)	(23.77)
As at 31st March,2025	**15.11**	**87.60**	**13.83**	**1.47**	**21.71**	**139.72**
Net Carrying amount as at 31st March,2025	**2.44**	**-**	**2.38**	**0.82**	**67.18**	**72.82**
Gross Block						
As at 1st April,2025	**17.55**	**87.60**	**16.21**	**2.29**	**88.89**	**212.54**
Additions	0.64	-	0.21	-	24.78	25.63
Deletions	-	-	-	-	(71.62)	(71.62)
As at 31st March 2026	**18.19**	**87.60**	**16.42**	**2.29**	**42.05**	**166.55**
Accumulated Depreciation						
As at 1st April,2025	**15.11**	**87.60**	**13.83**	**1.47**	**21.71**	**139.72**
Depreciation for the year	1.93	-	0.79	0.23	13.31	16.26
Deletions	-	-	-	-	(20.85)	(20.85)
As at 31st March 2026	**17.04**	**87.60**	**14.62**	**1.70**	**14.17**	**135.13**
Net Carrying amount as at 31st March 2026	**1.14**	**-**	**1.81**	**0.59**	**27.88**	**31.42**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

NOTE: 12 OTHER INTANGIBLE ASSETS

(₹ in Lakh)

Particulars	Software License	Total
Gross Block		
As at 1st April,2024	**32.00**	**32.00**
Additions	-	-
Deletions	-	-
As at 31st March,2025	**32.00**	**32.00**
Accumulated Amortisation		
As at 1st April,2024	**14.20**	**14.20**
Amortisation for the year	-	-
Deletions	-	-
As at 31st March,2025	**14.20**	**14.20**
Net Carrying amount as at 31st March,2025	**17.80**	**17.80**
Gross Block		
As at 1st April,2025	**32.00**	**32.00**
Additions	(10.67)	(10.67)
Deletions	-	-
As at 31st March 2026	**21.33**	**21.33**
Accumulated Amortisation		
As at 1st April,2025	**14.20**	**14.20**
Amortisation for the year	7.13	7.13
Deletions	-	-
As at 31st March 2026	**21.33**	**21.33**
Net Carrying amount as at 31st March 2026	**-**	**-**

NOTE: 13 OTHER NON-FINANCIAL ASSETS

(Unsecured, Considered Good, unless stated otherwise)

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Dues Recievable from Government - GST	34.55	27.66
Interest on Income Tax Refund receivables from Government	299.07	47.07
Advance to Vendors	2.93	4.08
Prepaid Expenses	0.23	1.54
Gratuity Plan Assets	52.87	75.06
Total	**389.65**	**155.41**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

NOTE: 14 AGEING SCHEDULE FOR TRADE PAYABLES

Ageing Schedule for Trade Payables as at 31st March 2026

(₹ in Lakh)

Particulars	Unbilled	Outstanding for the following periods from the due date of payment				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	6.87	-	-	-	-	6.87
(ii) Others	11.51	23.14	-	-	-	34.65
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	**18.38**	**23.14**	**-**	**-**	**-**	**41.52**

Ageing Schedule for Trade Payables as at 31st March,2025

(₹ in Lakh)

Particulars	Unbilled	Outstanding for the following periods from the due date of payment				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	6.77	1.66	-	-	-	8.43
(ii) Others	39.80	60.55	-	-	-	100.35
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	**46.57**	**62.21**	**-**	**-**	**-**	**108.78**

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 31st March 2026	As at 31st March 2025
a.	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act		
	- Principal	6.87	8.43
	- 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 enterprises 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 31st March 2026	As at 31st March 2025
Non-Convertible Debentures (Refer Note 15.1)	24,978.71	22,767.50
	24,978.71	**22,767.50**
In India	24,978.71	22,767.50
Outside India	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

NOTE 15.1

Following is the Repayment Terms of Non Convertible Debentures.

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:

1. Security over the SR distributions, debt service trust accounts and all rights, title, benefit and interest in the debt service trust account.
2. The Company is also required to create pledge on SRs issued, however no pledge created on SRs till date. Further the 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, the Company will create the pledge.

NOTE: 16 SUBORDINATE LIABILITIES

(Carried at Amortised Cost)

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Compulsorily Convertible Preference Shares	3,200.00	3,200.00
	3,200.00	**3,200.00**
In India	3,200.00	3,200.00
Outside India	-	-

Notes:

1. 0.01% Compulsorily Convertible Preference Shares ('CCPS') on a non-cumulative basis.
2. To be compulsorily converted into equity shares of ₹ 10/- each at higher of:
   (a) Fair Market Value determined as on the date of conversion or
   (b) ₹ 10/- per equity share (being the face value of equity shares).
3. The date of allotment and the tenor of the outstanding CCPS are as mentioned in the below table:

Date of Allotment	Tenor	CCPS Amount (₹ in Lakh)
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: 17 OTHER FINANCIAL LIABILITIES

(Carried at Amortised Cost)

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Accrued Salaries and Benefits	134.95	659.19
Other Obligations (Refer Note 25.1)	56,342.49	52,500.00
Total	**56,477.44**	**53,159.19**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

NOTE: 18 PROVISIONS

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Provision for Employee Benefits		
Provision for Leave Encashment	4.70	7.82
Provision for Gratuity	40.52	39.31
Provision for Others	167.01	255.37
Total	**212.23**	**302.50**

NOTE: 19 OTHER NON-FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Unearned Revenue	0.11	927.25
Statutory Dues	34.65	84.09
Total	**34.76**	**1,011.34**

NOTE: 20 SHARE CAPITAL

(₹ in Lakh)

Particulars	Number	As at 31st March 2026	Number	As at 31st March 2025
Authorised:				
Equity Shares of ₹ 10/- each	15,00,00,000	15,000.00	15,00,00,000	15,000.00
	15,00,00,000	**15,000.00**	**15,00,00,000**	**15,000.00**
Issued:				
Equity Share Capital				
Equity Shares of ₹ 10/- each	10,00,00,000	10,000.00	10,00,00,000	10,000.00
	10,00,00,000	**10,000.00**	**10,00,00,000**	**10,000.00**
Subscribed and Paid-up:				
Equity Share Capital				
Equity Shares of ₹ 10/- each, fully paid-up	10,00,00,000	10,000.00	10,00,00,000	10,000.00
Total	**10,00,00,000**	**10,000.00**	**10,00,00,000**	**10,000.00**

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

(₹ in Lakh)

Sr. No.	Description	As at 31st March 2026		As at 31st March 2025	
		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 Standalone Financial Statements

for the year ended 31st March 2026

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 31st March 2026		As at 31st March 2025	
		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 16 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:

Particulars	As at 31st March 2026 Amount (₹)	As at 31st March 2025 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 31st March 2026	As at 31st March 2025
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 31st March 2026				% 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 31st 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%	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

NOTE: 21 OTHER EQUITY

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Retained Earnings*		
Opening Balance	35,684.03	16,705.74
Addition:		
Profit for the year	3,243.92	18,972.52
Other Comprehensive Income/(loss) for the year	18.91	5.77
Closing Balance	**38,946.86**	**35,684.03**
Total Other Equity	**38,946.86**	**35,684.03**

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

NOTE: 22 INTEREST INCOME

(₹ in Lakh)

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Interest on Deposits with Banks		
On Financial Assets Carried at Amortised cost	8,449.79	1,244.95
Less: Amount attributable to Varde Partners (Refer Note 25.1)	(2,599.09)	-
Total	**5,850.70**	**1,244.95**

NOTE: 23 FEE INCOME

(₹ in Lakh)

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Trusteeship and Management Fees	1,013.28	2,815.21
Debt Restructuring Fee	-	-
Total	**1,013.28**	**2,815.21**

NOTE: 24 RECOVERY INCENTIVE

(₹ in Lakh)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Recovery Incentive	528.58	228.87
Total	**528.58**	**228.87**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

NOTE: 25 NET GAIN ON FAIR VALUE CHANGES

(₹ in Lakh)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Net Gain/(Loss) on Financial Assets at Fair Value through Profit or Loss		
On Investments in Security Receipts	3,393.37	95,418.87
Less: Amount Attributable to Varde Partners (Refer Note 25.1)	(1,243.41)	(52,500.00)
On Mutual Fund Units	231.85	68.69
	2,381.81	**42,987.56**
Fair Value Changes :		
Realised	3,131.49	53,843.96
Unrealised	(749.68)	(10,856.40)
Total	**2,381.81**	**42,987.56**

NOTE: 25.1

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 28th 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 ₹1243.41 lakh (Previous year: ₹ 52500 lakh) has been provided by the Company during the year by reducing 'Net gain on fair value changes' and a net amount of ₹ 2599.09 lakh (Previous year: ₹ Nil) has been reduced from interest income. The aggergate corresponding amount, has been added to "Amounts attributable to Varde" disclosed under 'Other Financial Liabilities'. Any payment to Varde pursuant to the aforesaid shall be subject to applicable Laws and applicable legal and regulatory approvals. The Company is in discussion with Varde for the future course of action in this respect.

NOTE: 26 OTHER INCOME

(₹ in Lakh)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Profit on Sale of Property, Plant and Equipments	-	5.73
Reimbursement of Office Rent	36.09	
On Financial Assets Carried at Amortised Cost	3.30	3.11
Interest on Tax Refunds	299.07	47.07
Total	**338.46**	**55.91**

NOTE: 27 FINANCE COST

(₹ in Lakh)

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Interest on Financial Liabilities carried at amortised cost		
Debt Securities	2,591.20	2,385.53
Borrowing other than Debt securities	-	469.32
Finance Costs - Lease Liabilitieies	19.75	25.75
Total	**2,610.95**	**2,880.60**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

NOTE: 28 IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in Lakh)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
On Trade Receivables	-	(3.82)
On Other Financial Assets Held at Amortised Cost	-	(5.48)
Total	**-**	**(9.30)**

NOTE: 29 EMPLOYEE BENEFITS EXPENSES

(₹ in Lakh)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Salaries and Wages	845.69	1,019.09
Contribution to Provident and Other Funds (Refer Note no 35)	11.89	19.88
Gratuity	2.51	5.11
Staff Welfare Expenses	8.84	20.07
Total	**868.93**	**1,064.15**

NOTE: 30 DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Lakh)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Depreciation of Property, Plant and Equipment	16.10	25.80
Amortisation of Other Intangible Assets	7.13	10.67
Amortisation on Lease Assets	80.99	80.99
Total	**104.22**	**117.46**

NOTE: 31 OTHER EXPENSES

(₹ in Lakh)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Rent	0.17	0.18
Repairs and Maintenance - Others	11.51	17.25
Insurance	0.79	1.12
Rates and Taxes	31.21	3.55
Legal and Professional Expenses (Refer Note 31.1)	174.08	100.43
Travelling and Conveyance	5.51	2.88
Printing and Stationery	0.71	1.36
Communication Expenses	-	0.08
Electricity Charges	0.32	4.54
Subscription Expenses	1.21	17.94
Directors Sitting Fees	22.85	18.85
Corporate Social Responsibility (Refer Note 57)	434.45	70.35
Net Loss on Sale of Property, Plant and Equipments	11.82	0.39
Miscellaneous Expenses	4.02	9.28
Total	**698.65**	**248.20**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

Note: 31.1 Includes Auditors Remuneration

(₹ in Lakh)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Audit Fees	9.84	7.85
Tax Audit Fees	1.00	2.00
Other Certification Fees	0.50	0.50
Total	**11.34**	**10.35**

NOTE: 32 DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 33: EARNINGS PER SHARE

(₹ in Lakh)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
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	1,032.00
Nominal Value of Shares (₹)	10.00	10.00
Profit Attributable to Equity Shareholders for Basic EPS	3,243.92	18,972.52
Profit attributable to equity shareholders for Diluted EPS	3,243.92	18,972.52
Basic EPS (₹)	**3.24**	**18.97**
Diluted EPS (₹)	**3.14**	**18.38**

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: 33 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 (up to 24th May 2024)

Tushar Shah- Director

Pinky Mehta - Director

Venkatraman Ravi - Independent Director (up to 18th November 2024)

Sharadkumar Bhatia - Independent Director

Sethurathnam Ravi - Independent Director

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

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

Sanjay Jain - Chief Executive Officer (uto 31st July 2025)

Sandeep Somani - Chief Financial Officer (up to 3rd January 2025)

Sunil Kumar Jain (from 11th August 2025)

D Fellow Subsidiaries

Aditya Birla Money Limited

Aditya Birla Money Mart Limited

Aditya Birla Sun Life 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 -Employees Gratuity Trust Fund

b. Transactions and Balances with Related Parties for the years ended 31st March 2026 and 31st March,2025

₹ in Lakh

Sr. No.	Particulars	Year Ended 31st March 2026	Year Ended 31st March,2025
A	**Ultimate Holding Company**		
1	**Transactions during the year ***		
	Grasim Industries Limited (Transfer of Employee Benefits on Employee Transfer-Out)	-	0.56
B	**Holding Company**		
1	**Transactions during the year ***		
	Aditya Birla Capital Limited (Issue of Compulsorily Convertible Preference Shares)	-	-
	Aditya Birla Capital Limited (ICD Taken)	-	-
	Aditya Birla Capital Limited (ICD Redeemed)	-	600.00
	Aditya Birla Capital Limited (ICD Interest)	-	11.76
2	**Balance Outstanding**		
	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 (Other - Payables)	-	1.89
C	**Directors and Key Management Personnel**		
1	**Transactions during the year***		
	KMP Remuneration	948.64	405.62
	Sandeep Somani (Sale of Vehicle)	-	4.76
	Sanjay Jain (Sale of Vehicle) (till 31st July 2025)	30.00	-
	Venkatraman Ravi (Sitting Fees)	-	3.00
	Sharadkumar Bhatia (Sitting Fees)	6.75	7.90

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

₹ in Lakh

Sr. No.	Particulars	Year Ended 31st March 2026	Year Ended 31st March,2025
	Sethurathnam Ravi (Sitting Fees)	9.35	8.80
	Kumar Sharadindu (Sitting Fees)	6.75	0.75
2	**Balance Outstanding**		
	Sharadkumar Bhatia	-	0.75
	Sethurathnam Ravi	-	0.75
	Kumar Sharadindu	-	0.75
D	**Fellow Subsidiaries**		
1	**Transactions during the year***		
i	**Expenses Reimbursement**		
	Aditya Birla Stressed Asset AMC Private Limited (Payroll Expense)	3.33	59.12
	Aditya Birla Housing Finance Limited (Payroll-VPay Expense)	15.75	23.53
	Aditya Birla Financial Shared Services Limited (Payroll Expense)	8.11	1.54
	Aditya Birla Housing Finance Limited (Payroll-LTIP Expense)	46.10	7.50
	Aditya Birla Housing Finance Limited (Payroll Expense)	38.79	44.04
	Aditya Birla Money Limited (Professional Fees)	0.03	-
ii	**Expense Recovery**		
	Aditya Birla Stressed Asset AMC Private Limited (Insurance Expense)	0.62	1.23
	Aditya Birla Stressed Asset AMC Private Limited (Professional Expense)	-	0.02
	Aditya Birla Housing Finance Limited (GMC Premium)	-	0.04
	Aditya Birla Money Limited (Payroll Expense)	-	2.20
	Aditya Birla Financial Shared Services Limited (Space Sharing)	14.29	-
	Aditya Birla Health Insurance (Space Sharing)	45.73	-
iii	**Expenses**		
	Aditya Birla Money Limited (Custodian Fees)	0.00	0.01
	Aditya Birla Sun Life Insurance Company Limited (Insurance Expense)	1.09	-
	Aditya Birla Capital Digital Limited (Staff Welfare)	0.01	0.08
iv	**Others**		
	Aditya Birla Housing Finance Limited (Transfer of employee benefits on Employee Transfer-out)	-	6.24
	Aditya Birla Capital Digital Limited (Transfer of Employee Benefits and Asset)	84.31	-
	Aditya Birla Capital Limited (Transfer of Employee Benefits on Employee Transfer-in)	12.15	-
v	**Advance for Expenses**		
	Aditya Birla Sun Life Insurance Company Limited (Insurance Premium Deposit)	0.68	0.67

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

₹ in Lakh

Sr. No.	Particulars	Year Ended 31st March 2026	Year Ended 31st March,2025
2	**Balance Outstanding**		
i	**Receivables**		
	Aditya Birla Sun Life Insurance Company Limited	-	0.13
	Aditya Birla Capital Limited (Lending Business)	-	-
	Aditya Birla Financial Shared Services Limited (Space Sharing)	14.29	-
	Aditya Birla Health Insurance (Space Sharing)	45.73	-
ii	**Payables**		
	Aditya Birla Stressed Asset AMC Private Limited	-	0.23
	Aditya Birla Housing Finance Limited	14.79	48.36
	Aditya Birla Capital Digital Limited	-	0.01
E	**Associate of Holding Company**		
1	**Transactions during the year ***		
i	**Expenses Reimbursement**		
	Aditya Birla Sun Life AMC Limited (Payroll Expense)	145.02	24.92
	Aditya Birla Sun Life AMC Limited (Transfer of Employee Benefits On Employee Transfer-out)	-	4.78
2	**Balance Outstanding**		
i	**Payables**		
	Aditya Birla Sun Life AMC Limited	-	8.83
F	**Joint Venture of Holding Company**		
1	**Transactions during the year ***		
i	**Expenses**		
	Aditya Birla Wellness Private Limited (Staff Welfare Expense)	0.11	0.09
2	**Balance Outstanding**		
i	**Payable**		
	Aditya Birla Wellness Private Limited	-	0.09
G	**Post Employment Benefit Plan**		
1	**Transactions during the year ***		
i	**Others**		
	Grasim Industries Limited -Employees Gratuity Trust Fund (Fund Withdrawal)	23.95	4.18
2	**Balance Outstanding**		
i	**Receivables**		
	Grasim Industries Limited -Employees Gratuity Trust Fund (Amount Paid towards Gratuity)	52.87	75.06

* All amounts are exclusive of GST.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

NOTE: 34 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.

(₹ in Lakh)

Particulars	31st March 2026			31st March 2025		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
ASSETS						
Financial Assets						
Cash and Cash Equivalents	543.39	-	543.39	44,770.41	-	44,770.41
Bank Balance other than above	1,19,079.46	2,754.20	1,21,833.67	69,550.95	743.46	70,294.41
Trade Receivables	60.13	-	60.13	-	-	-
Loans	-	-	-	-	-	-
Investments	5,900.72	-	5,900.72	4,442.90	1,446.31	5,889.21
Other Financial Assets	3.65	41.52	45.17	3.65	40.20	43.85
Non-Financial Assets						-
Current Tax Asset	-	5,659.37	5,659.37	-	5,880.65	5,880.65
Property, Plant and Equipment	-	31.42	31.42	-	72.82	72.82
Other Intangible Assets	-	-	-	-	7.12	7.12
Right-to-use of Assets	-	171.96	171.96	-	252.95	252.95
Other Non-Financial Assets	389.65	-	389.65	155.41	-	155.41
Total Assets	**1,25,977.00**	**8,658.47**	**1,34,635.48**	**1,18,923.32**	**8,443.51**	**1,27,366.83**
LIABILITIES						
Financial Liabilities						
Trade Payables						
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	6.87	-	6.87	8.43	-	8.43
	34.65	-	34.65	100.35	-	100.35
Debt Securities	24,978.71	-	24,978.71	22,767.50	-	22,767.50
Borrowings (other than Debt Securities)	-	-	-	-	-	-
Subordinate Liabilities	-	3,200.00	3,200.00	-	3,200.00	3,200.00
Lease Liabilities	104.04	112.83	216.87	99.08	200.72	299.80
Other Financial Liabilities	56,477.44	-	56,477.44	53,159.19	-	53,159.19
Non-Financial Liabilities						-
Provisions	92.42	119.81	212.23	182.69	119.81	302.50
Deferred Tax Liabilities (Net)	-	527.09	527.09	-	833.69	833.69
Other Non-Financial Liabilities	34.76	-	34.76	1,011.34	-	1,011.34
Equity						-
Equity Share Capital	-	10,000.00	10,000.00	-	10,000.00	10,000.00
Other Equity	-	38,946.86	38,946.86	-	35,684.03	35,684.03
Total Liabilities	**81,728.89**	**52,906.59**	**1,34,635.48**	**77,328.58**	**50,038.25**	**1,27,366.83**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

NOTE: 35 EMPLOYEE BENEFIT DISCLOSURES

Defined Contribution Plan

The amounts charged to the Standalone Statement of Profit and Loss during the year for Provident Fund contribution aggregates to ₹ 10.96 lakh (31st March 2025–₹ 18.37 lakh).

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.

Interest Rate risk:

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in the financial statements).

Liquidity Risk:

This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non-availabilty of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Regulatory Risk:

Gratuity benefit is paid in accordance with the requirements of Chapter V (Gratuity) of the Code on Social Security, 2020 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. increase in the maximum limit on gratuity of ₹ 20,00,000).

Investment Risk:

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

The following tables summarise the components of net benefit expense recognised in the Standalone statement of Profit and Loss and the Standalone Balance Sheet for the gratuity plan of the Company.

Amounts Recognised in the standalone Balance Sheet in respect of Gratuity

(₹ in Lakh)

Particulars	31st March 2026	31st March,2025
Opening Defined Benefit Obligations	39.31	43.84
Current Service Cost	3.03	7.23
Interest Cost	2.52	3.13
Acturial Changes Arising from Changes in Demographic Assumptions	(3.16)	(5.04)
Acturial Changes Arising from Changes in Financial Assumptions	(2.37)	1.44
Acturial Changes Arising from Changes in Experience Assumptions	(22.67)	(3.65)
Past Service Cost	1.65	-
Add: Benefits Paid including Transfer in/out	22.21	(7.66)
Present Value of Defined Benefit Obligation	40.52	39.31

Changes in Fair Value of Plan Assets

(₹ in Lakh)

Particulars	31st March 2026	31st March,2025
Opening Fair Value of the Plan Assets	75.06	73.53
Interest Income on the Plan Assets	4.68	5.25
Employers Contribution	-	-
Benefits Paid	(23.95)	(4.18)
Return on Plan Assets	(2.92)	0.46
Closing Fair Value of the Plan Assets	52.87	75.06

Amounts Recognised in Employee Benefits Expenses in the Standalone Statement of Profit and Loss in respect of Gratuity

(₹ in Lakh)

Particulars	31st March 2026	31st March,2025
In Standalone Statement of Profit and Loss	4.68	7.23
Interest on Net Defined Benefit Liabilities/(Assets)	(2.16)	(2.12)
Total Expenses Recognised for the period	**2.52**	**5.11**

Other Comprehensive Income:

(₹ in Lakh)

Particulars	31st March 2026	31st March,2025
Actuarial (Gains)/Losses		
Actual Return on Plan Assets excluding Amount Recognised in Net Interest Expense	2.92	(0.46)
Actuarial Changes Arising from Change		
- Demographic Assumptions	(3.16)	(5.04)
- Financial Assumptions	(2.37)	1.44
- Experience Variance	(22.67)	(3.65)
Remeasurement (or Actuarial) (Gain)/Loss Arising because of change in effect of asset ceiling	-	-
Components of Defined Benefit Costs Recognised in OCI	(25.27)	(7.71)

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

b) Maturity Profile of Defined Benefit Obligation

(₹ in Lakh)

Weighted-Average duration (based on discounted cashflows)	2 years
Expected Cash Flows over the next (valued on undiscounted basis):	
1 year	13.83
2 to 5 years	26.52
6 to 10 years	8.53
More than 10 years	0.35

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	31st March 2026	31st March,2025
Discount Rate (per anumn)	6.45%	6.50%
Salary Growth Rate (per anumn)	8%	10%
Decrement Adjusted remaining working life (years)	2.31	3.35

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, senority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

f) Demographic Assumptions

(₹ in Lakh)

Particulars	31st March 2026	31st March,2025
Mortality Rate	100% of IALM 2012-24	100% of IALM 2012-24
Normal Retirement Age	60 years	60 years
Attrition/Withdrawal Rate (per anumn)	35%	25%

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)

(₹ in Lakh)

Particulars	31st March 2026	31st March,2025
Government of India Securities	0.78%	1.73%
State Govt. Securities	1.98%	2.23%
High Quality Corporate Bonds	0.23%	0.28%
Fund Managed by Insurers	31.33%	40.81%
Other Investments	65.68%	54.95%
Total	**100.00%**	**100.00%**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

Sensitivity Analysis

(₹ in Lakh)

Description	31st March 2026		31st March,2025	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+ 0.5%)	41.09	39.96	40.03	38.61
(%change compared to base due to sensitivity)	1.40%	-1.40%	1.80%	-1.80%
Salary Growth (-/+ 0.5%)	39.96	41.08	38.62	40.01
(%change compared to base due to sensitivity)	-1.40%	1.40%	-1.70%	1.80%
Attrition Rate (-/+ 50%)	46.96	38.63	46.42	36.16
(%change compared to base due to sensitivity)	15.90%	-4.70%	18.10%	-8.00%
Mortality Rate (-/+ 10%)	40.48	40.56	39.27	39.35
(%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: 36 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.

NOTE: 37 INCOME TAX DISCLOSURE

Current tax for the year of ₹ 2815.14 lakh (31st March 2025: ₹ 26,227.32 lakh).

The major components of income tax expense for the years ended

Standalone Statement of profit and loss:

(₹ in Lakh)

Profit or loss Section	31st March 2026	31st March 2025
Current Tax	2,815.14	26,227.32
Excess Provision for Tax related to earlier years (Net)	83.98	-
Deferred Tax	(312.96)	(2,168.45)
Income Tax expense reported in the Standalone Statement of Profit and Loss	**2,586.16**	**24,058.87**

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

(₹ in Lakh)

Particulars		31st March 2026	31st March 2025
A)	Income Before Income Tax	5,830.08	43,031.39
B)	Enacted Tax Rate in India	25.168%	25.168%
C)	Expected Tax Expense (A*B)	1,467.31	10,830.14
D)	Permanent Tax Disallowances	109.34	17.71
E)	Brought forward capital loss not considered in the deferred tax asset in earlier years considered in current year	-	-
F)	Amount Attributable to Varde Partners (Refer Note 25.1)	967.08	13,213.20
G)	Tax on Difference Rates	0.80	-
H)	OCI Adjustment	(6.36)	-
I)	Other Adjustments	47.99	(2.18)
Income Tax Expense Reported in the Standalone Statement of Profit and Loss		**2,586.16**	**24,058.87**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

(₹ in Lakh)

Particulars	31st March 2026	31st March 2025
Deferred Tax:		
Deferred Tax relates to the following:		
Deferred Tax Liabilities		
Marked-to-Market Value of Investment	522.58	951.42
Unrealised Interest Income on Tax Refund	75.25	11.85
Right-to-Use of Assets	43.28	63.66
OCI	6.36	-
Sub-total A	**647.47**	**1,026.93**
Deferred Tax Assets		
Leave Encashment	(1.18)	(1.97)
Difference in WDV between Companies Act and Income Tax Act	(21.03)	(17.45)
Lease Liabilities	(54.56)	(75.45)
Security Deposit on Leases	(1.57)	(2.82)
Employee LTIP Provision	(38.85)	(50.18)
Employee Deferred Compensation Provision	(3.18)	(14.09)
Deemed Income from Securitisation Trusts	-	(5.56)
Brought Forward Capital Losses	-	(25.72)
Sub-total B	**(120.38)**	**(193.24)**
Net Deferred Tax Liabilities	**527.09**	**833.69**

Reflected in the Standalone Balance Sheet as follows:	31st March 2026	31st March 2025
Deferred Tax Assets	(120.38)	(193.24)
Deferred Tax Liabilities	647.47	1,026.93
Deferred Tax (Assets)/Liabilities (Net)	**527.09**	**833.69**

Reconciliation of Deferred Tax Liabilities (Net)	31st March 2026	31st March 2025
Opening Balance as of 1st April 2025	**833.69**	**3,000.20**
Tax Expense during the period recognised in profit and loss	(312.96)	(2,168.45)
Tax Expense/(Income) during the period recognised in OCI	6.36	1.94
Closing Balance as at 31st March 2026	**527.09**	**833.69**

NOTE: 38 LEASES

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

(₹ in Lakh)

Particulars	Category of ROU Asset Leasehold Premises	
	Year ended 31st March 2026	Year ended 31st March 2025
Balance as at 1st April 2025	**252.95**	**333.94**
Additions	-	-
Deletions	-	-
Depreciation	(80.99)	(80.99)
Balance as at 31st March 2026	**171.96**	**252.95**

Amounts Recognised in Profit and Loss

(₹ in Lakh)

	Year ended 31st March 2026	Year ended 31st March 2025
Depreciation Expense on Right-of-Use Assets	77.64	80.99
Interest Expense on Lease Liabilities	19.75	25.75

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

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

(₹ in Lakh)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Current Lease Liabilities	104.04	99.08
Non-Current Lease Liabilities	112.83	200.72
Total	**216.87**	**299.80**

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

(₹ in Lakh)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Balance as at 1st April 2025	**299.80**	**371.84**
Additions	-	-
Finance Costs Accrued during the period	19.75	25.75
Deletions	-	-
Payment of Lease Liabilities	(102.68)	(97.79)
Balance as at 31st March 2026	**216.87**	**299.80**

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

(₹ in Lakh)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Less than one year	107.80	102.67
One to five years	126.97	234.77
More than five years		
Total	**234.77**	**337.44**

The Company 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.

NOTE: 39 CAPITAL MANAGEMENT

The primary objectives 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, the Company has to maintain capital 15% of the capital adequacy ratio:

(₹ in Lakh)

Particulars	31st March 2026	31st March 2025
Capital Adequacy Ratio	472.47%	499.59%

NOTE: 40 ANALYTICAL RATIOS

(₹ in Lakh)

Particulars	31st March 2026	31st March 2025
Capital to Risk-Weighted Assets Ratio*	472.47%	499.59%
Liquidity Coverage Ratio**	2,09,691.08%	35,313.17%

* Since the 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.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

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 31st March 2026 and 31st March 2025.

As at 31st March 2026

(₹ in Lakh)

Financial Assets	Carrying Value	Fair Value
Cash and Cash Equivalents	543.39	543.39
Bank Balance other than Cash and Cash Equivalents	1,21,833.67	1,21,833.67
Trade Receivables	60.13	60.13
Investments Unquoted (FVTPL)	5,900.72	5,900.72
Other Financial Assets	45.17	45.17
Total	**1,28,383.08**	**1,28,322.95**

Financial Liabilities	Carrying Value	Fair Value
Trade Payables	41.52	41.52
Debt Securities	24,978.71	24,978.71
Compulsorily Convertible Preference Shares	3,200.00	2,956.19
Lease Liabilities	216.87	216.87
Other Financial Liabilities	56,477.44	56,477.44
Total	**84,914.54**	**84,670.73**

As at 31st March 2025

(₹ in Lakh)

Financial Assets	Carrying Value	Fair Value
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
Other Financial Assets	43.85	43.85
Total	**1,20,997.88**	**1,20,997.88**

Financial Liabilities	Carrying Value	Fair Value
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
Other Financial Liabilities	53,159.19	53,159.19
Total	**79,535.27**	**79,535.27**

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 Standalone Financial Statements

for the year ended 31st March 2026

NOTE: 42 FAIR VALUE HIERARCHY

Following table provides the fair value measurement hierarchy of the Company's assets and liabilities as on 31st March 2026 and 31st March 2025.

As at 31st March 2026

(₹ in Lakh)

Financial Assets	Date of Valuation	Total	Level 1	Level 2*	Level 3
Investments Unquoted (FVTPL)	31-03-2026	5,900.72	-	3,968.26	1,932.46

Financial Assets and 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
Financial Assets					
Other financial Assets	31-03-2026	45.17	-	-	45.17
Financial Liabilities					
Trade Payables	31-03-2026	41.52	-	-	41.52
Debt Securities	31-03-2026	24,978.71	-	-	24,978.71
Compulsorily Convertible Preference Shares	31-03-2026	3,200.00	-	-	3,200.00
Lease Liabilities	31-03-2026	216.87	-	-	216.87
Other Financial Liabilities	31-03-2026	56,477.44	-	-	56,477.44

As at 31st 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 and 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
Financial Assets					
Other Financial Assets	31-03-2025	43.85	-	-	43.85
Financial Liabilities					
Trade Payables	31-03-2025	108.78	-	-	108.78
Debt Securities	31-03-2025	22,767.50	-	-	22,767.5
Compulsorily Convertible Preference Shares	31-03-2025	3,200.00	-	-	3,200.00
Lease Liabilities	31-03-2025	299.80	-	-	299.80
Other Financial Liabilities	31-03-2025	53,159.19	-	-	53,159.19

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 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 31st March 2026 and the year ended 31st March 2025.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

Movement in Level 3 Financial Instruments Measured at Fair Value

(₹ in Lakh)

Financial Assets	Investments Unquoted (in SRs)	
Particulars	**As at 31st March 2026**	**As at 31st March 2025**
As at the beginning of the year	3,736.82	55,785.34
Investments	-	-
Redemptions/Write Offs	-	(43,358.26)
Gains for the year Recognised in Profit or Loss	(1,804.36)	(8,690.26)
At the end of the year	**1,932.46**	**3,736.82**
Unrealised Gains related to balances held at the end of the year	(1,804.36)	(8,690.26)

Unobservable inputs used in measuring fair value categorised within Level 3

(₹ in Lakh)

Type of Financial Instruments	Fair Value of Asset as on 31st March 2026	Valuation Techniques	Significant Unobservable Input
Investments Unquoted (FVTPL)	1,932.46	Discounted Projected Cash Flow	Expected Gross Recoveries* and Discount Rates

(₹ in Lakh)

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

* Expected Gross Recoveries are pertaining to the overall assets under the 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 margins/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 quaity 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 negotiaitions with counterparty.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

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:

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Debt Securities	24,978.71	22,767.50
Lease Liabilities	216.87	299.80
Compulsorily Convertible Preferences Shares	3,200.00	3,200.00
Total Equity	10,000.00	10,000.00
Total Capital	**38,395.58**	**36,267.30**

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 Standalone Financial Statements

for the year ended 31st March 2026

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

(₹ in Lakh)

Year ended 31st March 2026	On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	> 5 Years	Total
Trade and Other Payables	-	41.34	0.18	-	-	41.52
Debt Securities*	-	24,978.71	-	-	-	24,978.71
Compulsorily Convertible Preference Shares	-	-	-	3,200.00	-	3,200.00
Lease Liabilities	-	26.25	81.32	109.30	-	216.87
Other Financial Liabilities	-	134.95	56,342.49	-	-	56,477.44
Total	**-**	**25,181.25**	**56,423.99**	**3,309.30**	**-**	**84,914.54**

(₹ in Lakh)

Year ended 31st 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
Total	**-**	**23,271.12**	**52,863.43**	**3,400.72**	**-**	**79,535.27**

* 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 31st March 2026	On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	> 5 Years	Total
Cash and Cash Equivalents	543.39	-	-	-	-	543.39
Fixed Deposit Accounts	-	46,256.57	72,822.89	2,754.20	-	1,21,833.67
Investments	-	3,968.26	1,932.11	-	-	5,900.72
Other Financial Assets	-	-	3.65	41.52	-	45.17
Total	**543.39**	**50,224.83**	**74,758.65**	**2,795.72**	**-**	**1,28,322.95**

(₹ in Lakh)

Year ended 31st March 2025	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Cash and 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
Total	**108.38**	**48,046.09**	**70,613.44**	**2,229.97**	**-**	**1,20,997.88**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

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 the Management and the 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 the following financial assets represent the maximum credit risk exposure:

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Trade Receivables	60.13	-
Investments Unquoted (FVTPL)	5,900.72	5,889.21
Other Financial Asset	45.17	43.85
Total	**6,006.02**	**5,933.06**

NOTE: 44 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(₹ in Lakh)

Particulars	1st Apri; 2025	Cash Flows	Interest	31st March 2026
Debt Securities	22,767.50	(379.99)	2,591.20	24,978.71
Borrowings (other than Debt Securities)	-	-	-	-
Subordinate Liabilities	3,200.00	-	-	3,200.00

(₹ in Lakh)

Particulars	1st April 2024	Cash Flows	Interest	31st 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

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

NOTE: 45 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 31st March 2026	For the year ended 31st March 2025
Primary Geographical Market		
India	1,541.86	3,044.08
Total	**1,541.86**	**3,044.08**
Major Products/Service Lines		
Fee Income	1,013.28	2,815.21
Other Fees	528.58	228.87
Total	**1,541.86**	**3,044.08**
Timing of Revenue Recognition		
At a point in time	1,541.86	3,044.08
Over a period of time	-	-
Total	**1,541.86**	**3,044.08**

The following table provides information about contract balances:

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Receivables	60.13	-

NOTE: 46 LOANS AND ADVANCES TO PROMOTERS, 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 31st March 2026		As at 31st March 2025	
	Amount of loans or Advances in the nature of Loan Outstanding	Percentage to the Total Loans and Advances in the nature of Loans (% of Total loans)	Amount of loans or Advances 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	-	-	-	-
Total	**-**	**-**	**-**	**-**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

NOTE: 47 LABOUR CODE

The Government of India has implemented four new Labour Codes ("Codes"), including the Code on Wages, 2019, with effect from 21st November 2025. The Company has assessed the incremental impact of implementation of these Codes on employee benefit obligations based on an actuarial valuation for gratuity and has recognised an amount of ₹ 1.64 Lakh in the Standalone Statement of Profit and Loss for the year ended 31st March 2026.

The Government is in the process of notifying the related rules under the new Labour Codes. Any additional impact arising from such rules, if any, will be evaluated and recognised in accordance with the applicable accounting standards in the period in which the rules are notified and become effective.

NOTE: 48 CONTINGENT LIABILITIES

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 31st March 2026 and 31st March 2025.

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

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 31st March 2026 and 31st March 2025.

NOTE: 50 LONG TERM CONTRACTS

The Company doesn't have long term contract including Derivative Contract as at 31st March 2026 and 31st March 2025.

NOTE: 51 EVENTS AFTER THE REPORTING DATE

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

NOTE: 52 TRANSACTIONS WITH STRUCK-OFF COMPANIES

The Group has not entered into any transactions with struck-off companies during the years ended 31st March 2026 and 31st March 2025.

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 "Acquistion 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: 54 BENAMI PROPERTY UNDER BENAMI TRANSACTIONS (PROHIBITION) ACT, 1988

No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder as at 31st March 2026 and 31st March 2025.

NOTE: 55 BUSINESS PLAN

The Company does not have any plan for further investment in the securitisation trusts and is in the process of resolution of the financial assets held by the existing securitisation trusts.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

NOTE: 56 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:

(₹ in Lakh)

Seller-wise Acquisition Details		31st March 2026	March 2025
Name of Selling Bank/Financial Institution	**Address of selling bank/financial institution**	**Acquisition Price**	**Acquisition Price**
Sponsors			
None	-	-	-
Sub-Total (A)			
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" - 3rd 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" 6th 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, Bengaluru - 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" - 3rd Floor, Opp. Samartheswar Temple, Near Lawn Garden, Ellis Bridge, 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, 1st Floor, Commuter Amenity Center(CAC),TSRTC Bus Station, Kachiguda, Hyderabad- 500027.	1,62,200.00	1,62,200.00
Sub-Total (B)		**5,73,775.72**	**5,73,775.72**
Total (A + B)		**5,73,775.72**	**5,73,775.72**

(B) Dispersion of Financial Assets Acquired Industry Wise:

(₹ in Lakh)

Industry	As at 31st March 2026		As at 31st March 2025	
	Acquisition Price	% of Total Assets	Acquisition Price	% of Total Assets
Infrastructure - Power	5,73,775.72	100.00%	5,73,775.72	100.00%
Total	**5,73,775.72**	**100.00%**	**5,73,775.72**	**100.00%**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

(C) Other Additional Disclosures:

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2026
Value of financial assets acquired during the financial year	-	-
Value of financial asset realised during the financial year	-	2,87,924.84
Value of financial assets outstanding for realisation at the end of the financial year	-	-
Value of security receipts redeemed partially and the security receipts redeemed fully during the financial year	-	2,89,054.92
Value of security receipts pending for redemption as at the end of the financial year	39.72	39.72
Value of security receipts which could not be redeemed as a result of non-realisation 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: 57 DISCLOSURE OF TEMPLATE IN NOTES AS PER RBI CIRCULAR DOR (NBFC).CC.PD. NO.109/22.10.106/2019-20 DATED 13th MARCH 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
Performing Assets						
Standard	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
Sub-total		**-**	**-**	**-**	**-**	**-**
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful-up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3			-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Sub-total for Doubtful		**-**	**-**	**-**	**-**	**-**
Loss	Stage 3			-		-
Sub-total for NPA		**-**	**-**	**-**	**-**	**-**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

(₹ 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
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	-	-	-	-	-
Sub-total		-	-	-	-	-
Total	**Stage 1**	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Total	-	-	-	-	-

NOTE: 58 DISCLOSURE IN RESPECT OF EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

(₹ in Lakh)

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Opening Balance [A]	-	8.83
Amount Required to be spent during the year [B]	434.45	70.35
Amount spent during the year [C]	371.67	61.52
(Shortfall)/Excess for the year [A] - [B] + [C]	(62.78)	-
Total of previous year Shortfall	-	-
Reason for Shortfall	NA	NA
Nature of Expenses		
Promoting Healthcare	371.67	61.52
Where a provision is made with respect to a liability incurred by entering into a conrtractual obligation, the amount of provision made and movements in the provision during the year, if applicable.	NA	NA

NOTE: 59 WILFUL DEFAULTER

The Company is not declared as a wilful defaulter by any bank or financial institution or any other lender as at 31st March 2026 and 31st March 2025.

NOTE: 60 UNRECORDED INCOME

The Company does not have any previously unrecorded income which needs to be recorded in the books of account for the years ended 31st March 2026 and 31st March 2025.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2026

NOTE: 61 MICRO, SMALL AND MEDIUM ENTERPRISES

As per the information available with the Company, the Company has made payment to creditors within the stipulated period as provided in "Micro, Small and Medium Enterpris 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: 62 DEBENTURE REDEMPTION RESERVE

Pursuant to the Companies (Share Capital and Debentures) Amendment Rules, 2019, dated 16th 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.

NOTE: 63

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: 64 PRIOR YEAR COMPARATIVES

Previous year figures have been regrouped/reclassified wherever necessary to conform to the current year's presentation.

As per our report even date attached

For C N K & Associates LLP
ICAI Firm Registration No.:- 101961W/W-100036
Chartered Accountants

Hiren Shah
Partner
Membership No. 100052

Place: Mumbai
Date: 21st April 2026

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

Tushar Shah
Director
DIN-00239762

Pinky Mehta
Director
DIN-00020429

Sharad Agarwal
Manager

Sunil Kumar Jain
Chief Financial Officer

Tanay Shah
Company Secretary

Independent Auditors' 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 31st March 2026 (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 31st March 2026 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.	**Fair Valuation of financial instruments – Security Receipts (SRs)** 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 15% - 100% 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 31st March 2026 is ₹ 1,932.11 Lakhs. 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. 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.	**Audit procedures followed:** - 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 Management for determination of appropriate recovery rate based on the range provided by the External Rating Agency. - Assessment of the valuation inputs; i. Analysed reasonableness of the estimated cash flows and recovery rate, the other relevant judgments and estimates, if any; and ii. Assessed the information used to determine the key assumptions; iii. Compared the historical estimates of the cash flows with the actual recoveries and obtained explanations for the variations, if any; iv. Review of management's assumption of discount rate with the supporting evidence; v. Valuation report of collateral assets, if applicable

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 Draft 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 Board of Directors 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 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(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order"/"CARO") issued by the Central Government in terms of section 143(11) of the Act, to be included in the auditor's report, according to the information and 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);

   (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 31st March 2026 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2026 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 31st March,2026;

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 31st March 2026.

iv. a) The management of the Holding Company has represented that, to the best of it's 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 it's 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 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 31st March 2026 since none of the directors of the Company have drawn any managerial remuneration other than sitting fees.

For **C N K & Associates LLP**
Chartered Accountants
Firm Registration No: 101961W/W – 100036

Hiren Shah
Partner
Membership No.: 100052
UDIN: 26100052CZYNIP5695

Place: Mumbai
Date: 21st April, 2026.

Consolidated Balance Sheet

as at 31st March 2026

(₹ in Lakh)

Particulars		Note No.	As at 31st March 2026	As at 31st March 2025
I	**ASSETS**			
(1)	**Financial Assets**			
	(a) Cash and Cash Equivalents	6	545.18	44,773.24
	(b) Bank Balance other than (a) above	7	1,21,833.67	70,294.41
	(c) Receivables			
	(I) Trade Receivables	8	60.13	-
	(d) Investments			
	- Other Investments	9	5,900.37	5,888.86
	(e) Other Financial Assets	10	45.17	41.88
	Sub-Total		**1,28,384.52**	**1,20,998.39**
(2)	**Non-Financial Assets**			
	(a) Current Tax Assets (Net)		5,659.37	5,880.65
	(b) Property, Plant and Equipment	11	31.42	72.82
	(c) Other Intangible Assets	12	-	7.12
	(d) Right-to-Use of Assets	38	171.96	252.95
	(e) Other Non-Financial Assets	13	389.65	157.31
	Sub-Total		**6,252.40**	**6,370.85**
	Total Assets		**1,34,636.92**	**1,27,369.24**
II	**LIABILITIES AND EQUITY**			
	LIABILITIES			
(1)	**Financial Liabilities**			
	(a) Payables			
	(I) Trade Payables			
	(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises	14	7.33	8.91
	(ii) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		35.22	100.54
	(b) Debt Securities	15	24,978.71	22,767.50
	(c) Subordinated Liabilities	16	3,200.00	3,200.00
	(d) Lease Liabilities	38	216.87	299.80
	(e) Other Financial Liabilities	17	56,477.44	53,159.19
	Sub-Total		**84,915.57**	**79,535.94**
(2)	**Non-Financial Liabilities**			
	(a) Provisions	18	212.23	302.50
	(b) Deferred Tax Liabilities (Net)	37	527.09	833.69
	(c) Other Non-Financial Liabilities	19	34.76	1,011.35
	Sub-Total		**774.08**	**2,147.54**
(3)	**Equity**			
	(a) Equity Share Capital	20	10,000.00	10,000.00
	(b) Other Equity	21	38,947.27	35,685.76
	Total Equity		**48,947.27**	**45,685.76**
	Total Liabilities and Equity		**1,34,636.92**	**1,27,369.24**
	Material Accounting Policy Information	5		

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

As per our report even date attached

For C N K & Associates LLP
ICAI Firm Registration No.:- 101961W/W-100036
Chartered Accountants

Hiren Shah
Partner
Membership No. 100052

Place: Mumbai
Date: 21st April 2026

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

Tushar Shah
Director
DIN-00239762

Pinky Mehta
Director
DIN-00020429

Sharad Agarwal
Manager

Sunil Kumar Jain
Chief Financial Officer

Tanay Shah
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended 31st March 2026

(₹ in Lakh)

Particulars	Note No.	Year ended 31st March 2026	Year ended 31st March 2025
REVENUE FROM OPERATIONS			
(a) Interest Income	22	5,850.70	1,244.95
(b) Fee Income	23	1,013.28	2,815.21
(c) Recovery Incentive	24	528.58	228.87
(d) Net Gain on Fair Value Changes	25	2,381.81	42,987.36
Total Revenue from Operations		**9,774.37**	**47,276.39**
Other Income	26	338.46	55.91
Total Income		**10,112.83**	**47,332.30**
EXPENSES			
(a) Finance Costs	27	2,610.95	2,880.60
(b) Impairment on Financial Instruments	28	-	(9.30)
(c) Employee Benefits Expenses	29	868.93	1,064.15
(d) Depreciation and Amortisation Expenses	30	104.22	117.46
(e) Other Expenses	31	699.97	248.90
Total Expenses		**4,284.07**	**4,301.81**
Profit Before Tax		**5,828.76**	**43,030.49**
Tax Expenses			
Current Tax		2,815.14	26,227.32
Excess Provision for Tax Related to Earlier Years (Net)		83.98	-
Deferred Tax		(312.96)	(2,168.45)
Total Tax Expenses		**2,586.16**	**24,058.87**
Profit After Tax		**3,242.60**	**18,971.62**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of the Net Defined Benefit Liability/Asset (Net)		25.27	7.71
Income Tax relating to items that will not be reclassified to profit and loss		(6.36)	(1.94)
Other Comprehensive Income for the year		**18.91**	**5.77**
Total Comprehensive Income for the year		**3,261.51**	**18,977.39**
Earnings Per Share:			
Basic - (₹)	32	3.24	18.97
Diluted - (₹)		3.14	18.38
(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 even date attached

For C N K & Associates LLP
ICAI Firm Registration No.:- 101961W/W-100036
Chartered Accountants

Hiren Shah
Partner
Membership No. 100052

Place: Mumbai
Date: 21st April 2026

For and on behalf of the Board of Directors of
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Director
DIN-00239762

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Sharad Agarwal
Manager

Sunil Kumar Jain
Chief Financial Officer

Tanay Shah
Company Secretary

Consolidated Statement of Cash Flows

for the year ended 31st March 2026

(₹ in Lakh)

	Particulars	Year ended 31st March 2026 Audited	Year ended 31st March 2025 Audited
A	**Cash Flow from Operating Activities**		
	Profit Before Tax	**5,828.76**	**43,030.49**
	Adjustments for:		
	Impairment on Financial Assets	-	(9.30)
	Net Gain on Fair Value Changes on Investments in Security Receipts	(3,393.37)	(95,418.67)
	Net Gain on Fair Value Changes on Investments in Mutual Fund Units	(231.85)	(68.69)
	Interest Income	(8,449.79)	(1,244.95)
	Notional Interest on Security Deposits	(3.30)	(3.05)
	Profit and Loss on Sale of Property, Plant and Equipment (Net)	11.82	(5.34)
	Finance Costs	2,591.20	2,854.85
	Notional Interest on Lease	19.75	25.75
	Other Comprehensive Income	25.27	7.71
	Depreciation and Amortisation	104.22	117.46
	Operating Profit Before Working Capital Changes	**(3,497.29)**	**(50,713.74)**
	Adjustments for:		
	Decrease/(Increase) in Other Financial Assets	0.01	13.36
	Decrease/(Increase) in Trade Receivables	(59.93)	955.54
	Decrease/(Increase) in Other Non-Financial Assets	(232.34)	(44.27)
	(Decrease)/Increase in Trade Payables	(66.90)	66.57
	(Decrease)/Increase in Provisions	(90.27)	6.19
	(Decrease)/Increase in Other Financial Liabilities	3,318.25	52,761.11
	(Decrease)/Increase in Other Non Financial Liabilities	(976.59)	(270.49)
	Cash from Operations	**1,892.23**	**53,488.01**
	Income Taxes Paid	(2,677.63)	(31,134.66)
	Net Cash (Used In)/From Operating Activities	**(4,282.69)**	**(28,360.39)**
B	**Cash Flow from Investing Activities**		
	Addition to Property, Plant and Equipment	(25.63)	(13.31)
	Sale of Property, Plant and Equipment	39.10	14.96
	Redemption and Upside from Security Receipts	5,197.52	1,47,467.18
	Realised Gain on Mutual Funds	137.18	-
	Interest Received	6,025.47	959.30
	Purchase of Mutual fund units	(5,674.91)	(2,930.41)
	Redemption of Mutual Funds	3,953.52	1,447.60
	Bank Deposits Placed during the period	(1,77,967.33)	(3,10,521.73)
	Bank Deposits Matured during the period	1,28,852.38	2,46,571.97
	Net Cash Flow from Investing Activities	**(39,462.70)**	**82,995.56**
C	**Cash Flow From Financing Activities**		
	Loans and Advances to Trust	-	(314.18)
	Loans and Advances Recovered from Trust	-	1,684.34
	Lease Liabilities - Principal Portion	(82.93)	(72.04)
	Lease Liabilities - Interest Portion	(19.75)	(25.75)
	Repayment of Debt Securities	(355.00)	(591.00)
	Proceeds from Borrowings	-	18,092.77
	Repayment of Borrowings	-	(28,700.83)
	Finance Costs on Debt Securities and Borrowings	(24.99)	(555.61)
Net Cash Used in Financing Activities		**(482.67)**	**(10,482.30)**
Net Increase in Cash and Cash Equivalents		(44,228.06)	44,152.87
Cash and Cash Equivalents (Opening Balance)		44,773.24	620.37
Cash and Cash Equivalents (Closing Balance)		545.18	44,773.24

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

As per our report even date attached

For C N K & Associates LLP
ICAI Firm Registration No.:- 101961W/W-100036
Chartered Accountants

Hiren Shah
Partner
Membership No. 100052

Place: Mumbai
Date: 21st April 2026

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

Tushar Shah
Director
DIN-00239762

Pinky Mehta
Director
DIN-00020429

Sharad Agarwal
Manager

Sunil Kumar Jain
Chief Financial Officer

Tanay Shah
Company Secretary

Consolidated Statement of Changes in Equity

for the year ended 31st March 2026

(A) EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	As at 31st March 2026		As at 31st March 2025	
	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	-	-	-	-
Balance at the end of the year	**10,00,00,000**	10,000.00	**10,00,00,000**	**10,000.00**

(B) OTHER EQUITY

(₹ in Lakh)

Particulars	Reserves and Surplus	Total Other Equity
Balance as at 1st April,2024	**16,708.37**	**16,708.37**
Changes in accounting policies or prior period errors	-	-
Restated Balance as at 1st April 2024	**16,708.37**	**16,708.37**
Profit for the year	18,971.62	18,971.62
Other Comprehensive Loss for the year	5.77	5.77
Total Comprehensive Income	18,977.39	18,977.39
Balance as at 31st March,2025	**35,685.76**	**35,685.76**
Equity Attributable to Shareholders of the Company	**35,685.76**	**35,685.76**
Balance as at 1st April,2025	**35,685.76**	**35,685.76**
Changes in accounting policies or prior period errors	-	-
Restated Balance as at 1st April 2025	**35,685.76**	**35,685.76**
Profit for the year	3,242.60	3,242.60
Other Comprehensive Income for the year	18.91	18.91
Total Comprehensive Income	3,261.51	3,261.51
Balance as at 31st March 2026	**38,947.27**	**38,947.27**
Equity Attributable to Shareholders of the Company	**38,947.27**	**38,947.27**

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

As per our report even date attached

For C N K & Associates LLP
ICAI Firm Registration No.:- 101961W/W-100036
Chartered Accountants

Hiren Shah
Partner
Membership No. 100052

Place: Mumbai
Date: 21st April 2026

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

Tushar Shah
Director
DIN-00239762

Pinky Mehta
Director
DIN-00020429

Sharad Agarwal
Manager

Sunil Kumar Jain
Chief Financial Officer

Tanay Shah
Company Secretary

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

NOTE: 1 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 10th March 2017.

The Company and its Trusts as at 31st March 2026 are together referred to as "Group". The principal activity of the Group is to carry on the business of securitisation and asset reconstruction as defined in Section 2 of the Securitisation 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 securitisation pursuant to the SARFAESI Act. The financial assets are acquired under separate trusts set-up for securitisation or directly for asset reconstruction.

Reserve Bank of India ('RBI') granted a Certificate of Registration to the Company on 13th March 2018 to carry on business of securitisation or asset reconstruction under Section 3 of the SARFAESI Act.

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

The financial statements were authorised for issue by the Company's Board of Directors on 21st April 2026.

NOTE: 2 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: 3 USE OF ESTIMATES

The preparation of financial statements in conformity with IND AS requires the Management to make judgements, 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: 4 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its Trusts (hereinafter referred to as "The structured entities") as at 31st March 2026 (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 reassesses 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 31st March 2026.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

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: 5 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 11th 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 interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

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 recognises 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 assets' 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 Instruments 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 and reversals and foreign exchange gain or loss in the Consolidated Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Consolidated Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

Debt Instruments 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.

Investments in Mutual Funds at FVTPL

Mutual Funds included within the FVTPL category are measured at fair value with all changes recognised in the Consolidated 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 financials asset between the part it continues to recognise under continuing involvement, and the part is no longer recognises 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 and 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 up to 30 days default would fall under this category.

For these assets, 12-month ECL are recognised 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

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

had a significant increase in credit risk since initial recognitions 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 recognised, 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 are 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 Consolidated 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 recognised. 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 recognised 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 recognised in OCI.

These gains/loss are not subsequently transferred to Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity.

All other changes in fair value of such liability are recognised in the Consolidated Statement of Profit and 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 accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

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 recognised at the proceeds received, net of direct issue costs.

Loans and Borrowings

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

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 as finance costs in the Consolidated statement of Profit and Loss

De-recognition of Financial Liabilities

A financial liability shall be de-recognised 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 Consolidated 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 Consolidated Balance Sheet comprises of 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 Consolidated 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 Consolidated 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 and 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 of 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 Consolidated 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 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 years
Office Equipment	5 years
Furniture and Fixtures	10 years
Motor Vehicles	6 years

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

Useful Life of Assets estimated by Management supported by the Internal Technical Assessment.

Asset	Estimated Useful Life
Leasehold Improvements*	3 years
Motor Vehicles^	4-5 years

*In case of Leasehold Improvements, depreciation calculated based on lease period.

^ 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 Amortisation

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 recognised as income or expense in the Consolidated Statement of Profit and Loss.

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

Asset	Estimated Useful Life
Computer Software	3 years

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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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 asset recoverable amount is the higher of an asset 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 group of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written-down to it 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

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

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 recognised as an employee benefit expense in the Consolidated 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 unrecognised 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 recognised asset is limited to the total of any unrecognised 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 recognises 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 Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised 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 Consolidated 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 the 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 1st 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 recognised 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

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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 recognises 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 recognises 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 recognised 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 under lying 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 Consolidated Balance Sheet and lease payments have been classified as financing cash flows.

5.9 Provisions:

Provisions are recognised 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 Consolidated Balance Sheet date. These are reviewed at each Consolidated 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 recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. The 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.

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for the year ended 31st March 2026

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 Consolidated 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 maximise 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 The 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 Group's assets at the end of its useful life is estimated by The 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 the 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.

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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 ad their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- 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 macro economic 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

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 sise 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 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 the Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 3st March 2026, 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 31st March 2026

NOTE: 6 CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Balances with Banks		
Current Accounts*	545.18	111.21
Deposit Accounts (with original maturity period of 3 months or less)**	-	44,662.03
Total	**545.18**	**44773.24**

* Includes amount of ₹ 308.77 lakh (Previous year: ₹ 6.16 lakh) held in Escrow Account.
** Includes deposits amounting to ₹ Nil lakh (Previous year: 2,926.36) from Escrow Account.

NOTE: 7 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Fixed Deposit Accounts (with original maturity period of more than 3 months)*	1,21,833.67	70,294.41
Total	**1,21,833.67**	**70,294.41**

* Includes lien marked Fixed Deposits amounting to ₹ Nil lakh and ₹ 1,186.50 lakh (Previous year: ₹ 4,381.19 lakh and ₹ 17,619.90 lakhs) for Bank Overdraft and the Debenture Trustee of the Escrow Account respectively.

NOTE: 8 TRADE RECEIVABLES, UNSECURED

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Receivables Considered Good	60.13	-
Less: Expected Credit Loss	-	-
Total	**60.13**	**-**

NOTE: 8.1

Ageing Schedule for Trade Receivable as at 31st March 2026

(₹ in Lakh)

	Particulars	Outstanding for the following periods from the due date of payment					
		Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i)	Undisputed Trade Receivables Receivables Considered Good	60.13	-	-	-	-	60.13
(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 31st March 2026

Ageing Schedule for Trade Receivable as at 31st March,2025

(₹ in Lakh)

Particulars	Outstanding for the following periods from the due date of payment					
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(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	-	-	-	-	-	-

NOTE: 8.2

Reconciliation of ECL on Trade Receivables

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Opening Balance	-	3.82
Add: ECL allowance during the year	-	(3.82)
Closing Balance	**-**	**-**

NOTE: 8.3

Ageing Schedule for Unrealised Management Fee as per RBI Circular DOR.ACC.REC.No. 293/26.03.001/2025-26

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Outstanding Amount Of Unrealised Management Fee	0.11	-
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 up to 1 year	-	-
(ii) More than 1 year but up to 3 years	-	-
(iii) More than 3 years	-	-
Allowances held for unrealised management fee	-	-
Net Unrealised Management Fee Receivable	**0.11**	**-**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

NOTE: 9 OTHER INVESTMENTS

(Carried at Fair Value through Profit or Loss)

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Unquoted		
Investments in Security Receipts	1,932.11	3,736.47
Investment in Liquid Mutual Funds	3,968.26	2,152.39
	5,900.37	**5,888.86**
In India	5,900.37	5,888.86
Outside India	-	-

NOTE: 10 OTHER FINANCIAL ASSETS

(Unsecured, Considered Good, unless stated otherwise)

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Security Deposits (Carried at Amortised Cost)	45.17	41.88
Total	**45.17**	**41.88**

NOTE: 11 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

Particulars	Computers	Leasehold Improvements	Office Equipments	Furniture and Fixtures	Vehicles	Total
Gross Block						
As at 1st April, 2024	**16.30**	**87.60**	**15.76**	**2.29**	**110.68**	**232.63**
Additions	1.25	-	0.45	-	11.61	13.31
Deletions	-	-	-	-	(33.40)	(33.40)
As at 31st March,2025	**17.55**	**87.60**	**16.21**	**2.29**	**88.89**	**212.54**
Accumulated Depreciation						
As at 1st April,2024	**12.11**	**87.60**	**12.93**	**1.24**	**23.81**	**137.69**
Depreciation for the year	3.00	-	0.90	0.23	21.67	25.80
Deletions	-	-	-	-	(23.77)	(23.77)
As at 31st March,2025	**15.11**	**87.60**	**13.83**	**1.47**	**21.71**	**139.72**
Net Carrying amount as at 31st March,2025	**2.44**	**-**	**2.38**	**0.82**	**67.18**	**72.82**
Gross Block						
As at 1st April,2025	**17.55**	**87.60**	**16.21**	**2.29**	**88.89**	**212.54**
Additions	0.64	-	0.21	-	24.78	25.63
Deletions	-	-	-	-	(71.62)	(71.62)
As at 31st March 2026	**18.19**	**87.60**	**16.42**	**2.29**	**42.05**	**166.55**
Accumulated Depreciation						
As at 1st April,2025	**15.11**	**87.60**	**13.83**	**1.47**	**21.71**	**139.72**
Depreciation for the year	1.93	-	0.79	0.23	13.31	16.26
Deletions	-	-	-	-	(20.85)	(20.85)
As at 31st March 2026	**17.04**	**87.60**	**14.62**	**1.70**	**14.17**	**135.13**
Net Carrying Amount as at 31st March 2026	**1.14**	**-**	**1.81**	**0.59**	**27.88**	**31.42**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

NOTE: 12 OTHER INTANGIBLE ASSETS

(₹ in Lakh)

Particulars	Software License	Total
Gross Block		
As at 1st April,2024	32.00	32.00
Additions	-	-
Deletions	-	-
As at 31st March,2025	**32.00**	**32.00**
Accumulated Amortisation		
As at 1st April,2024	24.87	24.87
Amortisation for the year	-	-
Deletions	-	-
As at 31st March,2025	**24.87**	**24.87**
Net Carrying amount as at 31st March,2025	**7.13**	**7.13**
Gross Block		
As at 1st April,2025	32.00	32.00
Additions	-	-
Deletions	-	-
As at 31st March 2026	**32.00**	**32.00**
Accumulated Amortisation		
As at 1st April,2025	**24.87**	**24.87**
Amortisation for the year	7.13	7.13
Deletions	-	-
As at 31st March 2026	**32.00**	**32.00**
Net Carrying amount as at 31st March 2026	**-**	**-**

NOTE: 13 OTHER NON-FINANCIAL ASSETS

(Unsecured, Considered Good, unless stated otherwise)

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Dues Recievable from Government - GST	34.55	27.64
Interest on Income Tax Refund Receivables from Government	299.07	47.07
Advance to Vendors	2.93	6.00
Prepaid Expenses	0.23	1.54
Gratuity Plan Assets	52.87	75.06
Total	**389.65**	**157.31**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

NOTE: 14 AGEING SCHEDULE FOR TRADE PAYABLES

Ageing Schedule for Trade Payables as at 31st March 2026

(₹ in Lakh)

As at 31st March 2026	Unbilled	Outstanding for the following periods from the due date of payment				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	7.33	-	-	-	-	7.33
(ii) Others	12.05	23.17	-	-	-	35.22
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	**19.38**	**23.17**	**-**	**-**	**-**	**42.55**

Ageing Schedule for Trade Payables as at 31st March,2025

(₹ in Lakh)

As at 31st March 2025	Unbilled	Outstanding for the following periods from the due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	7.25	1.66	-	-	-	8.91
(ii) Others	39.99	60.55	-	-	-	100.54
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	**47.24**	**62.21**	**-**	**-**	**-**	**109.45**

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 31st March 2026	As at 31st March 2025
a. Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act		
- Principal	7.33	8.91
- 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 enterprises 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 31st March 2026	As at 31st March 2025
Non-Convertible Debentures (Refer Note 15.1)	24,978.71	22,767.50
	24,978.71	**22,767.50**
In India	24,978.71	22,767.50
Outside India	-	-

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

NOTE 15.1

Following is the Repayment Terms of Non-Convertible Debentures.

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:

1. Security over the SR distributions, debt service trust accounts and all rights, title, benefit and interest in the debt service trust account.
2. The Company is also required to create pledge on SRs issued, however no pledge created on SRs till date. Further the 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, the Company will create the pledge.

NOTE: 16 SUBORDINATE LIABILITIES

(Carried at Amortised Cost)

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Compulsorily Convertible Preference Shares	3,200.00	3,200.00
	3,200.00	**3,200.00**
In India	3,200.00	3,200.00
Outside India	-	-

Notes:

1. 0.01% Compulsorily Convertible Preference Shares ('CCPS') on a non-cumulative basis.
2. To be compulsorily converted into equity shares of ₹ 10/- each at higher of:
   (a) Fair Market value determined as on the date of conversion or
   (b) ₹ 10/- per equity share (being the face value of equity shares).
3. The date of allotment and the tenor of the outstanding CCPS are as mentioned in the below table:

Date of allotment	Tenor	CCPS Amount (₹ in Lakh)
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: 17 OTHER FINANCIAL LIABILITIES

(Carried at Amortised Cost)

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Accrued Salaries and Benefits	134.95	659.19
Other Obligations (Refer Note 25.1)	56,342.49	52,500.00
Total	**56,477.44**	**53,159.19**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

NOTE: 18 PROVISIONS

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Provision for Employee Benefits		
Provision for Leave Encashment	4.70	7.82
Provision for Gratuity	40.52	39.31
Provision for Others	167.01	255.37
Total	**212.23**	**302.50**

NOTE: 19 OTHER NON-FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Unearned Revenue	0.11	927.25
Statutory Dues	34.65	84.10
Total	**34.76**	**1,011.35**

NOTE: 20 SHARE CAPITAL

(₹ in Lakh)

Particulars	Number	As at 31st March 2026	Number	As at 31st March 2025
Authorised:				
Equity Shares of ₹ 10/- each	15,00,00,000	15,000.00	15,00,00,000	15,000.00
	15,00,00,000	**15,000.00**	**15,00,00,000**	**15,000.00**
Issued:				
Equity Share Capital				
Equity Shares of ₹ 10/- each	10,00,00,000	10,000.00	10,00,00,000	10,000.00
	10,00,00,000	**10,000.00**	**10,00,00,000**	**10,000.00**
Subscribed and Paid-up:				
Equity Share Capital				
Equity Shares of ₹ 10/- each, fully paid-up	10,00,00,000	10,000.00	10,00,00,000	10,000.00
Total	**10,00,00,000**	**10,000.00**	**10,00,00,000**	**10,000.00**

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

(₹ in Lakh)

Sr. No.	Description	As at 31st March 2026		As at 31st March 2025	
		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 31st March 2026

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 31st March 2026		As at 31st March 2025	
		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 16 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:

Particulars	As at 31st March 2026 Amount (₹)	As at 31st March 2025 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 31st March 2026 Amount (₹)	As at 31st March 2025 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:

Sr. No.	Promoters Name	Shares Held by Promoters as at 31st March 2026		% Change during the year
		No. of Shares	% of Total Shares	
1	Aditya Birla Capital Limited	9,99,99,940	99.99%	-

Sr. No.	Promoters Name	Shares Held by Promoters as at 31st March,2025		% Change during the year
		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 31st March 2026

NOTE: 21 OTHER EQUITY

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Retained Earnings*		
Opening Balance	35,685.76	16,708.37
Addition:		
Profit for the year	3,242.60	18,971.62
Other Comprehensive Income/(Loss) for the year	18.91	5.77
Closing Balance	**38,947.27**	**35,685.76**
Total Other Equity	**38,947.27**	**35,685.76**

* Retained Earning comprises of Surplus in Profit and Loss Account of the Company.

NOTE: 22 INTEREST INCOME

(₹ in Lakh)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Interest on Deposits with Banks		
On Financial Assets carried at Amortised Cost	8,449.79	1,244.95
Less: Amount Attributable to Varde Partners (Refer Note 25.1)	(2,599.09)	-
Total	**5,850.70**	**1,244.95**

NOTE: 23 FEE INCOME

(₹ in Lakh)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Trusteeship and Management Fees	1,013.28	2,815.21
Total	**1,013.28**	**2,815.21**

NOTE: 24 RECOVERY INCENTIVE

(₹ in Lakh)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Recovery Incentive	528.58	228.87
Total	**528.58**	**228.87**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

NOTE: 25 NET GAIN ON FAIR VALUE CHANGES

(₹ in Lakh)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Net Gain/(Loss) on Financial Asset at Fair Value through Profit or Loss		
On Investments in Security Receipts	3,393.37	95,418.67
Less: Amount Attributable to Varde Partners (Refer Note 25.1)	(1,243.41)	(52,500.00)
On Mutual Fund Units	231.85	68.69
	2,381.81	**42,987.36**
Fair Value Changes:		
Realised	3,131.49	53,843.76
Unrealised	(749.68)	(10,856.40)
Total	**2,381.81**	**42,987.36**

NOTE: 25.1

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 28th 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 ₹ 1,243.41 lakh (Previous Year ₹ 52,500 lakh) has been provided by the Company during the year by reducing 'Net gain on fair value changes' and a net amount of ₹ 2,599.09 lakhs (Previous year: ₹ Nil) has been reduced from interest income. The aggregate corresponding amount, has been added to "Amounts attributable to Varde" disclosed under 'Other Financial Liabilities'. Any payment to Varde pursuant to the aforesaid shall be subject to applicable Laws and applicable legal and regulatory approvals. The Company is in discussion with Varde for the future course of action in this respect.

NOTE: 26 OTHER INCOME

(₹ in Lakh)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Profit on Sale of Property, Plant and Equipments	-	5.73
Reimbursement of Office Rent	36.09	-
Interest on Others		
On Financial Assets Carried at Amortised Cost	3.30	3.11
Interest on Tax Refunds	299.07	47.07
Total	**338.46**	**55.91**

NOTE: 27 FINANCE COSTS

(₹ in Lakh)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Interest on Financial Liabilities Carried at Amortised Cost		
Debt Securities	2,591.20	2,385.53
Borrowings other than Debt Securities	-	469.32
Finance Cost - Lease Liabilities	19.75	25.75
Total	**2,610.95**	**2,880.60**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

NOTE: 28 IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in Lakh)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
On Trade Receivables	-	(3.82)
On Other Financial Assets Held at Amortised Cost	-	(5.48)
Total	**-**	**(9.30)**

NOTE: 29 EMPLOYEE BENEFITS EXPENSES

(₹ in Lakh)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Salaries and Wages	845.69	1,019.09
Contribution to Provident and Other Funds (Refer Note 35)	11.89	19.88
Gratuity	2.51	5.11
Staff Welfare Expenses	8.84	20.07
Total	**868.93**	**1,064.15**

NOTE: 30 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakh)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Depreciation of Property, Plant and Equipment	16.10	25.80
Amortisation of Other Intangible Assets	7.13	10.67
Amortisation on Lease Assets	80.99	80.99
Total	**104.22**	**117.46**

NOTE: 31 OTHER EXPENSES

(₹ in Lakh)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Rent	0.17	0.18
Repairs and Maintenance - Others	11.51	17.25
Insurance	0.79	1.12
Rates and Taxes	31.21	3.57
Legal and Professional Expenses (Refer Note 31.1)	175.40	101.19
Travelling and Conveyance	5.51	2.88
Printing and Stationery	0.71	1.36
Communication Expenses	-	0.08
Electricity Charges	0.32	4.54
Subscription Expenses	1.21	17.94
Directors Sitting Fees	22.85	18.85
Corporate Social Responsibility (Refer Note 52)	434.45	70.35
Net Loss on Sale of Property, Plant and Equipments	11.82	0.39
Miscellaneous Expenses	4.02	9.20
Total	**699.97**	**248.90**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

Note: 31.1 Includes Auditor's Remuneration

(₹ in Lakh)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Audit Fees	9.84	8.70
Tax Audit Fees	1.00	2.00
Other Certification Fees	0.50	0.50
Total	**11.34**	**11.20**

NOTE: 32 DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 33: EARNINGS PER SHARE

(₹ in Lakh)

Particulars	As at 31st March 2025	As at 31st 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	1,032.00
Nominal Value of Shares (₹)	10.00	10.00
Profit Attributable to Equity Shareholders for Basic EPS	3,242.6	18,971.62
Profit Attributable to Equity Shareholders for Diluted EPS	3,242.6	18,971.62
Basic EPS (₹)	**3.24**	**18.97**
Diluted EPS (₹)	**3.14**	**18.38**

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: 33 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 (up to 24th May 2024)

Tushar Shah - Director

Pinky Mehta - Director

Venkatraman Ravi - Independent Director (up to 18th November 2024)

Sharadkumar Bhatia - Independent Director

Sethurathnam Ravi - Independent Director

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

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

Sanjay Jain - Chief Executive Officer (up to 31st July 2025)

Sandeep Somani - Chief Financial Officer (up to 3rd January 2025)

Sunil Kumar Jain (from 11th August 2025)

D Fellow Subsidiaries

Aditya Birla Financial Limited

Aditya Birla Money Limited

Aditya Birla Money Mart Limited

Aditya Birla Sun Life 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 years ended 31st March 2026 and 31st March,2025

₹ in Lakh

Sr. No.	Particulars	Year ended 31st March 2026	Year ended 31st March,2025
A	**Ultimate Holding Company**		
1	**Transactions during the year ***		
	Grasim Industries Limited (Transfer of Employee Benefits on Employee Transfer-out)	-	0.56
B	**Holding Company**		
1	**Transactions during the year ***		
	Aditya Birla Capital Limited (Issue of Compulsorily Convertible Preference Shares)	-	-
	Aditya Birla Capital Limited (ICD Taken)	-	-
	Aditya Birla Capital Limited (ICD Redeemed)	-	600.00
	Aditya Birla Capital Limited (ICD Interest)	-	11.76
2	**Balance Outstanding**		
	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 (Other - Payables)	-	1.89
C	**Directors and Key Management Personnel**		
1	**Transactions during the year***		
	KMP Remuneration	948.64	405.62
	Sandeep Somani (Sale of Vehicle)	-	4.76
	Sanjay Jain (Sale of Vehicle) (till 31st July-2025)	30.00	-
	Venkatraman Ravi (Sitting Fees)	-	3.00

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

₹ in Lakh

Sr. No.	Particulars	Year ended 31st March 2026	Year ended 31st March,2025
	Sharadkumar Bhatia (Sitting Fees)	6.75	7.90
	Sethurathnam Ravi (Sitting Fees)	9.35	8.80
	Kumar Sharadindu (Sitting Fees)	6.75	0.75
2	**Balance Outstanding**		
	Sharadkumar Bhatia	-	0.75
	Sethurathnam Ravi	-	0.75
	Kumar Sharadindu	-	0.75
D	**Fellow Subsidiaries**		
1	**Transactions during the year***		
i	**Expenses Reimbursement**		
	Aditya Birla Stressed Asset AMC Private Limited (Payroll Expense)	3.33	59.12
	Aditya Birla Housing Finance Limited (Payroll-VPay Expense)	15.75	23.53
	Aditya Birla Financial Shared Services Limited (Payroll Expense)	8.11	1.54
	Aditya Birla Housing Finance Limited (Payroll-LTIP Expense)	46.10	7.50
	Aditya Birla Housing Finance Limited (Payroll Expense)	38.79	44.04
	Aditya Birla Money Limited (Professional Fees)	0.03	-
ii	**Expense Recovery**		
	Aditya Birla Stressed Asset AMC Private Limited (Insurance Expense)	0.62	1.23
	Aditya Birla Stressed Asset AMC Private Limited (Professional Expense)	-	0.02
	Aditya Birla Housing Finance Limited (GMC Premium)	-	0.04
	Aditya Birla Money Limited (Payroll Expense)	-	2.20
	Aditya Birla Financial Shared Services Limited (Space Sharing)	14.29	-
	Aditya Birla Health Insurance (Space Sharing)	45.73	-
iii	**Expenses**		
	Aditya Birla Money Limited (Custodian Fees)	0.00	0.01
	Aditya Birla Sun Life Insurance Company Limited (Insurance Expense)	1.09	-
	Aditya Birla Capital Digital Limited (Staff Welfare)	0.01	0.08
iv	**Others**		
	Aditya Birla Housing Finance Limited (Transfer of Employee Benefits on Employee Transfer-out)	-	6.24
	Aditya Birla Capital Digital Limited (Transfer of Employee Benefits and Asset)	84.31	-
	Aditya Birla Capital Limited (Transfer of Employee Benefits on Employee Transfer-in)	12.15	-
v	**Advance for Expenses**		
	Aditya Birla Sun Life Insurance Company Limited (Insurance Premium Deposit)	0.68	0.67
2	**Balance Outstanding**		
i	**Receivables**		
	Aditya Birla Sun Life Insurance Company Limited	-	0.13
	Aditya Birla Capital Limited (Lending Business)	-	-
	Aditya Birla Financial Shared Services Limited (Space Sharing)	14.29	-
	Aditya Birla Health Insurance (Space Sharing)	45.73	-
ii	**Payables**		
	Aditya Birla Stressed Asset AMC Private Limited	-	0.23

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

₹ in Lakh

Sr. No.	Particulars	Year ended 31st March 2026	Year ended 31st March,2025
	Aditya Birla Housing Finance Limited	14.79	48.36
	Aditya Birla Capital Digital Limited	-	0.01
E	**Associate of Holding Company**		
1	**Transactions during the year ***		
i	**Expenses Reimbursement**		
	Aditya Birla Sun Life AMC Limited (Payroll Expense)	145.02	24.92
	Aditya Birla Sun Life AMC Limited (Transfer of Employee Benefits on Employee Transfer-out)	-	4.78
2	**Balance Outstanding**		
i	**Payables**		
	Aditya Birla Sun Life AMC Limited	-	8.83
F	**Joint Venture of Holding Company**		
1	**Transactions during the year ***		
i	**Expenses**		
	Aditya Birla Wellness Private Limited (Staff Welfare Expense)	0.11	0.09
2	**Balance Outstanding**		
i	**Payables**		
	Aditya Birla Wellness Private Limited	-	0.09
G	**Post-Employment Benefit Plan**		
1	**Transactions during the year ***		
i	**Others**		
	Grasim Industries Limited -Employes Gratuity Trust Fund (Fund Withdrawal)	23.95	4.18
2	**Balance Outstanding**		
i	**Receivables**		
	Grasim Industries Limited - Employee Gratuity Trust Fund (Amount Paid towards Gratuity)	52.87	75.06

* All amounts are exclusive of GST.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

NOTE: 34 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.

(₹ in Lakh)

	31st March 2026			31st March 2025		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
ASSETS						
Financial Assets						
Cash and Cash Equivalents	545.18	-	545.18	44,773.24	-	44,773.24
Bank Balance other than above	1,19,079.46	2,754.20	1,21,833.67	69,550.95	743.46	70,294.41
Trade Receivables	60.13	-	60.13	-	-	-
Loans	-	-	-	-	-	-
Investments	5,900.37	-	5,900.37	4,442.55	1,446.31	5,888.86
Other Financial Assets	-	45.17	45.17	3.65	40.20	43.85
Non-Financial Assets						
Current Tax Asset	-	5,659.37	5,659.37	-	5,880.65	5,880.65
Property, Plant and Equipment	-	31.42	31.42	-	72.82	72.82
Other Intangible Assets	-	-	-	-	7.12	7.12
Right-to-Use of Assets	-	171.96	171.96	-	252.95	252.95
Other Non-Financial Assets	389.65	-	389.65	155.34	-	155.34
Total Assets	**1,25,974.79**	**8,662.12**	**1,34,636.92**	**1,18,925.73**	**8,443.51**	**1,27,369.24**
LIABILITIES						
Financial Liabilities						
Trade Payables						
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	42.55	-	42.55	109.45	-	109.45
Debt Securities	24,978.71	-	24,978.71	22,767.50	-	22,767.50
Subordinate Liabilities	-	3,200.00	3,200.00	-	3,200.00	3,200.00
Lease Liabilities	104.04	112.83	216.87	99.08	200.72	299.80
Other Financial Liabilities	56,477.44	-	56,477.44	53,159.19	-	53,159.19
Non-Financial Liabilities						
Provisions	209.34	2.89	212.23	182.69	119.81	302.50
Deferred Tax Liabilities (Net)	-	527.09	527.09	-	833.69	833.69
Other Non-Financial Liabilities	34.76	-	34.76	1,011.35	-	1,011.35
Equity						
Equity Share Capital	-	10,000.00	10,000.00	-	10,000.00	10,000.00
Other Equity	-	38,947.27	38,947.27	-	35,685.76	35,685.76
Total Liabilities	**81,846.84**	**52,790.08**	**1,34,636.92**	**77,329.27**	**50,039.97**	**1,27,369.24**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

NOTE: 35 | EMPLOYEE BENEFIT DISCLOSURES

Defined Contribution Plan

The amounts charged to the Consolidated Statement of Profit and Loss during the year for Provident Fund contribution aggregates to ₹ 10.96 lakh (31st March 2025 – ₹ 18.37 lakh).

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.

Interest Rate Risk:

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in the financial statements).

Liquidity Risk:

This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non-availabilty of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Regulatory Risk:

Gratuity benefit is paid in accordance with the requirements of Chapter V (Gratuity) of the Code on Social Security, 2020 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of ₹ 20,00,000).

Investment Risk:

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

The following tables summarise the components of net benefit expense recognised in the Consolidated Statement of Profit and Loss and the Consolidated Balance Sheet for the gratuity plan of the Company.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

Amounts recognised in the Consolidated Balance Sheet in respect of Gratuity

(₹ in Lakh)

Particulars	31st March 2026	31st March,2025
Opening Defined Benefit Obligations	39.31	43.84
Current Service Cost	3.03	7.23
Interest Cost	2.52	3.13
Acturial Changes Arising from Changes in Demographic Assumptions	(3.16)	(5.04)
Acturial Changes Arising From Changes In Financial Assumptions	(2.37)	1.44
Acturial Changes Arising from Changes in Experience Assumptions	(22.67)	(3.65)
Past Service Cost	1.65	-
Add: Benefits Paid including Transfer in/out	22.21	(7.66)
Present Value of Defined Benefit Obligation	40.52	39.31

Changes in Fair Value of Plan Assets

(₹ in Lakh)

Particulars	31st March 2026	31st March,2025
Opening Fair Value of the Plan Assets	75.06	73.53
Interest Income on the Plan Assets	4.68	5.25
Employers Contribution	-	-
Benefits Paid	(23.95)	(4.18)
Return on Plan Assets	(2.92)	0.46
Closing Fair Value of the Plan Assets	52.87	75.06

Amounts recognised in Employee Benefits Expenses in the Consolidated Statement of Profit and Loss in respect of Gratuity

(₹ in Lakh)

Particulars	31st March 2026	31st March,2025
In Consolidated Statement of Profit and Loss	4.68	7.23
Interest on Net Defined Benefit Liabilities/(assets)	(2.16)	(2.12)
Total Expenses Recognised for the period	**2.52**	**5.11**

Other Comprehensive Income:

(₹ in Lakh)

Particulars	31st March 2026	31st March,2025
Actuarial (Gains)/Losses		
Actual Return on Plan Assets Excluding Amount Recognised in Net Interest Expense	2.92	(0.46)
Actuarial Changes Arising from Change		
- Demographic Assumptions	(3.16)	(5.04)
- Financial Assumptions	(2.37)	1.44
- Experience Variance	(22.67)	(3.65)
Remeasurement (or Actuarial) (Gain)/Loss arising because of change in effect of asset ceiling	-	-
Components of defined Benefit Costs Recognised in OCI	(25.27)	(7.71)

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

b) Maturity Profile of Defined Benefit Obligation

(₹ in Lakh)

Weighted Average Duration (based on discounted cashflows)	2 years
Expected cash flows over the next (valued on undiscounted basis):	
1 year	13.83
2 to 5 years	26.52
6 to 10 years	8.53
More than 10 years	0.35

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	31st March 2026	31st March,2025
Discount Rate (per anumn)	6.45%	6.50%
Salary Growth Rate (per anumn)	8%	10%
Decrement Adjusted remaining working life (years)	2.31	3.35

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, senority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

f) Demographic Assumptions

(₹ in Lakh)

Particulars	31st March 2026	31st March,2025
Mortality Rate	100% of IALM 2012-24	100% of IALM 2012-24
Normal Retirement Age	60 years	60 years
Attrition/Withdrawal Rate (per anumn)	35%	25%

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	31st March 2026	31st March,2025
Government of India Securities	0.78%	1.73%
State Govt. Securities	1.98%	2.23%
High Quality Corporate Bonds	0.23%	0.28%
Fund Managed by Insurers	31.33%	40.81%
Other Investments	65.68%	54.95%
Total	**100.00%**	**100.00%**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

Sensitivity Analysis

(₹ in Lakh)

Description	31st March 2026		31st March,2025	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+ 0.5%)	41.09	39.96	40.03	38.61
(% change compared to base due to sensitivity)	1.40%	-1.40%	1.80%	-1.80%
Salary Growth (-/+ 0.5%)	39.96	41.08	38.62	40.01
(% change compared to base due to sensitivity)	-1.40%	1.40%	-1.70%	1.80%
Attrition Rate (-/+ 50%)	46.96	38.63	46.42	36.16
(% change compared to base due to sensitivity)	15.90%	-4.70%	18.10%	-8.00%
Mortality Rate (-/+ 10%)	40.48	40.56	39.27	39.35
(% 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: 36 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.

NOTE: 37 INCOME TAX DISCLOSURE

Current tax for the year of ₹ 2,815.14 lakh (31st March 2025 - ₹ 26,227.32 lakh).

The major components of income tax expense for the years ended Consolidated Statement of Profit and Loss:

(₹ in Lakh)

Profit or Loss Section	31st March 2026	31st March 2025
Current Tax	2,815.14	26,227.32
Excess provision for tax related to earlier years	83.98	-
Deferred tax	(312.96)	(2,168.45)
Income Tax expense reported in the Statement of Profit and Loss	**2,586.16**	**24,058.87**

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

(₹ in Lakh)

		31st March 2026	31st March 2025
A)	Income Before Income Tax	5,828.76	43,030.49
B)	Enacted Tax Rate in India	25.168%	25.168%
C)	Expected Tax Expense (A*B)	1,466.98	10,829.91
D)	Permanent Tax Disallowances	109.41	17.71
E)	Brought forward capital loss not considered in the deferred tax asset in earlier years considered in current year	-	-
F)	Amount Attributable to Varde Partners (Refer Note 25.1)	967.08	13,213.20
G)	Tax on Difference Rates	0.80	-
H)	OCI Adjustment	(6.36)	(1.95)
I)	Other Adjustments	48.25	-
Income Tax Expense reported in the Consolidated Statement of Profit and Loss		**2,586.16**	**24,058.87**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

(₹ in Lakh)

	31st March 2026	31st March 2025
Deferred Tax:		
Deferred Tax relates to the following:		
Balance Sheet	**31st March 2026**	**31st March 2025**
Deferred Tax Liabilities		
Marked to Market Value of Investment	522.58	951.42
Unrealised Interest Income on Tax Refund	75.25	11.85
Right-to-use of Assets	43.28	63.66
OCI	6.36	-
Sub-total A	**647.47**	**1,026.93**
Deferred Tax Assets		
Leave Encashment	(1.18)	(1.97)
Difference in WDV between Companies Act and Income Tax Act	(21.03)	(17.45)
Lease Liabilities	(54.56)	(75.45)
Security Deposits on Lease	(1.57)	(2.82)
Employee LTIP Provision	(38.85)	(50.18)
Employee Deferred Compensation Provision	(3.18)	(14.09)
Deemed Income from Securitisation Trusts	-	(5.56)
Brought Forward Capital Losses	-	(25.72)
Sub-Total B	**(120.38)**	**(193.24)**
Net Deferred Tax Liabilities	**527.09**	**833.69**

Reflected in the Consolidated Balance Sheet as follows:	31st March 2026	31st March 2025
Deferred Tax Assets	(120.38)	(193.24)
Deferred Tax Liabilities	647.47	1,026.93
Deferred Tax (Assets)/Liabilities (Net)	**527.09**	**833.69**

Reconciliation of Deferred Tax Liabilities (Net)	31st March 2026	31st March 2025
Opening Balance as of 1st April 2025	**833.69**	**3,000.20**
Tax Expense during the period recognised in profit and loss	(312.96)	(2,168.45)
Tax Expense/(Income) during the period recognised in OCI	6.36	1.94
Closing Balance as at 31st March 2026	**527.09**	**833.69**

NOTE: 38 LEASES

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

(₹ in Lakh)

Particulars	Category of ROU Asset Leasehold premises	
	Year ended 31st March 2026	Year ended 31st March 2025
Balance as at 1st April 2025	**252.95**	**333.94**
Additions	-	-
Deletions	-	-
Depreciation	(80.99)	(80.99)
Balance as at 31st March 2026	**171.96**	**252.95**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

Amounts Recognised in Profit and Loss

(₹ in Lakh)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Depreciation Expense on Right-of-Use Assets	80.99	80.99
Interest Expense on Lease Liabilities	19.75	25.75

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

(₹ in Lakh)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Current Lease Liabilities	104.04	99.08
Non-Current Lease Liabilities	112.83	200.72
Total	**216.87**	**299.80**

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

(₹ in Lakh)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Balance as at 1st April 2025	**299.80**	**371.84**
Additions	-	-
Finance Cost Accrued during the period	19.75	25.75
Deletions	-	-
Payment of Lease Liabilities	(102.68)	(97.79)
Balance as at 31st March 2026	**216.87**	**299.80**

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

(₹ in Lakh)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Less than one year	107.80	102.67
One to five years	126.97	234.77
More than five years	-	-
Total	**234.77**	**337.44**

The Group does not face any 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.

NOTE: 39 FAIR VALUE

The following table provides the comparison of carrying value and fair value of the Company's Financial Assets and Liabilities as at 31st March 2026 and 31st March 2025.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

As at 31st March 2026

(₹ in Lakh)

Financial Assets	Carrying Value	Fair Value
Cash and Cash Equivalents	545.18	545.18
Bank Balance other than Cash and Cash Equivalents	1,21,833.67	1,21,833.67
Trade Receivables	60.13	60.13
Investments Unquoted (FVTPL)	5,900.37	5,900.37
Other Financial Assets	45.17	45.17
Total	**1,28,384.52**	**1,28,384.52**

Financial Liabilities	Carrying Value	Fair Value
Trade Payables	42.55	42.55
Debt Securities	24,978.71	24,978.71
Compulsorily Convertible Preference Shares	3,200.00	2,956.19
Lease Liabilities	216.87	216.87
Other Financial Liabilities	56,477.44	56,477.44
Total	**84,915.57**	**84,671.76**

As at 31st March 2025

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
Other Financial Assets	41.88	41.88
Total	**1,20,998.39**	**1,20,998.39**

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
Other Financial Liabilities	53,159.19	53,159.19
Total	**79,535.94**	**79,535.94**

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 31st March 2026

NOTE: 40 FAIR VALUE HIERARCHY

Following table provides the fair value measurement hierarchy of the Company's assets and liabilities as on 31st March 2026 and 31st March 2025

As at 31st March 2026

(₹ in Lakh)

Financial Assets	Date of Valuation	Total	Level 1	Level 2*	Level 3
Investments Unquoted (FVTPL)	31-03-2026	5,900.37	-	3,968.26	1,932.11

Financial Assets and 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
Financial Assets					
Other Financial Assets	31-03-2026	45.17	-	-	45.17
Financial Liabilities					
Trade Payables	31-03-2026	42.55	-	-	42.55
Debt Securities	31-03-2026	24,978.71	-	-	24,978.71
Compulsorily Convertible Preference Shares	31-03-2026	3,200.00	-	-	3,200.00
Lease Liabilities	31-03-2026	216.87	-	-	216.87
Other Financial Liabilities	31-03-2026	56,477.44	-	-	56,477.44

As at 31st 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 and 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
Financial Assets					
Other Financial Asset	31-03-2025	41.88	-	-	41.88
Financial Liabilities					
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
Other Financial Liabilities	31-03-2025	53,159.19	-	-	53,159.19

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 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 years ended 31st March 2026 and year ended 31st March 2025.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

Movement in Level 3 Financial Instruments measured at Fair Value

(₹ in Lakh)

Financial Assets	Investments Unquoted (in SRs)	
Particulars	**As at 31st March 2026**	**As at 31st March 2025**
As at the beginning of the year	3,736.47	55,784.98
Investments	-	-
Redemptions/Write Offs	-	(43,358.25)
Gains for the year recognised in profit or loss	(1,804.36)	(8,690.26)
At the end of the year	**1,932.11**	**3,736.47**
Unrealised Gains related to balances held at the end of the year	(1,804.36)	(8,690.26)

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

(₹ in Lakh)

Type of Financial Instruments	Fair Value of Asset as on 31st March 2026	Valuation Techniques	Significant Unobservable Input
Investments Unquoted (FVTPL)	1,932.11	Discounted Projected Cash Flow	Expected Gross Recoveries* and Discount Rates

(₹ in Lakh)

Type of Financial Instruments	Fair Value of Asset as on 31st March 2025	Valuation Techniques	Significant Unobservable Input
Investments Unquoted (FVTPL)	3,736.47	Discounted Projected Cash Flow	Expected Gross Recoveries* and Discount Rates

*Expected Gross Recoveries are pertaining to the overall assets under the 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.

Sensetive Analysis

Particulars	Unobservable Input	Sensitive	Impact of Change in Rates on Total Comprehensive Income			
			As at 31st March 2026		As at 31st March 2025	
			Favourable	Unfavourable	Favourable	Unfavourable
Investment in SRs	Net Asset Value	1%	8.28	-8.17	23.45	(23.04)

Qualitative Analysis of Significant Unobservable Inputs

Discount Margin/Spread

Discount margins/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 quaity 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 negotiaitions with counterparty.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

NOTE: 41 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 31st March 2026	As at 31st March 2025
Debt Securities	24,978.71	22,767.50
Lease Liabilities	216.87	299.80
Compulsorily Convertible Preferences Shares	3,200.00	3,200.00
Total Equity	10,000.00	10,000.00
Total Capital	**38,395.58**	**36,267.30**

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 31st March 2026

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

(₹ in Lakh)

Year ended 31st March 2026	On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	> 5 Years	Total
Trade and Other Payables	-	42.37	0.18	-	-	42.55
Debt Securities*	-	24,978.71	-	-	-	24,978.71
Compulsorily Convertible Preference Shares	-	-	-	3,200.00	-	3,200.00
Lease Liabilities	-	26.25	81.32	109.30	-	216.87
Other Financial Liabilities	-	134.95	56,342.49	-	-	56,477.44
Total	**-**	**25,182.28**	**56,423.99**	**3,309.30**	**-**	**84,915.57**

(₹ in Lakh)

Year ended 31st 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
Total	**-**	**23,271.12**	**52,864.10**	**3,400.72**	**-**	**79,535.94**

* 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 31st March 2026	On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	> 5 Years	Total
Cash and Cash Equivalents	545.18	-	-	-	-	545.18
Fixed Deposit Accounts	-	46,256.57	72,822.89	2,754.20	-	1,21,833.67
Investments	-	3,968.26	1,932.11	-	-	5,900.37
Other Financial Assets	-	-	-	45.17	-	45.17
Total	**545.18**	**50,224.83**	**74,755.00**	**2,799.37**	**-**	**1,28,324.39**

(₹ in Lakh)

Year ended 31st March 2025	On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	> 5 Years	Total
Cash and 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
Total	**111.21**	**48,046.09**	**70,613.09**	**2,229.97**	**-**	**1,21,000.36**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

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 the 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 the following financial assets represent the maximum credit risk exposure:

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Trade Receivables	60.13	-
Investments Unquoted(FVTPL)	5,900.37	5,888.86
Others Financial Assets	45.17	41.88
Total	**6,005.67**	**5,930.74**

NOTE: 42 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(₹ in Lakh)

Particulars	1st April 2025	Cash Flows	Interest	31st March 2026
Debt Securities	22,767.50	(379.99)	2,591.20	24,978.71
Borrowings (other than Debt Securities)	-	-	-	-
Subordinate Liabilities	3,200.00	-	-	3,200.00

(₹ in Lakh)

Particulars	1st April 2024	Cash Flows	Interest	31st 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

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

NOTE: 43 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.

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 at 31st March 2026		As at31st March 2025	
		Investments in Security Receipts	SRs issued by Trust	SRs subscribed by the 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 securitisation and assets reconstruction	Acting as trustee to the Trusts	3,93,53,782	59,03,067	3,93,78,610	59,06,791

The following table sets out an analysis of the carrying amount of interest held by the Company in unconsolidated structure entities. The maximum exposure to loss in carrying amount of the asset held is as below:

(₹ in Lakh)

Carrying Amount	As at 31st March 2026	As at 31st March 2025
Investment in SR	1,932.11	3,736.47
Reimbursement from Trusts	0.11	-
Receivables	60.02	-

NOTE: 44 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 31st March 2026	For the year ended 31st March 2025
Primary Geographical market		
India	1,541.86	3,044.08
Total	**1,541.86**	**3,044.08**
Major Products/Service Lines		
Fee Income	1,013.28	2,815.21
Other Fees	528.58	228.87
Total	**1,541.86**	**3,044.08**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

(₹ in Lakh)

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Timing of Revenue Recognition		
At a point in time	1,541.86	3,044.08
Over a period of time	-	-
Total	**1,541.86**	**3,044.08**

The following table provides information about contract balances:

(₹ in Lakh)

Particulars	As at 31st March 2026	As at 31st March 2025
Receivables	60.13	-

NOTE: 45 LABOUR CODE

The Government of India has implemented four new Labour Codes ("Codes"), including the Code on Wages, 2019, with effect from November 21st 2025. The Company has assessed the incremental impact of implementation of these Codes on employee benefit obligations based on an actuarial valuation for gratuity and has recognised an amount of ₹ 1.64 Lakh in the Consolidated Statement of Profit and Loss for the year ended 31st March 2026.

The Government is in the process of notifying the related rules under the new Labour Codes. Any additional impact arising from such rules, if any, will be evaluated and recognised in accordance with the applicable accounting standards in the period in which the rules are notified and become effective.

NOTE: 46 CONTINGENT LIABILITES

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 31st March 2026 and 31st March 2025.

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

NOTE: 47 CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is Nil as at 31st March 2026 and 31st March 2025.

NOTE: 48 LONG-TERM CONTRACTS

The Group doesn't have long term contract including Derivative contract as at 31st March 2026 and 31st March 2025.

NOTE: 49 EVENTS AFTER THE REPORTING DATE

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

NOTE: 50 TRANSACTIONS WITH STRUCK-OFF COMPANIES

The Group has not entered into any transactions with struck-off companies during the years ended 31st March 2026 and 31st March 2025.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

NOTE: 51 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 "Acquistion 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: 52 DISCLOSURE IN RESPECT OF EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

(₹ in Lakh)

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Opening Balance [A]	-	8.83
Amount Required to be spent during the year [B]	434.45	70.35
Amount Spent during the year [C]	371.67	61.52
(Shortfall)/Excess for the year [A] - [B] + [C]	(62.78)	-
Total of previous year shortfall	-	-
Reason for shortfall	NA	NA
Nature of Expenses		
Promoting Healthcare	371.67	61.52
Where a provision is made with respect to a liability incurred by entering into a conrtractual obligation, the amount of provision made and movements in the provision during the year, if applicable.	NA	NA

NOTE: 53 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 31st March 2026 and 31st March 2025.

NOTE: 54 BUSINESS PLAN

The Company does not have any plan for further investment in the securitisation trusts and is in the process of resolution of the financial assets held by the existing securitisation trusts.

NOTE: 55 WILFUL DEFAULTER

The Group is not declared as a wilful defaulter by any bank or financial institution or any other lender as at 31st March 2026 and 31st March 2025.

NOTE: 56 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 31st March 2026 and 31st March 2025.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2026

NOTE: 57 MICRO, SMALL AND MEDIUM ENTERPRISES

As per information available with the Company, the Company has made payment to creditors within the 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: 58 DEBENTURE REDEMPTION RESERVE

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.

NOTE: 59

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: 60 PRIOR YEAR COMPARATIVES

Previous year figures have been regrouped/reclassified wherever necessary to conform to the current year’s presentation.

As per our report even date attached

For C N K & Associates LLP
ICAI Firm Registration No.:- 101961W/W-100036
Chartered Accountants

Hiren Shah
Partner
Membership No. 100052

Place: Mumbai
Date: 21st April 2026

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

Tushar Shah
Director
DIN-00239762

Pinky Mehta
Director
DIN-00020429

Sharad Agarwal
Manager

Sunil Kumar Jain
Chief Financial Officer

Tanay Shah
Company Secretary

Aditya Birla ARC Limited
CIN: U65999MH2017PLC292331

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ADITYA BIRLA CAPITAL

Aditya Birla ARC Limited

ASSET RECONSTRUCTION