

Asset Reconstruction

Aditya Birla ARC Limited

(A subsidiary of Aditya Birla Capital Ltd.)



**ADITYA BIRLA
CAPITAL**

PROTECTING INVESTING FINANCING ADVISING

July 13, 2022

To,
The Deputy General Manager
Corporate Relationship Department
BSE Limited,
PJ Tower, Dalal Street,
Mumbai - 400 001

Scrip Code – 12777-974003

Dear Sir/Madam,

Subject: Outcome of Board Meeting held on July 13, 2022 under Regulation 51(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulations 51(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, we wish to inform you that the Board of Directors of Aditya Birla ARC Limited (the Company), at its Meeting held today Wednesday i.e. July 13, 2022, have, inter alia, considered and approved the Unaudited Financial Results of the Company for the quarter ended June 30, 2022.

Accordingly, please find enclosed the Unaudited Financial Results for the quarter ended June 30, 2022 along with Limited Review Report issued by the M/s CNK and Associates LLP.

The above meeting of the Board of Directors commenced at 2.40 p.m. and concluded at 3.00 p.m. The above is for your information, records and dissemination please.

Thanking You

**Yours Faithfully,
For Aditya Birla ARC Limited**

**Hiral Sidhpura
Company Secretary & Compliance Officer**

Place: Mumbai

Independent Auditor's Review Report on the Unaudited Standalone Financial Results of the Company pursuant to regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended

To
The Board of Directors of
Aditya Birla ARC Limited

1. We have reviewed the accompanying statement of Unaudited Standalone Financial Results of the Aditya Birla ARC Limited ('the Company') for the quarter ended 30th June, 2022 ('the Statement').
2. This statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34') prescribed under Section 133 of the Companies Act, 2013 ('the Act') as amended, read with and relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. Our responsibility is to issue a report on this Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard ('Ind AS') prescribed under Section 133 of the Act read with relevant rules issued thereunder and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of the Regulation 52 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, assets classification, provisioning and other related matters.

5. Other Matters

- a) The interim financial results of the Company for the quarter ended 30th June, 2021, prepared solely for the purpose of inclusion in the consolidated financial results of the Holding Company – Aditya Birla Capital Limited, were reviewed by erstwhile auditor whose review report dated 13th July, 2021, expressed an unmodified conclusion on those interim financial results. We have relied upon the said report for the purpose of our report on this Statement

- b) The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year up to 31st March, 2022 and the year to date figures up to 31st December, 2021, being the date of the end of the third quarter of the financial year which were subjected to limited review solely for the purpose of inclusion in the consolidated financial result of Holding Company – Aditya Birla Capital Limited.

For **C N K & Associates LLP**

Chartered Accountants

Firm Registration No. 101961W/W-100036

Hiren Shah

Partner

Membership No. 100052

Place: Mumbai

Date: 13th July, 2022

UDIN: 22100052AMTMQH8703

Aditya Birla ARC Limited
CIN: U65999MH2017PLC292331
Statement of Unaudited Standalone Financial Results for the Quarter ended 30th June, 2022

Rs. in Lakhs

Particulars	Quarter Ended 30th June 2022 (Unaudited) (Note 2)	Quarter Ended 31st March 2022 (Audited) (Note 3)	Quarter Ended 30th June 2021 (Unaudited) (Note 4)	Year Ended 31st March 2022 (Audited)
1 Revenue from operations				
(a) Fee Income	640.46	637.40	658.61	2,761.44
(b) Net Gain on Fair Value Changes	1,105.00	1,200.60	1,020.00	4,443.34
Total Revenue from Operations	1,745.46	1,838.00	1,678.61	7,204.78
2 Other Income	77.74	75.12	44.75	239.50
3 Total Income (1+2)	1,823.20	1,913.12	1,723.36	7,444.28
4 Expenses				
(a) Finance Costs	683.89	807.74	815.22	3,337.83
(b) Impairment on Financial Instruments	(0.52)	0.77	(0.79)	2.94
(c) Employee benefits expense	220.67	346.49	198.84	1,001.85
(d) Depreciation and amortisation expenses	24.04	23.91	22.41	92.17
(e) Other expenses	46.90	34.01	36.73	129.96
Total Expenses	974.98	1,212.92	1,072.41	4,564.75
5 Profit before tax (3-4)	848.22	700.20	650.95	2,879.53
6 Tax Expenses				
Current Tax	167.85	87.51	-	546.04
Excess Provision for Tax Related to Earlier Years (Net)	-	(10.08)	-	(10.08)
Deferred Tax	45.98	94.30	162.15	176.63
Tax Expenses	213.83	171.73	162.15	712.59
7 Profit for the period/year (5-6)	634.39	528.47	488.80	2,166.94
8 Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
i Remeasurement of the net defined benefit liability/asset (net)	17.57	0.55	(9.09)	(10.77)
ii Income tax relating to items that will not be reclassified to profit and loss	4.42	0.14	(2.29)	(2.71)
Other Comprehensive Income (i-ii)	13.15	0.41	(6.80)	(8.06)
9 Total Comprehensive Income for the period/year (7+8)	647.54	528.88	482.00	2,158.88
10 Paid Up Equity Share Capital (Face Value of Rs. 10 each)	10,000.00	10,000.00	10,000.00	10,000.00
11 Reserves				4,773.85
12 Earnings per equity share :				
Basic - (Rs.)	0.63	0.52	0.48	2.12
Diluted - (Rs.) (Face Value of Rs. 10 each)	0.62	0.51	0.47	2.08
Note: Basic and Diluted EPS is not annualised for the quarter ended results				

Notes

- The above standalone financial results of Aditya Birla ARC Limited ("the Company") have been approved by the Board of Directors at its meeting held on 13th July 2022.
- The Unaudited financial Results of the Company for the quarter ended 30th June 2022 have been subjected to limited review by the statutory auditors.
- The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year upto 31st March 2022 and the year to date figures upto 31st December 2021, being the date of the end of the third quarter of the financial year which were subjected to limited review solely for the purpose of inclusion in the consolidated financials of the holding company.
- The Unaudited financial Results of the Company for the quarter ended 30th June 2021 have been subjected to limited review by the erstwhile auditors solely for the purpose of inclusion in the consolidated financials of the holding company.
- The above financial results have been prepared as per the format prescribed in Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Information as required by Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed as Appendix I.
- The Company operates in a single reportable operating segment of asset reconstruction business as per the requirements of Ind AS 108 - Operating Segment.
- The table below provides information with respect to Senior, Secured, Rated, Listed, Market Linked, Redeemable, Principal Protected Market Linked Debentures (MLDs) issued and outstanding as on 30th June 2022:

Particulars	Issue date	Redemption date	Outstanding as at 30th June 2022 (Rs. In lakhs)	Rating
ABARC NCD Series PPMFD FY 2022-23	20th June 2022	20th December 2023	5,000.00	CARE PP-MLD AA; Stable

Security Details

The Company has pledged and hypothecated 3,18,750 Security Receipts (SRs) of 'ABARC-AST-006-TRUST SECURITY RECEIPT CLASS A 29SEP20' and 1,59,375 SRs of 'ABARC-AST-006-TRUST SECURITY RECEIPT CLASS B 29SEP20' having NAV of Rs. 1,304.19/- and Rs. 1,122.17/- respectively. The security cover for the MLDs issued by the Company has been maintained as per the terms of the Information Memorandum and Debenture Trust Deed and is sufficient to discharge principal amount and interest thereon.

- The table below provides information with respect to Unlisted Non Convertible Debentures issued and outstanding as on 30th June 2022:

Particulars	Issue date	Redemption date	Outstanding as at 30th June 2022 (Rs. In lakhs)	Rating
Unlisted, unrated and redeemable non-convertible debentures (NCD 1)	20th December 2019	19th December 2027	9,065.00	Unrated
Unlisted, unrated and redeemable non-convertible debentures (NCD 2)	20th February 2020	19th February 2028	1,608.84	Unrated
Unlisted, unrated and redeemable non-convertible debentures (NCD 3)	28th September 2021	27th September 2029	7,142.41	Unrated

Security Details

First ranking and exclusive charge by way of hypothecation over the Debt Service Trust Accounts - 'ADITYA BIRLA ARC LIMITED DSTA 002', 'ADITYA BIRLA ARC LIMITED DSTA 003' and 'ADITYA BIRLA ARC LIMITED DSTA 009' against NCD 1, NCD 2 and NCD 3 respectively and the ARC Security Receipts Distributions, as per the terms set-out in the Deed of Hypothecation. 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, Company will create the pledge.

- Previous quarter / year figures have been regrouped / rearranged wherever necessary to conform to the current quarter figures.

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

Tushar Shah
Director
DIN-00239762
Mumbai, 13th July 2022

Below is the information as required by Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Sr. No.	Particulars	Standalone As on June 30, 2022
1	Debt-Equity Ratio *	1.81
2	Debt service coverage ratio	0.05
3	Interest service coverage ratio	2.28
4	Outstanding Redeemable Preference Shares (quantity and value)	-
5	Capital Redemption Reserve/Debenture Redemption Reserve (Rs. In lakhs)	-
6	Net Worth (Rs. In lakhs)	18,121.39
7	Net Profit after tax (Rs. In lakhs)	634.39
8	Earnings per share (Basic, not annualised)	0.63
9	Earnings per share (Diluted, not annualised)	0.62
10	Current Ratio	2.48
11	Long term debt to working capital *	1.09
12	Bad debts to Accounts Receivable ratio	-
13	Current liability ratio (current liability to total liability)	0.24
14	Total debts to total assets *	0.61
15	Debtors' turnover	NA
16	Inventory turnover	NA
17	Operating margin(%)**	NA
18	Net profit margin (%)	36.35%
19	Capital Risk Adequacy Ratio (%)	29.84%

* Compulsorily Convertible Preference Shares (CCPS) is considered as a part of Equity and not as Debt for the purpose of calculating the ratios.

** Operating margin (%) will not be applicable to the Company as the Company is in the Service sector of Asset Reconstruction Business.

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

Tushar Shah
Director
DIN-00239762
Mumbai, 13th July 2022

Independent Auditor's Review Report on the Unaudited Consolidated Financial Results of the Company pursuant to regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended

Review Report to
The Board of Directors Aditya Birla ARC Limited

1. We have reviewed the accompanying statement of Unaudited Consolidated Financial Results of Aditya Birla ARC Limited (the "Company") and its Trusts (the Company and its Trusts together referred to as "the Group") for the quarter ended 30th June, 2022 ("the Statement").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations, 2015 as amended. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. The Statement includes the management certified results of ABARC-AST-001-Trust, ABARC-AST-008-Trust and ABARC-AST-010-Trust (the "Trusts").
5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 prescribed under Section 133 of the Companies Act, 2013, as amended, or that it contains any material misstatement.
6. Other matters
 - a) The Interim financial results of the Company for the quarter ended 30th June, 2021 prepared solely for the purpose of inclusion in the consolidated financial results of Aditya Birla Capital Limited ("Holding Company"), were reviewed by erstwhile auditor whose review report dated 13th July, 2021 expressed an unmodified conclusion on those financial results. We have relied upon the said report for the purpose of our report on this Statement.
 - b) The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year upto 31st March, 2022 and the year to date figures upto 31st December, 2021, being the date of the end of the third quarter of the financial year which were subjected to review solely for the purpose of consolidation of the Holding Company.

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

Hiren Shah
Partner
Membership No: 100052
Place: Mumbai
Date: 13th July, 2022
UDIN: 22100052AMTNAA3297

Aditya Birla ARC Limited
CIN: U65999MH2017PLC292331
Statement of Unaudited Consolidated Financial Results for the Quarter ended 30th June, 2022

Rs. in Lakhs

Particulars	Quarter Ended 30th June 2022 (Unaudited) (Note 2)	Quarter Ended 31st March 2022 (Audited) (Note 3)	Quarter Ended 30th June 2021 (Unaudited) (Note 4)	Year Ended 31st March 2022 (Audited)
1 Revenue from operations				
(a) Fee Income	635.14	627.60	648.62	2,727.56
(b) Interest Income	15.90	-	-	-
(c) Net Gain on Fair Value Changes	1,105.00	1,200.60	1,020.00	4,443.34
Total Revenue from Operations	1,756.04	1,828.20	1,668.62	7,170.90
2 Other Income	77.74	76.18	44.75	240.56
3 Total Income (1+2)	1,833.78	1,904.38	1,713.37	7,411.46
4 Expenses				
(a) Finance Costs	683.89	807.74	815.22	3,337.83
(b) Impairment on Financial Instruments	(0.76)	2.29	(0.90)	2.97
(c) Employee benefits expense	220.67	346.49	198.84	1,001.85
(d) Depreciation and amortisation expenses	24.04	23.91	22.41	92.17
(e) Other expenses	48.25	35.54	37.08	144.21
Total Expenses	976.09	1,215.97	1,072.65	4,579.03
5 Profit before tax (3-4)	857.69	688.41	640.72	2,832.43
6 Tax Expenses				
Current Tax	167.85	87.51	-	546.04
Excess Provision for Tax Related to Earlier Years (Net)	-	(10.08)	-	(10.08)
Deferred Tax	45.98	94.30	162.15	176.63
Tax Expenses	213.83	171.73	162.15	712.59
7 Profit for the period/year (5-6)	643.86	516.68	478.57	2,119.84
8 Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
i Remeasurement of the net defined benefit liability/asset (net)	17.57	0.55	(9.09)	(10.77)
ii Income tax relating to items that will not be reclassified to profit and loss	4.42	0.14	(2.29)	(2.71)
Other Comprehensive Income (i-ii)	13.15	0.41	(6.80)	(8.06)
9 Total Comprehensive Income for the period/year (7+8)	657.01	517.09	471.77	2,111.78
10 Paid Up Equity Share Capital (Face Value of Rs. 10 each)	10,000.00	10,000.00	10,000.00	10,000.00
11 Reserves				4,724.10
12 Earnings per equity share :				
Basic - (Rs.)	0.64	0.52	0.48	2.12
Diluted - (Rs.) (Face Value of Rs. 10 each)	0.63	0.51	0.47	2.08
Note: Basic and Diluted EPS is not annualised for the quarter ended results				

Notes

- The Consolidated financial results comprises of results of Aditya Birla ARC Limited ("holding company" or "the Company") and its trusts (together referred to as "the Group"). The above consolidated financial results have been approved by the Board of Directors at its meeting held on 13th July 2022.
- The Unaudited financial Results of the Group for the quarter ended 30th June 2022 have been subjected to limited review by the statutory auditors.
- The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year upto 31st March 2022 and the year to date figures upto 31st December 2021, being the date of the end of the third quarter of the financial year which were subjected to limited review.
- The Unaudited financial Results of the Company for the quarter ended 30th June 2021 have been subjected to limited review by the erstwhile auditors solely for the purpose of inclusion in the consolidated financials of the holding company.
- The above financial results have been prepared as per the format prescribed in Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Information as required by Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed as Appendix I.
- The Group operates in a single reportable operating segment of asset reconstruction business as per the requirements of Ind AS 108 - Operating Segment.
- The table below provides information with respect to Senior, Secured, Rated, Listed, Market Linked, Redeemable, Principal Protected Market Linked Debentures (MLDs) issued and outstanding as on 30th June 2022:

Particulars	Issue date	Redemption date	Outstanding as at 30th June 2022 (Rs. In lakhs)	Rating
ABARC NCD Series PPMLD FY 2022-23	20th June 2022	20th December 2023	5,000.00	CARE PP-MLD AA; Stable

Security Details

The Company has pledged and hypothecated 3,18,750 Security Receipts (SRs) of 'ABARC-AST-006-TRUST SECURITY RECEIPT CLASS A 29SEP20' and 1,59,375 SRs of 'ABARC-AST-006-TRUST SECURITY RECEIPT CLASS B 29SEP20' having NAV of Rs. 1,304.19/- and Rs. 1,122.17/- respectively. The security cover for the MLDs issued by the Company has been maintained as per the terms of the Information Memorandum and Debenture Trust Deed and is sufficient to discharge principal amount and interest thereon.

- The table below provides information with respect to Unlisted Non Convertible Debentures issued and outstanding as on 30th June 2022:

Particulars	Issue date	Redemption date	Outstanding as at 30th June 2022 (Rs. In lakhs)	Rating
Unlisted, unrated and redeemable non-convertible debentures (NCDs)	20th December 2019	19th December 2027	9,065.00	Unrated
Unlisted, unrated and redeemable non-convertible debentures (NCDs)	20th February 2020	19th February 2028	1,608.84	Unrated
Unlisted, unrated and redeemable non-convertible debentures (NCDs)	28th September 2021	27th September 2029	7,142.41	Unrated

Security Details

First ranking and exclusive charge by way of hypothecation over the Debt Service Trust Accounts - 'ADITYA BIRLA ARC LIMITED DSTA 002', 'ADITYA BIRLA ARC LIMITED DSTA 003' and 'ADITYA BIRLA ARC LIMITED DSTA 009' against NCD 1, NCD 2 and NCD 3 respectively and the ARC Security Receipts Distributions, as per the terms set-out in the Deed of Hypothecation. 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, Company will create the pledge.

- Previous quarter / year figures have been regrouped / rearranged wherever necessary to conform to the current quarter figures.

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

Tushar Shah
Director
DIN-00239762
Mumbai, 13th July 2022

Below is the information as required by Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Sr. No.	Particulars	Consolidated As on June 30, 2022
1	Debt-Equity Ratio*	1.81
2	Debt service coverage ratio	0.05
3	Interest service coverage ratio	2.29
4	Outstanding Redeemable Preference Shares (quantity and value)	-
5	Capital Redemption Reserve/Debenture Redemption Reserve (Rs. In lakhs)	-
6	Net Worth (Rs. In lakhs)	18,081.11
7	Net Profit after tax (Rs. In lakhs)	643.86
8	Earnings per share (Basic, not annualised)	0.64
9	Earnings per share (Diluted, not annualised)	0.63
10	Current Ratio	2.48
11	Long term debt to working capital*	1.09
12	Bad debts to Accounts Receivable ratio	-
13	Current liability ratio (current liability to total liability)	0.24
14	Total debts to total assets*	0.61
15	Debtors' turnover	NA
16	Inventory turnover	NA
17	Operating margin(%)**	NA
18	Net profit margin (%)	36.67%

* Compulsorily Convertible Preference Shares (CCPS) is considered as a part of Equity and not as Debt for the purpose of calculating the ratios.

** Operating margin (%) will not be applicable to the Company as the Company is in the Service sector of Asset Reconstruction Business.

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

Tushar Shah
Director
DIN-00239762
Mumbai, 13th July 2022