

Edelweiss Asset Reconstruction Company Limited

Corporate Identity Number: U67100MH2007PLC174759

Financial Statements for the year ended March 31, 2026

Report on the Audit of The Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of **Edelweiss Asset Reconstruction Company Limited** (“the Company”), which comprise the Standalone Balance Sheet as at March 31, 2026 , the Standalone Statement of Profit and Loss (including the Other Comprehensive Income), the Standalone Statement of Cash Flows 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 and other explanatory information (hereinafter referred to as “the 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 (“Ind AS”) prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the standalone state of affairs of the Company as at March 31, 2026 and its Standalone Profit (including Other Comprehensive Income), its Standalone Cash Flows and the Standalone statement of Changes in Equity for the year ended on that date.

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the “Auditor’s Responsibilities for the Audit of the Standalone 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 (“the 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, made 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key audit matters are those matters that in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the year ended March 31, 2026. 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. For each matter below, our description of how our audit addressed the key audit matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the “Auditor’s responsibilities for the audit of the Standalone Financial Statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

Corporate Office: Fourth Floor, Rongee Tower, 99 Wall Street, Singapore 049315 (Korea) Tel: +65 6339 1111, Fax: +65 6339 1112

Ph. no. 22 4174 (46) email: info@cam.ac.uk, web: www.cam.ac.uk

Noida - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

Key audit matters	How our audit addressed the key audit matter
(A) Fair Valuation of Investments in Security Receipts (SR) (As described in Note 6 of the Standalone Financial Statements)	
The Company has Investment in SR amounts to Rs 21704.14 millions as disclosed in the Standalone Financial Statements, which are measured at Fair Value as per Ind AS 109 read with Ind AS 113. These Investment in SR are Level 3 as per Fair Value hierarchy given under Ind AS 113 and are determined through discounted cash flow method which involves management judgement such as projection of future cash flows and expenses. The management has involved credit rating agencies for valuation of SR. Considering the fair valuation of investments is significant to overall Standalone Financial Statements and the degree of management's judgment involved in the estimate, any error in the estimate could lead to material misstatement in the Standalone Financial Statements. Therefore, it is considered as a key audit matter.	• Our audit procedures included an assessment of internal controls over measurement of fair value and evaluating the methodologies, inputs, judgments made and assumptions used by management in determining fair values. • We evaluated rationale of the models and accounting treatment applied. We compared observable inputs against independent sources and externally available market data for sample cases. • We have performed testing on a sample basis of key inputs as mentioned above to validate the reasonableness of the input values. • We assessed disclosures included in the Standalone Financial Statements with respect to such fair valuation. • We have compared the rating provided by the independent rating agencies with Fair Valuation determined by the Company
(B) Impairment of Trade Receivable (As described in Note 4 of the Standalone Financial Statements)	
Trade receivables (net of impairment provision) outstanding as on March 31, 2026 are Rs. 554.93 millions. Significant portion of trade receivables comprises of management fees receivable from trusts where the Company is the trustee. Ind AS 109 Financial instruments (Ind AS 109) requires the Company to provide for impairment of its financial instruments (designated as amortized cost or fair value through Other Comprehensive Income) using the expected credit loss (ECL) approach. Such ECL allowance is required to be measured considering the guiding principles mentioned in the standard. The Company follows simplified approach for ECL on trade receivables and recognizes impairment loss allowance based on lifetime expected credit loss at each reporting date.	• Our audit procedures included considering the Company's board approved policies for impairment of trade receivable and assessing compliance with the policies in terms of Ind AS 109. • We assessed the design and tested the operating effectiveness of key controls over the computation of provision on trade receivables. • We obtained management's assessment of future cash flows and validated the assumptions with historical data on recovery and write off on trade receivables. • For sample cases we tested the computation of lifetime expected credit losses. • We tested the arithmetical accuracy of computation of ECL provision performed by the Company.



CHARTERED ACCOUNTANTS

Other Information

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

Noida - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

Other Information (Continued)

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the 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.

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

The Company's Management and Board of Directors are 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 read with the Companies (Indian Accounting Standards) Rules 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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.

In preparing the Standalone Financial Statements, Management and Board of Directors are 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 and Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management and the 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 on the basis of 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.

Registered office: 1 Floor, B-27 Sector 14, Connaught Place, New Delhi-110017

Corporate Office: Fourth Floor, Iconic Tower, Uktal Estate, Sangat Park, Kirti Nagar, New Delhi-110017

Ph: +91 22 4471 0400, Email: info@nangia.co.in, Website: www.nangia.co.in

Other offices: Ahmedabad - Bangalore - Chennai - Dehradun - Gurugram - Mumbai - Noida

Noida - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Standalone 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 and the Board of Directors.
- Conclude on the appropriateness of Management's and the Board of Director'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.

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.

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, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

Fig. 6. 12.4471 (40). www.mindgard.com, 1996. www.mindgard.com

Noida - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

(c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, and the Standalone Statement of Cash Flow and Standalone 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, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 over financial reporting of the Company with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with schedule V of the Act.

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

- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements - (Refer Note 35 to the Standalone Financial Statements).
- 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, as disclosed in the note 50.9 to the Standalone Financial Statements, during the year no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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, as disclosed in the note 50.9 to the Standalone Financial Statements, during the year no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

Corporate Office: Fourth Floor, Iconic Tower, DPH Building, Sampat Kaur Kalam Marg, L-10, Park, Mayapuri - 110016
Ph: +91 11 22 1174 9460, email: info@pranichem.com, website: pranichem.com

Noida - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

Report on Other Legal and Regulatory Requirements (Continued)

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b), contain any material misstatement.

- v. The final dividend paid by the Company, incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Company during the year is in accordance with Section 123 of the Act.

As stated in Note 49.2 to the Standalone Financial Statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- 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 has operated throughout the year for all relevant transactions recorded in the software. 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.

For **Nangia & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 002391C/N500069



Jaspreet Singh Bedi
Partner
Membership Number: 601788
UDIN: 26601788NZHGH8482

Place: Mumbai
Date: April 23, 2026

CHARTERED ACCOUNTANTS

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) In respect of the Company's property, plant and equipment and intangible assets:
- (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a)(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) All Property, Plant and Equipment were physically verified by the management in the previous years in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to information and explanations given to us, the title deeds of all the immovable properties are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year ended March 31, 2026.
- (e) According to information and explanations given to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) The Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on Clause (ii)(b) of the Order is not applicable to the Company.
- (iii) (a) The Company's principal business is to carry on business of an asset reconstruction and securitization and give loans for undertaking restructuring of acquired loan as permitted by Reserve Bank of India. Accordingly, Clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided to the Companies are not prejudicial to the Company's interest.
- (c) In respect of loans granted to Companies, the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular except in the following cases:

Corporate Office: Fourth Floor, Tower 1, One, URLL Estate, Sompot Market, Chonburi, Chon Buri Province - 42001
 Ph. +66 2 2474 2889 Email: info@pranachina.com, sales@pranachina.com

Noida - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

NANGIA & CO LLP

CHARTERED ACCOUNTANTS

Name/Type of the Entity	Amount (Rs. in Millions)	Due date	Extent of delay (In days)	Remarks, If any
Various Borrowers	2,300.47	Various due dates	More than one day from the due date	-
Multiple ARC Trusts	755.48	Various due dates	More than one day from the due date	-

(d) The following amounts are overdue for more than ninety days from Companies to whom loan has been granted, and reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.

Loan Given to	No. of cases	Total Overdue (Rs. in Millions)	Remarks, If any
Various Borrowers	4	2,300.47	-
Multiple ARC Trusts	184	669.16	-

(e) The Company's principal business is to carry on business of an asset reconstruction and securitization and give loans for undertaking restructuring of acquired loan as permitted by Reserve Bank of India. Accordingly, the provision of Clause 3(iii)(e) of the Order is not applicable to the Company.

(f) According to information and explanations given to us, the Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to Promoters, related parties as defined in clause 76 of Section 2 of Companies Act, 2013. Accordingly, the requirement to report clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, provisions of sections 185 and 186 of the Companies Act, 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and guarantees, and securities given have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, income tax and other statutory dues applicable to it. The provisions relating to employee's state insurance, duty of customs, sales-tax, duty of excise and value added tax are currently not applicable to the Company. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income-tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues on account of dispute.

(viii) According to the information and explanations given to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

Registered office: 2nd Floor, B-27 Soami Nagar, New Delhi-110017

Corporate Office: Fourth Floor, Iconic Tower, URMI Estate, Ganpat Rao Kadam Marg, Lower Panel, Mumbai - 400013

Ph : +91 22 4474 3400, email: info@nangia.com, website: www.nangia.com

LLP Registration NO - AAF10701 Incorporated with limited liability

Noida - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

CHARTERED ACCOUNTANTS

- | Nature of loan taken | Name of lender | Amount of loan (Rs. in millions) | Name of the subsidiary | Relation | Details of security pledged | Remarks |
|----------------------|----------------|----------------------------------|------------------------|------------|-----------------------------|---------|
| Term Loan | Kookmin Bank | 700.00 | Various ARC Trusts | Subsidiary | Security receipts | - |

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and accordingly, the requirement to report on Clause (x)(b) of the Order is not applicable to the Company.

- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

- (c) As represented to us by the management, there are no whistleblower complaints received by the company during the year.

- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

Corporate Office: Fourth Floor, Topaz Tower, United Bank, Sangre Real Parkway, Los Angeles, CA 90041
Tel.: +1 213 474 4400, email: info@chamco.com, website: www.chamco.com

Noida - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

NANGIA & CO LLP

CHARTERED ACCOUNTANTS

- (xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with sections 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) According to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report for the period under audit have been considered by us.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanation given to us, the Group has one core investment company as part of Group.
- (xvii) According to the information and explanations given to us and on the basis of our examination of records, the Company has not incurred any cash losses during the current financial year and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in Note 50.8 to the Standalone Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in Note 29b to the Standalone Financial Statements.

Registered office: 2nd Floor, B-17 Sector 14, New Delhi-110017

Corporate Office: Fourth Floor, Emaar Tower, 11th Mile, Saraj, Bengaluru-560015

Ph: +91 22 4471 2400, email: info@nangia.co, chartered@nangia.co

UDIPAN, Gurgaon (Haryana) - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

Noida - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

NANGIA & CO LLP

CHARTERED ACCOUNTANTS

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in Note 29b to the Standalone Financial Statements.

(xxi) The reporting under paragraph 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements.

For **Nangia & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 002391C/N500069



Jaspreet Singh Bedi

Partner

Membership Number: 601788

UDIN: 26601788NZHGH8482

Place: Mumbai

Date: April 23, 2026

Registered office: 2nd Floor, B-27 Sector 14, New Delhi-110017

Corporate Office: Fourth Floor, Iconic Tower, UPLA E, 4th Floor, Connaught Place, Kirti Road West, Connaught Place, New Delhi - 110011

Ph: +91 22 4471 3460 | email: info@nangia.com | website: www.nangia.com

UDIN: 26601788NZHGH8482

Noida - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

NANGIA & CO LLP

CHARTERED ACCOUNTANTS

"Annexure 2" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF EDELWEISS ASSET RECONSTRUCTION COMPANY LIMITED

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

To the Members of Edelweiss Asset Reconstruction Company Limited

We have audited the internal financial controls over financial reporting with reference to Standalone Financial Statements of **Edelweiss Asset Reconstruction Company Limited** ("the Company") as at March 31, 2026 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's and the Board of Director's Responsibility for Internal Financial Controls

The Company's Management and the Board of Director are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting 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 (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to Standalone Financial Statements of the company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to 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 system over financial reporting with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

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



Registered office: 2nd Floor, B-27 Soam Nagar, New Delhi-110017

Corporate Office: Fourth Floor, Iconic Tower, UBH Estate, Gopal Rao Kulkarni Marg, Lower Park, Mumbai - 400011

Ph: +91 22 4474 5400, email: info@nangia.com, website: www.nangia.com

Our Firm is a member of the Indian Institute of Chartered Accountants (IICAI)

Noida - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to 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 Standalone 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 Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting with reference to Standalone Financial Statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Nangia & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 002391C/N500069


Jaspreet Singh Bedi
Partner
Membership Number: 601788
UDIN: 26601788NZHGH8482

Place: Mumbai
Date: April 23, 2026

Registered office: 1st Floor, B-27 Sector 14, New Delhi-110017
Corporate Office: Fourth Floor, Iconic Tower, UPM E-100, Ganga Enclave, Laxmi Park, Mumbai - 400013
Ph: +91 22 4771 0400 info@nangiaandco.com www.nangiaandco.com

UDIN: 26601788NZHGH8482
Noida - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

Standalone Balance Sheet as at March 31, 2026

(Currency: Indian rupees in millions)

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
ASSETS			
Financial assets			
(a) Cash and cash equivalents	2	5,282.35	13,532.37
(b) Bank balances other than cash and cash equivalents	3	2,035.62	413.44
(c) Trade receivables (net of impairment on financial instruments)	4	554.93	450.05
(d) Loans (net of impairment on financial instruments)	5	2,298.41	2,015.55
(e) Investments	6	23,673.84	31,515.60
(f) Other financial assets	7	53.50	53.42
Total Financial assets		33,898.65	47,980.43
Non-financial assets			
(a) Current tax assets (net)	8	1,274.96	1,618.22
(b) Property, Plant and Equipment	9	4.76	5.74
(c) Other Intangible assets	9	6.11	10.08
(d) Intangible assets under development	10	2.80	1.81
(e) Other non-financial assets	11	65.29	122.95
Total Non-financial assets		1,353.92	1,758.80
TOTAL ASSETS		35,252.57	49,739.23
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
(a) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	12	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	12	141.24	106.62
(b) Debt securities	13	3,798.41	11,260.24
(c) Borrowings (other than debt securities)	14	430.51	1,103.60
(d) Other financial liabilities	15	193.25	305.44
Total Financial liabilities		4,563.41	12,775.90
Non-financial liabilities			
(a) Provisions	16	97.60	46.97
(b) Deferred tax liabilities (net)	17	341.73	860.73
(c) Other non-financial liabilities	18	394.91	706.84
Total Non-financial liabilities		834.24	1,614.54
EQUITY			
(a) Equity share capital	19	2,579.90	2,632.53
(b) Instruments entirely equity in nature	20	-	-
(c) Other equity	21	27,275.02	32,716.26
Total Equity		29,854.92	35,348.79
TOTAL LIABILITIES AND EQUITY		35,252.57	49,739.23

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

1 to 51

This is the Standalone Balance Sheet referred to in our report of even date

For Nangia & Co. LLP

Chartered Accountants

ICAI Firm's Registration No. 002391C / N500069

Jaspreet Singh Bedi
Partner

Membership Number: 601788

For and on behalf of the Board of Directors of
Edelweiss Asset Reconstruction Company Limited

Mohan Vasant Tanksale
Chairman & Independent Director
DIN : 02971181

Ashwani Kumar
Chief Financial Officer

Deepak Nautiyal
Company Secretary

Membership Number: 29485

Edelweiss Asset Reconstruction Company Limited

CIN-U67100MH2007PLC174759

Standalone Statement of Profit and Loss for the year ended March 31, 2026

Particulars	Note No.	(Currency: Indian rupees in millions)	
		For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from operations			
Interest income	22	758.36	738.22
Fee and commission income	23	2,304.35	3,326.71
Net gain on fair value changes	24	6,237.61	4,691.48
Total Revenue from operations		9,300.32	8,756.41
Other income	25	-	68.61
Total Income		9,300.32	8,825.02
Expenses			
Finance costs	26	3,283.61	2,376.99
Impairment on financial instruments	27	96.71	(49.13)
Employee benefits expense	28	633.66	646.89
Depreciation, amortisation and impairment	9	11.08	11.92
Other expenses	29	561.83	557.86
Total expenses		4,586.89	3,544.53
Profit / (Loss) before exceptional items and tax		4,713.43	5,280.49
Exceptional items		14.76	-
Profit before tax		4,698.67	5,280.49
Tax expenses:			
Current tax	30	1,722.43	2.32
Deferred tax	30	(519.04)	1,427.56
Profit for the year		3,495.28	3,850.61
Other Comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement gain / (loss) on defined benefit plans (OCI)		0.19	(3.79)
Tax effect on Remeasurement gain / (loss) on defined benefit plans (OCI)		(0.05)	0.96
Other Comprehensive gain/ (loss) (Net of Tax)		0.14	(2.83)
Total Comprehensive income		3,495.42	3,847.78

Earnings per equity share (₹) (Face value of ₹ 10 each):

(1) Basic (₹)	31	13.54	14.63
(2) Diluted (₹)	31	13.54	14.63

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

1 to 51

This is the Standalone Statement of Profit and Loss referred to in our report of even date

For Nangia & Co. LLP

Chartered Accountants

ICAI Firm's Registration No. 002391C / N500069

Jaspreet Singh Bedi

Partner

Membership Number: 601788

Mumbai

April 23, 2026

For and on behalf of the Board of Directors of
Edelweiss Asset Reconstruction Company Limited

Mohan Vasant Tanksale

Chairman & Independent Director

DIN :02971181

Ashwani Kumar

Chief Financial Officer

Mumbai

April 23, 2026

Deepak Nautiyal

Company Secretary

Membership Number: 29485

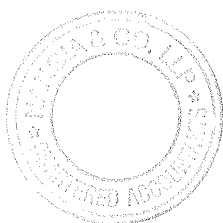
Edelweiss Asset Reconstruction Company Limited

CIN-U67100MH2007PLC174759

Standalone Statement of Cash Flow for the year ended March 31, 2026
(Currency: Indian rupees in millions)

	For the year ended March 31, 2026	For the year ended March 31, 2025
A Cash flow from operating activities		
Profit before tax	4,698.67	5,280.49
<i>Adjustments for</i>		
Depreciation, amortisation and impairment	11.08	11.92
Impairment on financial instruments	96.71	(89.67)
Diminution in the value of trade receivables	(41.92)	(85.11)
Write off / (Write back) of Investment in security receipts	1,815.35	7,101.66
Fair value changes on financial assets	2,448.68	(7,047.42)
Fair value changes on financial liabilities	(1,538.91)	100.13
Provision for compensated absences	27.16	(1.43)
Provision for gratuity	22.27	(7.41)
Reversal on Employee Stock Option Plan (ESOP)/Stock appreciation rights (SAR) on cancellation/lapses post vesting	0.74	2.47
Profit from investments in security receipts	(8,962.73)	(4,845.84)
Profit on sale of fixed assets	0.06	0.03
Interest income on fixed deposits	(516.33)	(430.82)
Interest on Investments	(45.21)	-
Finance costs	3,283.61	2,376.99
Operating cash flow before working capital changes	1,299.23	2,365.99
Add / (Less): Adjustments for working capital changes		
Increase / (Decrease) in trade payables	34.62	63.79
Increase / (Decrease) in other financial liabilities	(112.19)	(95.08)
(Increase) / Decrease in trade receivables	(62.97)	262.67
(Increase) / Decrease in loans given	(379.58)	362.83
(Increase) / Decrease in other financial assets	(0.08)	(0.17)
(Increase) / Decrease in other non financial assets	57.66	(84.29)
Increase / (Decrease) in other non financial liabilities	(311.93)	(1,137.84)
Cash generated from operations	524.76	1,737.90
Income taxes (paid) / refund (net)	(1,379.16)	(524.80)
Net cash generated from/(used in) operating activities - A	(854.40)	1,213.10
B Cash flow from investing activities		
Purchase of property, plant and equipment and intangibles	(5.86)	(10.99)
Proceeds from sale of property, plant and equipment	0.04	0.04
Purchase of investments	(4,295.24)	(1,590.90)
Sale/ Redemption of investments	18,805.41	17,526.53
Interest received on fixed deposits/ Maturity of bank balances other than cash & cash equivalents	(1,105.86)	430.23
Investment in Commercial Papers	(1,924.49)	-
Net cash generated from/(used in) investing activities - B	11,474.00	16,354.91
C Cash flow from financing activities		
Repayment of debt securities	(5,311.56)	(7,127.35)
Proceeds from term loan from banks	-	200.00
Repayment of term loan from banks	(973.05)	(196.88)
Proceeds of bank overdraft/working capital demand loan (net) (Refer Note 2)	300.00	(497.65)
Dividend paid	(8,642.66)	-
Buyback of Equity shares	(347.37)	-
Finance costs	(3,894.98)	(2,235.01)
Net cash generated from/(used in) financing activities - C	(18,869.62)	(9,856.89)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(8,250.02)	7,711.12
Cash and cash equivalent as at the beginning of the year	13,532.37	5,821.25
Cash and cash equivalent as at the end of the year (Refer note 1)	5,282.35	13,532.37

The Above Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013



Edelweiss Asset Reconstruction Company Limited

CIN-U67100MH2007PLC174759

Note:

- 1 Cash and cash equivalents include the following:

Cash on hand	-	-
Balances with banks		
- in current accounts	712.02	2,827.72
- in fixed deposits with original maturity less than 3 months (including interest accrued)	4,570.33	10,704.65
Total	5,282.35	13,532.37

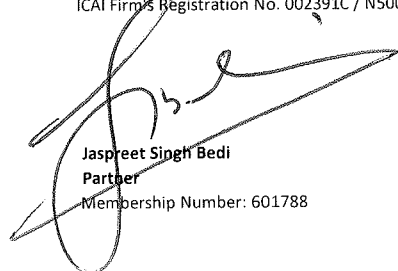
- 2 Pursuant to Ind AS 7 - Statement of Cash Flows, cash receipts and payments for transactions in which the turnover is quick, the amounts are large and the maturities are short are presented on net basis.

This is the Standalone Statement of Cash Flow referred to in our report of even date

For Nangia & Co. LLP

Chartered Accountants

ICAI Firm's Registration No. 002391C / N500069



Jaspreet Singh Bedi
Partner

Membership Number: 601788

For and on behalf of the Board of Directors of

Edelweiss Asset Reconstruction Company Limited



Mohan Vasant Tanksale
Chairman & Independent Director
DIN : 02971181



Ashwani Kumar
Chief Financial Officer



Deepak Nautiyal
Company Secretary
Membership Number: 29485

Mumbai
April 23, 2026

Mumbai
April 23, 2026

Standalone Statement of Changes in Equity for the year ended March 31, 2026

(Currency: Indian rupees in millions)

(A) Equity share capital

	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the reporting period	2,632.53	2,632.53
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	2,632.53	2,632.53
Changes in equity share capital during the year	(52.63)	-
Balance at the end of the reporting period	<u>2,579.90</u>	<u>2,632.53</u>

Instruments entirely equity in nature

Balance at the beginning of the reporting period	-	-
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	<u>-</u>	<u>-</u>

(B) Other Equity

Particulars	Reserves and Surplus						Total
	Capital Redemption Reserve	Securities Premium Account	Deemed capital contribution	Debenture redemption reserve	Impairment Reserve	Retained earnings	
Balance at March 31, 2024	-	5,777.93	15.93	369.45	2,184.59	20,518.11	28,866.01
Add: Reversal on ESOP/SAR on cancellation/lapses post vesting	-	-	-	-	-	2.47	2.47
Profit for the year	-	-	-	-	-	3,850.61	3,850.61
Other comprehensive income	-	-	-	-	-	(2.83)	(2.83)
Total Comprehensive Income for the year	-	-	-	-	-	3,850.25	3,850.25
Transfers (to) / from retained earnings	-	-	-	(88.62)	378.26	(289.64)	-
Balance at March 31, 2025	-	5,777.93	15.93	280.83	2,562.85	24,078.72	32,716.26
Add: Reversal on ESOP/SAR on cancellation/lapses post vesting	-	-	-	-	-	0.74	0.74
Profit for the year	-	-	-	-	-	3,495.28	3,495.28
Other comprehensive income	-	-	-	-	-	0.14	0.14
Total Comprehensive Income for the year	-	-	-	-	-	3,496.16	3,496.16
Dividends to equity shareholders	-	-	-	-	-	(8,642.66)	(8,642.66)
Transfers (to) / from retained earnings	52.63	(294.74)	-	(231.29)	-	178.66	(294.74)
Balance at March 31, 2026	52.63	5,483.19	15.93	49.54	2,562.85	19,110.88	27,275.02

Refer Note 21 for information on nature of reserves maintained.

This is the Standalone Statement of Changes in Equity referred to in our report of even date.

For Nangia & Co. LLP
Chartered Accountants
ICAI Firm's Registration No. 002391C / N500069

Jaspreet Singh Bedi
Partner
Membership Number: 601788

For and on behalf of the Board of Directors of
Edelweiss Asset Reconstruction Company Limited

Mohan Vasant Tanksale
Chairman & Independent Director
DIN :02971181

Ashwani Kumar
Chief Financial Officer

Mumbai
April 23, 2026

Rishabh Nautiyal
Company Secretary
Membership Number: 29485

Mumbai
April 23, 2026

Edelweiss Asset Reconstruction Company Limited

1.0 Notes to the Standalone Financial Statements:

1.1 Background

Edelweiss Asset Reconstruction Company Limited ('the Company') is registered with Reserve Bank of India w.e.f. October 16, 2009 with Registration no. 13/2009 as a Securitisation and Asset Reconstruction Company under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

The Company was incorporated as a Public Company on October 5, 2007 and is engaged in business of acquiring Loan Portfolios, Loan Accounts, Non- Performing Assets (NPA) from the Banks and Financial Institutions and resolving them through appropriate resolution strategies enunciated in SARFAESI and give loans for undertaking restructuring of acquired loan as permitted by Reserve Bank of India. The Company's registered office is at Edelweiss House, Off CST road, Kalina, Mumbai, Maharashtra, India.

The Ultimate Holding Company of the Company is Edelweiss Financial Services Limited ("EFSL").

1.2 Basis of preparation of financial statements

The standalone financial statements of the Company has been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 ('the Act'), other relevant provisions of the Act and other accounting principles generally accepted in India.

These standalone financial statements have been prepared on a historical cost basis, except for certain financial instruments such as financial assets and liabilities measured at fair value through profit and loss (FVTPL) instruments, derivative financial instruments and other financial assets held for trading, which have been measured at fair value.

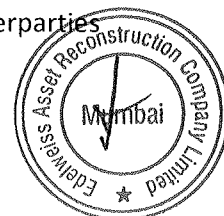
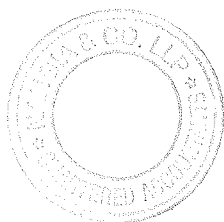
The standalone financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest million, except when otherwise indicated.

1.3 Presentation of financial statements

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 33.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without it 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



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

1.4 Material accounting policies

1.4.1 Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment

1.4.2 The SPPI test

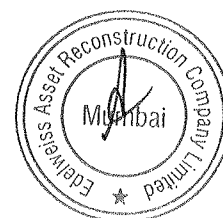
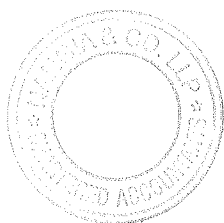
As a second step of its classification process the Company assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

1.4.3 Recognition of Interest

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in statement of profit and loss.

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 amortised cost (net of expected credit loss) of the financial asset.

1.4.4 Financial Instruments

1.4.4.1 Date of recognition

Financial assets and liabilities, with the exception of loans, 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. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans are recognised when funds are transferred to the customers' account. The Company recognises debt securities, deposits and borrowings when funds reach the Company.

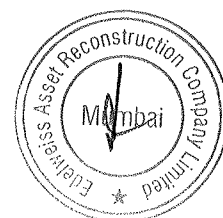
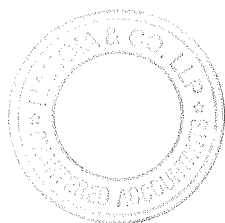
1.4.4.2 Initial measurement of financial instruments

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

1.4.4.3 Day 1 profit or loss

When the fair value of financial instruments at initial recognition differs from the transaction price, the Company accounts for the Day 1 profit or loss, as described below:

When the transaction price of the financial instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

1.4.5 Measurement categories of financial instruments

1.4.5.1 Financial assets:

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

- Amortised cost
- Fair value through profit or loss [FVTPL]

The Company measures debt financial assets that meet the following conditions at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are initially measured at fair value and subsequently measured at FVTPL.

1.4.5.1.1 Amortized cost and Effective interest method

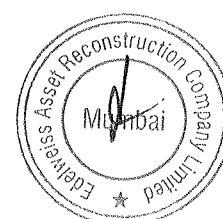
The effective interest method is a method of calculating the amortised cost of a debt instrument and allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including receipts and payments that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

1.4.5.1.2 Financial assets at fair value through profit or loss

Financial assets in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when the following criteria is met. Such designation is determined on an instrument-by-instrument basis:



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis

Financial assets at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss.

1.4.5.1.3 Loan commitment

Undrawn loan commitments are commitments under which, the Company is required to provide a loan with pre-specified terms to the customer during the duration of commitment. Undrawn loan commitments are in the scope of the ECL requirements, as set out in Note 1.4.8

1.4.5.2. Financial liabilities

All financial liabilities are measured at amortised cost except derivative financial liabilities and financial liabilities designated at fair value through profit and loss.

1.4.5.2.1 Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

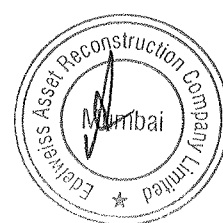
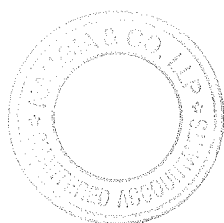
The Company issues certain non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at a reporting date. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the statement of profit and loss. The debt component of such debentures is measured at amortised cost using yield to maturity basis.

1.4.5.2.2 Financial liabilities at fair value through profit or loss

Financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when the following criteria is met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring liabilities or recognising gains or losses on them on a different basis,

Financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss. Interest incurred on financial liabilities designated at FVTPL is accrued in finance cost, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument.



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

1.4.5.3 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.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments

1.4.6 Reclassification of financial assets and financial liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities upto and including the year ended March 31, 2025.

1.4.7 Derecognition of financial assets and financial liabilities

1.4.7.1 Derecognition of financial assets due to substantial modification of terms and conditions

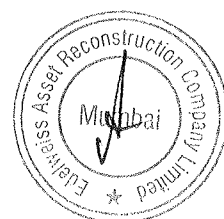
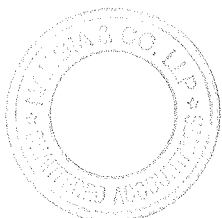
The Company derecognises a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial asset, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised financial asset are classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be POCL.

When assessing whether or not to derecognise a loan to a customer, amongst others, the Company considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty

If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

1.4.7.2 Derecognition of financial assets (other than due to substantial modification of terms and conditions)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

- The Company has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients

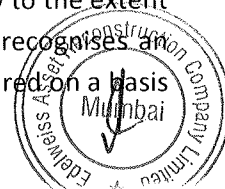
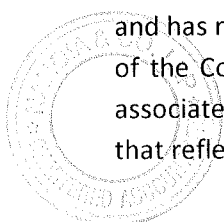
The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset; or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

1.4.7.3 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, is recognised in profit or loss.

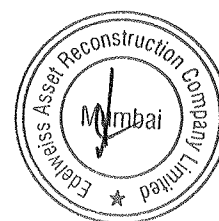
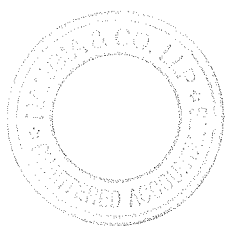
1.4.8 Impairment of financial assets

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitment, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

Based on the above process, the Company categorises its financial instruments into Stage 1, Stage 2, and Stage 3 as described below:

- Stage 1:** When loans are first recognised, the company recognises an allowance based on 12mECLs. Stage 1 financial instruments also include facilities where the credit risk has improved and the financial instruments has been reclassified from Stage 2.
- Stage 2:** When a financial instruments has shown a significant increase in credit risk since origination, the company records an allowance for the 12m ECLs. Stage 2 financial instruments also include facilities, where the credit risk has improved and the financial instruments has been reclassified from Stage 3.
- Stage 3:** Financial instruments considered credit-impaired (as outlined in Note 1.5.2.2).The company records an allowance for the LTECLs.

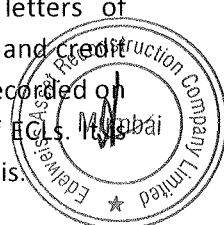
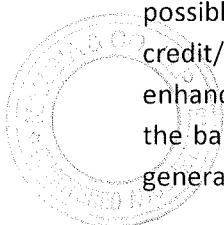
The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend and the Company's understanding of the specific future financing needs of the debtors.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

If a financial instrument includes both a loan (i.e. financial asset) and an undrawn commitment (i.e. loan commitment) component and the Company cannot separately identify the expected credit losses on the loan commitment component from those on the financial asset component, the expected credit losses on the loan commitment have been recognised together with the loss allowance for the financial asset. To the extent that the combined expected credit losses exceed the gross carrying amount of the financial asset, the expected credit losses have been recognised as a provision.

1.4.9 Collateral valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a periodical basis.



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, or based on housing price indices.

1.4.10 Write off

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in statement of profit and loss.

1.4.11 Determination of fair value

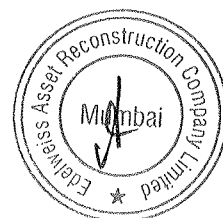
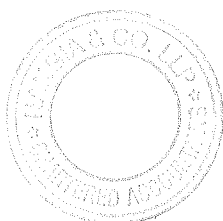
The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement 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 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. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. 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. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- Level 1 financial instruments –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

- Level 2 financial instruments—Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.
- Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

The Company applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

1.4.12 Investment in Commercial Papers

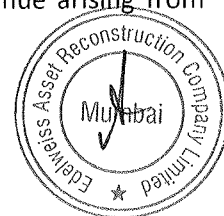
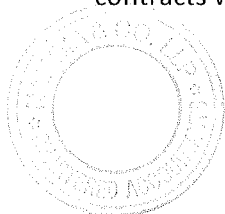
Investments in Commercial Papers (CP), are considered as held to maturity and are accordingly valued at historical cost, subject to accretion of discount, over the period of maturity on a straight-line basis.

Investments in Commercial Papers made during the period are recognised at cost and carried at amortised cost, with discount being amortised over the tenure of the instrument. Interest income on such instruments is recognised on a time-proportion basis.

Such investments are assessed for impairment in accordance with applicable accounting standards, including Expected Credit Loss (ECL) principles. However, as a matter of prudence, provisioning on such investments may be maintained in line with applicable regulatory norms, wherever higher.

1.4.13 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. Where the consideration promised is variable, the Company excludes the estimates of variable consideration that are constrained. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

The Company recognises revenue from the following sources:

- a. The fee income comprises of management fees. 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. 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. Redemption incentive and recovery incentive is accounted over the period on cash basis, i.e. as and when received by the Company, based on terms of the relevant trust deeds and offer document issued by the Trust.
- c. Any upside share in excess realisation over acquisition price of financial asset by trust is recognised at point in time basis as per terms of the relevant trust deed/offer document.
- d. Interest on bank deposits is accounted for on accrual basis as per the terms of the deposits.
- e. The above receipts are recognised as revenue excluding GST.

1.4.14 Operating leases (IND AS 116)

Leases as a Lessee

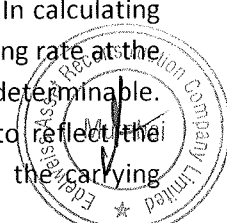
The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Rights-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e the date of underlying asset is available for use). Rights-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of rights-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Rights-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date as the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

amount of lease liabilities is remeasured if there is a modification, a change in lease term, a change in lease payments or a change in the assessment of an option to purchase the underlying asset.

Short term lease

The Company has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of 12 months or less. The Company recognises lease payment associated with these leases as an expense on a straight-line basis over lease term.

1.4.15 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares into equity shares.

1.4.16 Retirement and other employee benefit

Provident fund and national pension scheme

The Company contributes to a recognised provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss.

Gratuity

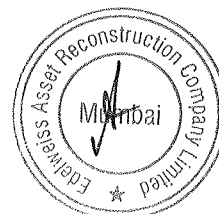
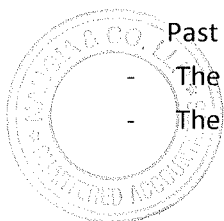
The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated Absences

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge in the statement of profit and loss and corresponding liability on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.

1.4.17 Share-based payment arrangements

Certain employees of the Company have been granted equity-settled ESOPs by the ultimate parent company (Edelweiss Financial Services Limited). The Company recognizes a cost with respect to the services received from the said employees measured by reference to the fair value of the equity instruments granted by the ultimate parent at the grant date.

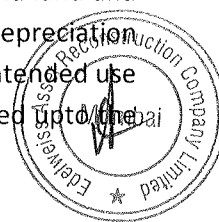
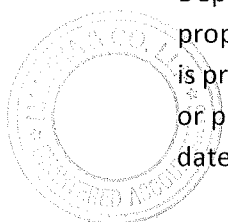
The fair value determined at the grant date is expensed over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in deemed capital contribution from the ultimate parent. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the deemed capital contribution. In cases where the share options granted vest in instalments over the vesting period, the Company treats each instalment as a separate grant, because each instalment has a different vesting period, and hence the fair value of each instalment differs.

1.4.18 Property, plant and equipment

Property, plant and equipment is stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent costs incurred on an item of property, plant and equipment is recognised in the carrying amount thereof when those costs meet the recognition criteria i.e. it is probable that future economic benefits will flow to the entity and cost can be measured reliably. Repairs and maintenance are recognised in statement of profit or loss as incurred.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives. Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal.



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule II for calculating the depreciation.

Estimated useful lives of the assets are as follows:

Nature of assets	Estimated useful life
Building (other than Factory Building)	60 years
Vehicles	8 years
Office Equipment	5 years
Computers - Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years

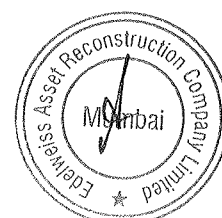
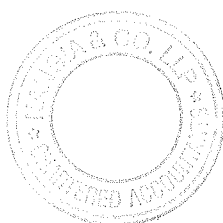
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The carrying amount of those components which have been separately recognised as assets is derecognised at the time of replacement thereof. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

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.

1.4.19 Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors. Amortization methods and useful lives are reviewed periodically including at each financial year end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates.

Estimate useful life of software is considered as 3 years.



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

1.4.20 Impairment of non-financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

1.4.21 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

1.4.22 Expenses incurred by the Company on behalf of the trust

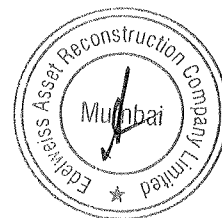
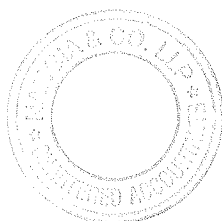
Expenses incurred at pre-acquisition stage are recognised as expenses for the period in which such costs are incurred. If such expenses are contracted to be recovered from the trusts the same are shown as loan to trust in the Balance Sheet and grouped under Loans. These expenses are reimbursed to the Company in terms of the provisions of relevant trust deed and offer document of the trusts.

1.4.23 Provisions and other contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. Detailed disclosures are provided in Note 17.

1.4.24 Income tax expenses

Income tax expense represents the sum of the current tax and deferred tax.



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

1.4.24.1 Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

1.4.24.2 Deferred tax

Deferred tax is recognised on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

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

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

It is probable that taxable profit will be available against which a deductible temporary difference, unused tax loss or unused tax credit can be utilised when there are sufficient taxable temporary differences which are expected to reverse in the period of reversal of deductible temporary difference or in periods in which a tax loss can be carried forward or back. When this is not the case, deferred tax asset is recognised to the extent it is probable that:

- the entity will have sufficient taxable profit in the same period as reversal of deductible temporary difference or periods in which a tax loss can be carried forward or back; or

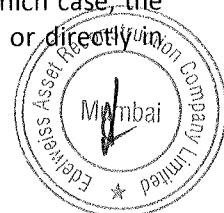
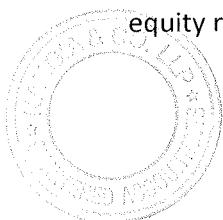
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

1.4.24.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

1.4.24.4 Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

1.4.25 Undrawn Loan Commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements, as set out in Note 5.2. The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the balance sheet. The nominal values of these instruments together with the corresponding ECLs are disclosed in Note 5.2.

1.4.26 Derivative contracts (Derivative assets / Derivative liability)

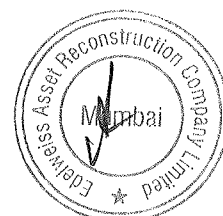
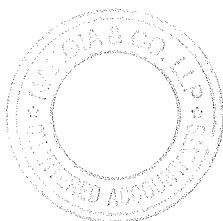
Company has designed a risk strategy based to cover exposure on issuance of G-Sec Linked Debentures, by entering into a derivative contracts either to minimize the loss or to earn a minimum committed income by entering into a combination of derivative contracts (say for example purchased call and put options) with a wide range of strike prices. Above strategy has been approved by the risk committee and ensures that risk is fully or partially covered, hence supports to reduce the risk exposure.

Derivatives are initially recognised at fair value and are subsequently re-measured at fair value through profit or loss. The resulting gain or loss is recognised in profit or loss immediately.

1.5 Critical accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, which are described in note 1.4, the management is required to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities, about the carrying amounts of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

1.5.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the standalone financial statements.

1.5.1.1 Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how group of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

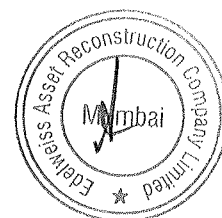
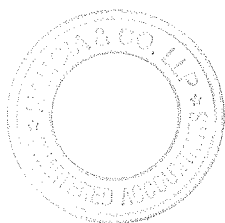
1.5.1.2 Significant increase in credit risk

As explained in note 1.4.8, ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Ind AS 109 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information. Refer to note 1.5.2.2 for more details.

1.5.1.3 Determining lease term for lease contracts with renewal and termination option:

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain, whether or not, to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation of the leased asset).



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

1.5.2 Sources of key estimation uncertainty

The following are the key assumptions concerning the future, and other sources of key estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

1.5.2.1 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.

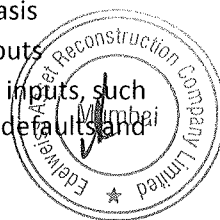
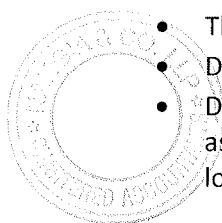
For Investments made into Security receipts (SRs), Company uses discounted cash flow model, given that the SRs are less liquid instruments. Expected cash flow levels including timing of cash flows are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including default rates, nature & value of collaterals, manner of resolution and other economic drivers. For any valuation which are based on models, Judgements and estimates are applied, which include considerations of liquidity, credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

1.5.2.2 Impairment of 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 levels of allowances.

The Company's ECL calculations 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 include:

- Probabilities of defaults (PDs) the calculation 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
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, exposure at defaults and loss given defaults (LGDs)



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

It is Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

1.5.2.3 Effective interest rate method

The Company's EIR methodology, as explained in Note 1.4.3, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes fee income/expense that are integral parts of the instrument.

1.5.2.4 Accounting for deferred taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

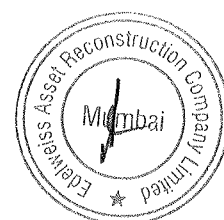
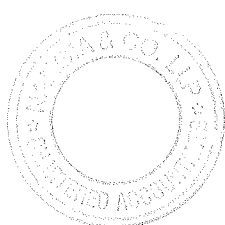
The Company has recognised deferred tax assets on carried forward tax losses where the Company believes that the said deferred tax assets shall be recoverable based on the estimated future taxable income which in turn is based on approved business plans and budgets. The losses are allowed to be carried forward to the years in which the Company expects that there will be sufficient taxable profits to offset these losses.

1.5.2.5 Provisions and other contingent liabilities

The company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. When the company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

For further details on provisions and other contingencies see Note 16 and 35.

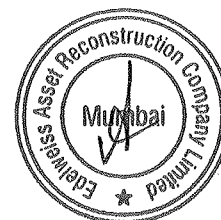
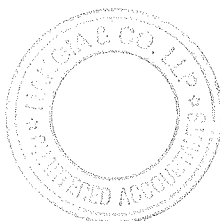


Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

	As at March 31, 2026	As at March 31, 2025
2 Cash and cash equivalents		
Cash on hand	-	-
Balances with banks		
- in current accounts	712.02	2,827.72
- in fixed deposits with original maturity less than 3 months (including interest accrued)	4,570.33	10,704.65
Total	5,282.35	13,532.37
3 Bank balances other than cash and cash equivalents		
Fixed deposits, held as margin money or security against borrowings, guarantees other commitments	0.24	0.24
Fixed Deposits with original maturity more than 12 months (including interest accrued)	409.73	399.10
Fixed Deposits with original maturity more than 3 months upto 12 months (including interest accrued)	1,625.65	14.10
Total	2,035.62	413.44
4 Trade receivables (net of impairment on financial instruments)		
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured	17.09	19.12
Receivables which have significant increase in credit risk	1.32	6.39
Receivables - Credit Impaired	901.40	831.33
Gross receivables	919.81	856.84
Less : Allowance for Expected credit losses (ECL)	364.88	406.79
Total receivables (net of impairment on financial instruments)	554.93	450.05



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

4.1 Trade receivables Ageing Schedule

As at March 31, 2026	Outstanding for following periods from due date of receipt					Total
Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables – considered good -Unsecured	17.09	-	-	-	-	17.09
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	1.32	-	-	-	1.32
(iii) Undisputed Trade Receivables – credit impaired	122.14	103.65	153.67	113.33	408.61	901.40
Gross receivables (A)	139.23	104.97	153.67	113.33	408.61	919.81
i) Undisputed Trade receivables – considered good -Unsecured	1.86	-	-	-	-	1.86
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	0.48	-	-	-	0.48
(iii) Undisputed Trade Receivables – credit impaired	33.84	37.51	60.20	39.65	191.34	362.54
ECL - Simplified approach (B)	35.70	37.99	60.20	39.65	191.34	364.88
Total receivables net of provision = (A)-(B)	103.53	66.98	93.47	73.68	217.27	554.93

As at March 31, 2025	Outstanding for following periods from due date of receipt					Total
Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables – considered good -Unsecured	19.12	-	-	-	-	19.12
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	0.10	6.29	-	-	-	6.39
(iii) Undisputed Trade Receivables – credit impaired	169.15	102.93	178.44	83.07	297.74	831.33
Gross receivables (A)	188.37	109.22	178.44	83.07	297.74	856.84
i) Undisputed Trade receivables – considered good -Unsecured	2.26	-	-	-	-	2.26
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	0.01	0.65	-	-	-	0.66
(iii) Undisputed Trade Receivables – credit impaired	101.28	59.98	97.53	22.11	122.97	403.87
ECL - Simplified approach (B)	103.55	60.63	97.53	22.11	122.97	406.79
Total receivables net of provision = (A)-(B)	84.82	48.59	80.91	60.96	174.77	450.05

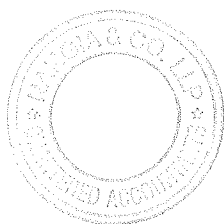
No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days.

There are no disputed, unbilled or not due receivables, hence the same is not disclosed in the ageing schedule.

4.2 Reconciliation of ECL on trade receivables:

Particulars	Amount
Allowance for Expected credit losses (ECL) measured as per simplified approach	
Allowance for Expected credit losses (ECL) as on March 31, 2024	491.90
Net increase / (decrease) during the year	(85.11)
Allowance for Expected credit losses (ECL) as on March 31, 2025	406.79
Net increase / (decrease) during the year	(41.91)
Allowance for Expected credit losses (ECL) as on March 31, 2026	364.88



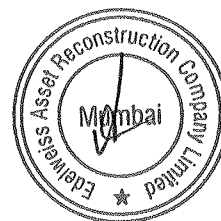
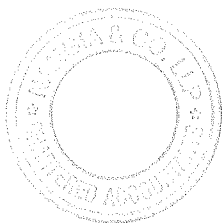
Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

5 Loans (net of impairment on financial instruments)

Particulars	As at March 31, 2026	As at March 31, 2025
Loans (At Amortised Cost)		
A.(i) Term Loans	3,065.29	2,693.42
Total Gross (A)	3,065.29	2,693.42
Less: Expected credit loss	766.88	677.87
Total Net (A)	2,298.41	2,015.55
B.(i) Secured by tangible assets	2,252.18	2,146.19
(ii) Unsecured	813.11	547.23
Total Gross (B)	3,065.29	2,693.42
Less: Expected credit loss	766.88	677.87
Total Net (B)	2,298.41	2,015.55
C.I. Loans in India		
(i) Public Sectors	-	-
(ii) Others	3,065.29	2,693.42
Total Gross (C.I)	3,065.29	2,693.42
Less: Expected credit loss	766.88	677.87
Total Net (C.I)	2,298.41	2,015.55
C.II. Loans outside India		
(i) Public Sectors	-	-
(ii) Others	-	-
Total Gross (C.II)	-	-
Less: Expected credit loss	-	-
Total Net (C.II)	-	-
Total Net (C.I and C.II)	2,298.41	2,015.55



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)
(Currency: Indian rupees in millions)

5.1 Credit quality of assets

(A) The table below shows the credit quality and the maximum exposure to credit risk based:

Particulars	March 31, 2026			
	12 Month ECL (Stage 1)	Lifetime ECL Not Credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	Total
Loan measured at amortised cost				
Performing	53.26	42.40	-	95.66
Individually impaired	-	-	2,969.63	2,969.63
Total	53.26	42.40	2,969.63	3,065.29

Particulars	March 31, 2025			
	12 Month ECL (Stage 1)	Lifetime ECL Not Credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	Total
Loan measured at amortised cost				
Performing	37.57	3.69	-	41.26
Individually impaired	-	-	2,652.16	2,652.16
Total	37.57	3.69	2,652.16	2,693.42

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows:

(B) Gross carrying amount reconciliation

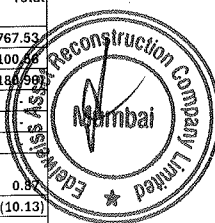
Particulars	2025-2026			
	12 Month ECL (Stage 1)	Lifetime ECL Not Credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	Total
Gross carrying amount opening balance	37.57	3.69	2,652.16	2,693.42
New assets originated or purchased	672.23	13.62	572.69	1,258.54
Assets derecognised or repaid (excluding write offs)	(592.52)	(10.35)	(468.16)	(1,071.03)
Interest income during the period	12.48	0.80	171.08	184.36
Transfers to 12 Month ECL (Stage 1)	1.95	(0.74)	(1.21)	-
Transfers to lifetime ECL (Stage 2)	(0.96)	42.26	(41.30)	-
Transfers to lifetime ECL - Credit impaired (Stage 3)	(77.49)	(6.89)	84.38	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance	53.26	42.39	2,969.64	3,065.29

Particulars	2024-2025			
	12 Month ECL (Stage 1)	Lifetime ECL Not Credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	Total
Gross carrying amount opening balance	11.45	11.06	3,033.73	3,056.24
New assets originated or purchased	567.37	88.78	387.50	1,043.65
Assets derecognised or repaid (excluding write offs)	(555.60)	(71.65)	(1,040.69)	(1,667.94)
Interest income during the period	3.30	0.40	298.30	302.00
Transfers to 12 Month ECL (Stage 1)	22.86	(0.14)	(22.73)	-
Transfers to lifetime ECL (Stage 2)	(0.77)	3.69	(2.92)	-
Transfers to lifetime ECL - Credit impaired (Stage 3)	(11.04)	(28.47)	39.50	-
Amounts written off	-	-	(40.54)	(40.54)
Gross carrying amount closing balance	37.57	3.69	2,652.16	2,693.42

(C) Reconciliation of ECL Balances

Particulars	2025-2026			
	12 Month ECL (Stage 1)	Lifetime ECL Not Credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	Total
ECL amount opening balance	6.95	0.70	670.22	677.87
New assets originated or purchased	17.74	0.80	96.95	115.49
Assets derecognised or repaid (excluding write offs)	(1.01)	(0.03)	(28.05)	(29.09)
Transfers to 12 Month ECL (Stage 1)	0.44	(0.14)	(0.30)	-
Transfers to lifetime ECL (Stage 2)	(0.18)	10.50	(10.33)	-
Transfers to lifetime ECL - Credit impaired (Stage 3)	(14.53)	(1.29)	15.82	-
Impact of year end ECL of exposures transferred between stages during the year	(0.08)	(2.58)	5.27	2.61
Impact of ECL on amounts written off	-	-	-	-
ECL allowance - closing balance	9.33	7.96	749.59	766.88

Particulars	2024-2025			
	12 Month ECL (Stage 1)	Lifetime ECL Not Credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	Total
ECL amount opening balance	0.52	1.39	765.62	767.53
New assets originated or purchased	4.15	3.57	92.84	100.56
Assets derecognised or repaid (excluding write offs)	0.20	0.41	(181.56)	(180.95)
Transfers to 12 Month ECL (Stage 1)	5.71	(0.03)	(5.68)	-
Transfers to lifetime ECL (Stage 2)	(0.14)	0.87	(0.73)	-
Transfers to lifetime ECL - Credit impaired (Stage 3)	(2.07)	(5.34)	7.41	-
Impact of year end ECL of exposures transferred between stages during the year	(1.42)	(0.18)	2.47	0.87
Amounts written off	-	-	(10.13)	(10.13)
ECL allowance - closing balance	6.95	0.70	670.22	677.87



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

5.2 Credit quality of loan commitments

The table below shows the credit quality and the maximum exposure to credit risk based:

Particulars	March 31, 2026			
	12 Month ECL (Stage 1) Individual	Lifetime ECL Not Credit Impaired (Stage 2) Individual	Lifetime ECL Credit Impaired (Stage 3)	Total
Performing	-	-	-	-
Total	-	-	-	-

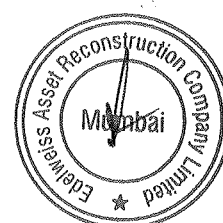
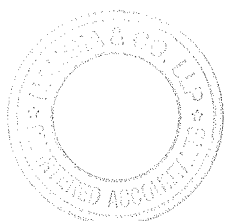
Particulars	March 31, 2025			
	12 Month ECL (Stage 1) Individual	Lifetime ECL Not Credit Impaired (Stage 2) Individual	Lifetime ECL Credit Impaired (Stage 3)	Total
Performing	-	-	-	-
Total	-	-	-	-

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows:

Gross carrying amount reconciliation

Particulars	2025-2026			
	12 Month ECL (Stage 1) Individual	Lifetime ECL Not Credit Impaired (Stage 2) Individual	Lifetime ECL Credit Impaired (Stage 3)	Total
Opening balance of outstanding exposure	-	-	-	-
New exposure	-	-	-	-
Exposure derecognised or matured/lapsed (excluding write-offs)	-	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	-	-	-	-
Closing balance of outstanding exposure	-	-	-	-

Particulars	2024-2025			
	12 Month ECL (Stage 1) Individual	Lifetime ECL Not Credit Impaired (Stage 2) Individual	Lifetime ECL Credit Impaired (Stage 3)	Total
Opening balance of outstanding exposure	-	-	-	-
New exposure	-	-	-	-
Exposure derecognised or matured/lapsed (excluding write-offs)	-	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	-	-	-	-
Closing balance of outstanding exposure	-	-	-	-



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

6 Investments

Particulars	As at March 31, 2026	As at March 31, 2025
Investment in Security receipts (At fair value through Profit & Loss)	21,704.14	31,515.60
Investment in Commercial Papers (At amortised cost)	1,977.40	-
Investments outside India	-	-
Investments within India	23,681.54	31,515.60
Total Investments	23,681.54	31,515.60
Less: Allowance for impairment loss	(7.70)	-
Total Net Investments	23,673.84	31,515.60

6.1 Details of Pledged Investment

Nature of Pledge	As at March 31, 2026	As at March 31, 2025
Pledged with Banks against bank overdraft *	1,530.43	1,098.47
Pledged with banks against term loan **	624.85	2,207.64
Pledged against secured non convertible debentures	1.90	6,042.63
Total	2,157.18	9,348.74

* Minimum security cover of 2 times with rating of RR2 or 1.5 times with rating of RR1 to be maintained

** Minimum security cover of 1.5 times with rating of RR2 or 1.33 times with rating of RR1 to be maintained

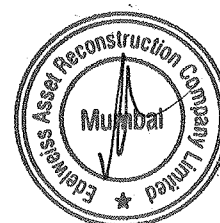
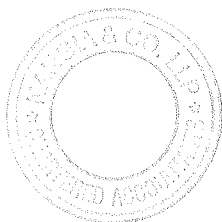
6.2 During the year, the company has written-off investment in security receipts amounting to INR 1815.35 millions (previous year : INR 7101.66) millions) on account of lower/no recovery projections in those investments.

7 Other financial assets

Security deposits	51.00	50.92
Deposits placed with/ for exchange/ depositories	2.50	2.50
Total	53.50	53.42

8 Current tax assets (net)

Advance income taxes (net of taxes)	1,274.96	1,618.22
(Net of Provision for income tax INR 4196.76 millions (previous year : INR 2474.33 millions)		
Total	1,274.96	1,618.22



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)
(Currency: Indian rupees in millions)

9 (A) Property, Plant and Equipment

Description of Assets	Gross Block			Accumulated Depreciation and Impairment			Net Block
	As at April 01, 2025	Additions during the year	Disposals during the year	As at March 31, 2026	As at April 01, 2025	Charge for the year	As at March 31, 2026
Property, Plant and Equipment							
Building *	1.49	-	-	1.49	0.45	0.07	0.52
Vehicles	-	-	-	-	-	-	-
Office equipment	0.51	0.56	-	1.07	0.40	0.21	0.61
Computers	26.70	2.64	2.39	26.95	22.11	3.85	23.62
Total	28.70	3.20	2.39	29.51	22.96	4.13	24.75
							4.76

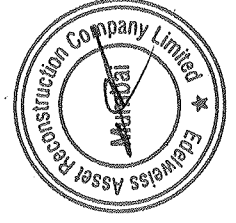
Description of Assets	Gross Block			Accumulated Depreciation and Impairment			Net Block
	As at April 01, 2024	Additions during the year	Disposals during the year	As at March 31, 2025	As at April 01, 2024	Charge for the year	As at March 31, 2025
Property, Plant and Equipment							
Building *	1.49	-	-	1.49	0.40	0.05	0.45
Vehicles	0.11	-	0.11	-	0.07	0.01	0.08
Office equipment	0.57	0.06	0.12	0.51	0.44	0.06	0.40
Computers	23.67	3.15	0.12	26.70	18.23	4.12	22.11
Total	25.84	3.21	0.35	28.70	19.13	4.24	22.96
							5.74

9 (B) Other Intangible Assets

Description of Assets	Gross Block			Accumulated Amortisation and Impairment			Net Block
	As at April 01, 2025	Additions during the year	Disposals during the year	As at March 31, 2026	As at April 01, 2025	Charge for the year	As at March 31, 2026
Software	24.77	2.98	-	27.75	14.69	6.95	21.64
Total	24.77	2.98	-	27.75	14.69	6.95	21.64
							6.11

Description of Assets	Gross Block			Accumulated Amortisation and Impairment			Net Block
	As at April 01, 2024	Additions during the year	Disposals during the year	As at March 31, 2025	As at April 01, 2024	Charge for the year	As at March 31, 2025
Software	56.52	7.78	39.53	24.77	46.54	7.68	14.69
Total	56.52	7.78	39.53	24.77	46.54	7.68	14.69
							10.08

1) No assets have been revalued during the year.
2) No adjustments on account of borrowing costs.
* Charge against Secured Redeemable Non-convertible Debentures.



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)
(Currency: Indian rupees in millions)

10 Intangible assets under development

Particulars	Gross Block			
	As at April 01, 2025	Additions	Capitalization	As at March 31, 2026
Capital WIP - Software	1.81	2.80	1.81	2.80
Total	1.81	2.80	1.81	2.80

Particulars	Gross Block			
	As at April 01, 2024	Additions	Capitalization	As at March 31, 2025
Capital WIP - Software	3.80	4.93	6.92	1.81
Total	3.80	4.93	6.92	1.81

10 (A) Intangible assets under development aging schedule

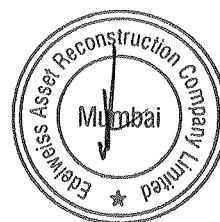
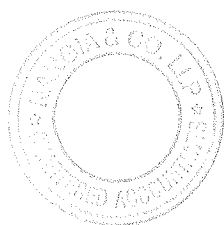
As at March 31, 2026

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	2.80	-	-	-	2.80
Projects temporarily suspended	-	-	-	-	-
Total	2.80	-	-	-	2.80

As at March 31, 2025

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	0.90	0.91	-	-	1.81
Projects temporarily suspended	-	-	-	-	-
Total	0.90	0.91	-	-	1.81

The Company does not have any intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

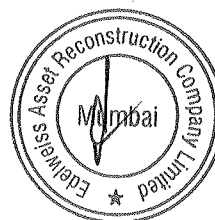
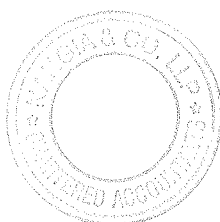
	As at March 31, 2026	As at March 31, 2025
11 Other non-financial assets		
(Unsecured Considered good, unless stated otherwise)		
Prepaid expenses	12.17	9.47
Vendor Advances	12.96	0.67
Advance to employees	0.28	0.08
Advances recoverable in cash or in kind or for value to be received	21.87	88.41
Others	18.01	24.32
Total	65.29	122.95
12 Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises	141.24	106.62
Total	141.24	106.62

12.1 Trade Payables ageing

As at March 31, 2026	Outstanding for following periods from due date of payment				Total
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Payable - MSME	-	-	-	-	-
(ii) Undisputed Trade Payable - Others	141.24	-	-	-	141.24
Total	141.24	-	-	-	141.24
As at March 31, 2025	Outstanding for following periods from due date of payment				Total
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Payable - MSME	-	-	-	-	-
(ii) Undisputed Trade Payable - Others	106.62	-	-	-	106.62
Total	106.62	-	-	-	106.62

There are no disputed trade payables, hence the same is not disclosed in the ageing schedule.

Trade Payable includes NIL (Previous Year: NIL) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the company during the year to "Suppliers" registered under this Act. The aforementioned is based on the responses received by the company to its inquiries with suppliers with regard to applicability under the said Act.



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

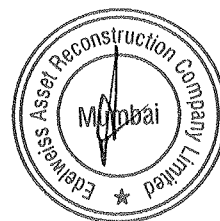
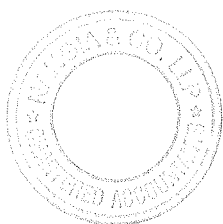
(Currency: Indian rupees in millions)

13. Debt securities

Particulars	As at March 31, 2026			
	At Amortised cost (1)	At Fair Value through Profit & Loss (2)	Designated at fair value through Profit and loss (3) *	Total 4 = (1+2+3)
Secured				
Non Convertible Debenture	3,728.56	-	69.85	3,798.41
Total (A)	3,728.56	-	69.85	3,798.41
(i) Debt securities in India	3,728.56	-	69.85	3,798.41
(ii) Debt securities outside India	-	-	-	-
Total (B)	3,728.56	-	69.85	3,798.41

Particulars	As at March 31, 2025			
	At Amortised cost (1)	At Fair Value through Profit & Loss (2)	Designated at fair value through Profit and loss (3) *	Total 4 = (1+2+3)
Secured				
Non Convertible Debenture	4,908.51	-	6,351.73	11,260.24
Total (A)	4,908.51	-	6,351.73	11,260.24
(i) Debt securities in India	4,908.51	-	6,351.73	11,260.24
(ii) Debt securities outside India	-	-	-	-
Total (B)	4,908.51	-	6,351.73	11,260.24

* The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring liabilities or recognising gains or losses on them on a different basis.



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

13.1 Repayment terms of Debt Securities

As at March 31, 2026

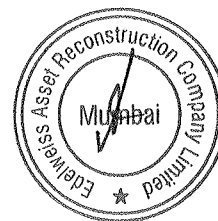
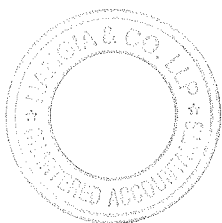
Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
2% (Refer Note 1 and 2)	4.10	12.34	0.16	16.60
Various (Benchmark Linked) (Refer Note 3)	1,071.80	1,172.50	53.30	2,297.60
Accrued Interest, Fair Value and EIR (Refer Notes 1 to 3)	1,428.52	10.50	45.19	1,484.21
Total	2,504.42	1,195.34	98.65	3,798.41

As at March 31, 2025

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
2% (Refer Note 1 and 2)	198.82	3,471.41	1,034.33	4,704.56
Various (Benchmark Linked) (Refer Note 3)	-	1,695.40	1,225.80	2,921.20
Accrued Interest, Fair Value and EIR (Refer Notes 1 to 3)	892.11	2,436.11	306.26	3,634.48
Total	1,090.93	7,602.92	2,566.39	11,260.24

Notes:

1. Coupon rate is 2% p.a. and additionally, conditional Interest being positive difference between the interest payment funds lying in the earmarked Escrow account from the recoveries in specified acquisitions and Coupon rate.
2. Secured by pari passu ranking charge on immovable property and pledge of Security Receipts.
3. Secured by pari-passu charge on immovable property, hypothecation of Security Receipts and unconditional & irrevocable guarantee by Edelweiss Financial Services Limited.



Edelweiss Asset Reconstruction Company Limited

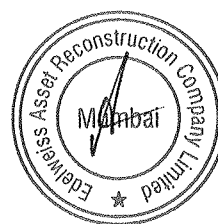
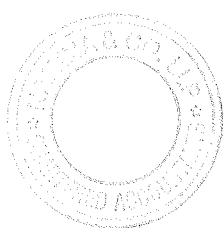
Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

14. Borrowings (other than Debt securities)

As at March 31, 2026				
Particulars	At Amortised cost (1)	Fair value		Total 4 = (1+2+3)
		At Fair Value through Profit & Loss (2)	Designated at fair value through Profit and loss (3)	
Secured				
(a) Term loans from banks	130.51	-	-	130.51
(b) Cash credit from banks	300.00	-	-	300.00
Total (A)	430.51	-	-	430.51
(i) Borrowings in India	430.51	-	-	430.51
(ii) Borrowings outside India	-	-	-	-
Total (B)	430.51	-	-	430.51

As at March 31, 2025				
Particulars	At Amortised cost (1)	Fair value		Total 4 = (1+2+3)
		At Fair Value through Profit & Loss (2)	Designated at fair value through Profit and loss (3)	
Secured				
(a) Term loans from banks	1,103.60	-	-	1,103.60
(b) Cash credit from banks	-	-	-	-
Total (A)	1,103.60	-	-	1,103.60
(i) Borrowings in India	1,103.60	-	-	1,103.60
(ii) Borrowings outside India	-	-	-	-
Total (B)	1,103.60	-	-	1,103.60



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

14.1 Repayment terms of term loans: Term loans from Banks - Secured

As at March 31, 2026

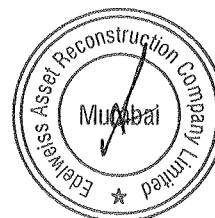
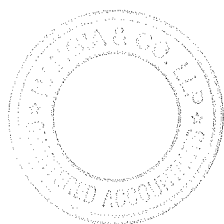
Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
9% - 9.99%(Refer Note 2)	66.60	66.60	-	133.20
10% - 10.99%(Refer Note 2)	300.00	-	-	300.00
11% - 11.99%(Refer Note 1)	-	-	-	-
12% - 12.99%(Refer Note 1)	-	-	-	-
Accrued Interest and EIR (Refer Note 1 and 2)	(0.00)	(2.69)	-	(2.69)
Total	366.60	63.91	-	430.51

As at March 31, 2025

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
9% - 9.99%(Refer Note 2)	-	-	-	-
10% - 10.99%(Refer Note 2)	-	-	-	-
11% - 11.99%(Refer Note 1)	831.25	75.00	-	906.25
12% - 12.99%(Refer Note 1)	66.67	133.33	-	200.00
Accrued Interest and EIR (Refer Note 1 and 2)	(1.20)	(1.45)	-	(2.65)
Total	896.72	206.88	-	1,103.60

Notes:

1. Secured by pledge of security receipts.
2. Secured by Hypothecation of security receipts.

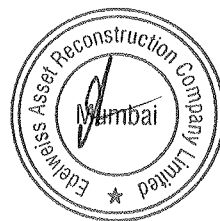
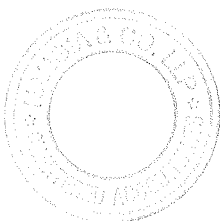


Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

	As at March 31, 2026	As at March 31, 2025
15. Other financial liabilities		
Accrued salaries and benefits	193.25	305.44
Total	193.25	305.44
16. Provisions		
Provision for employee benefits		
Gratuity (Refer Note 32)	62.65	40.56
Compensated leave absences	33.57	6.41
Other provisions	1.38	-
Total	97.60	46.97
17. Deferred tax liabilities (net) (Refer Note 30.1)		
Deferred tax assets		
Provision for expected credit losses	193.02	170.62
Employee benefit obligations	49.83	50.66
ESOP Perquisite	4.01	4.01
Unused tax losses/credits	-	124.75
Others	122.40	134.33
Total Deferred tax assets (A)	369.26	484.37
Deferred tax liabilities		
Fair valuation gain of investments	66.40	295.39
Share of Loss in Securitisation Trusts	644.59	1,049.71
Total Deferred tax liabilities (B)	710.99	1,345.10
Deferred tax (assets)/liabilities (net) (A-B)	341.73	860.73
18. Other non-financial liabilities		
Unearned revenue	139.71	189.64
Taxes payable	70.49	63.10
Statutory dues payable on behalf of trust	146.75	417.05
Others	37.96	37.05
Total	394.91	706.84



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)
(Currency: Indian rupees in millions)

	As at March 31, 2026	As at March 31, 2025
19. Equity share capital		
Authorised :		
500,000,000 (Previous year: 500,000,000) Equity Shares of Rs. 10 each	5,000.00	5,000.00
	5,000.00	5,000.00
Issued, Subscribed and Paid up:		
257,989,737 (Previous year: 263,252,895) Equity Shares of Re.10 each, fully paid-up	2,579.90	2,632.53
	2,579.90	2,632.53

a. Movement in share capital :

	March 31, 2026		March 31, 2025	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	26,32,52,895	2,632.53	26,32,52,895	2,632.53
Shares issued / (Bought back) during the year	(52,63,158)	(52.63)	-	-
Outstanding at the end of the year	25,79,89,737	2,579.90	26,32,52,895	2,632.53

Pursuant to the approval received from the Reserve Bank of India, Edel Finance Company Limited (EFCL) acquired, on April 7, 2026, the entire shareholding of CDPQ Private Equity Asia Pte. Ltd. (CDPQ), one of the sponsors of the Company, representing 20.40% of the Company's equity share capital. Following this transfer, CDPQ ceased to be a sponsor of the Company and EFCL became one of the sponsors of the Company (EFCL's shareholding increased from 8.07% to 28.47%). As a result, the Edelweiss Group's aggregate shareholding increased from 63.12% to 83.52%.

During the previous year ended March 31, 2025, the company has approved the buy-back of 26,325,289 fully paid-up equity shares ("Offer Shares") of the face value of Rs. 10/- each from its existing shareholders, as on record date, on proportionate basis aggregating to 10% of the total paid-up equity share capital of the Company. The Company has accepted 5,263,158 equity shares tendered under the buy-back process which concluded during the period ended March 31, 2026, i.e. on April 16, 2025.

b. Terms/rights attached to equity shares :

The Company has only one class of equity shares having a par value of Re 10/-. Each holder of equity shares is entitled to one vote per share held. 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 of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	As at March 31, 2026		As at March 31, 2025	
	No of shares	% holding	No of shares	% holding
Holding company				
Edelweiss Financial Services Limited	2,09,64,082	8.13	2,09,64,082	7.96
Fellow subsidiaries				
Edelweiss Securities and Investments Private Limited	10,51,27,780	40.75	10,51,27,780	39.93
Edelcap Securities Limited	1,05,64,536	4.09	1,05,64,536	4.01
Ecap Equities Limited	53,57,058	2.08	-	-
Edel Finance Company Limited	2,08,17,286	8.07	2,08,17,286	7.91
	16,28,30,742	63.12	15,74,73,684	59.82

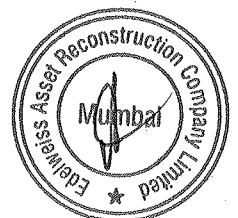
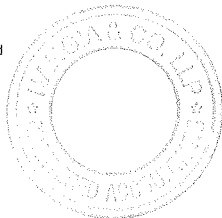
d. Details of shares held by promoters in the Company

	As at March 31, 2026		
Promoter name	No. of Shares	% of total shares	% Change during the year
Ecap Securities & Investments Limited (erstwhile ECap Equities Limited)	-	-	-
Edel Finance Company Limited	2,08,17,286	8.07	0.16
Edelcap Securities Limited	1,05,64,536	4.09	0.08
Ecap Equities Limited	53,57,058	2.08	2.08
Edelweiss Securities and Investments Private Limited	10,51,27,780	40.75	0.82
Edelweiss Financial Services Limited	2,09,64,082	8.13	0.16
	16,28,30,742	63.12	3.30

	As at March 31, 2025		
Promoter name	No. of Shares	% of total shares	% Change during the year
Ecap Securities & Investments Limited (erstwhile ECap Equities Limited)	-	-	(7.91)
Edel Finance Company Limited	2,08,17,286	7.91	7.91
Edelcap Securities Limited	1,05,64,536	4.01	-
Edelweiss Securities and Investment Private Limited	10,51,27,780	39.93	-
Edelweiss Financial Services Limited	2,09,64,082	7.96	7.96
	15,74,73,684	59.82	-

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

	As at March 31, 2026		As at March 31, 2025	
Equity shareholders	No of shares	% holding	No of shares	% holding
CDPQ Private Equity Asia PTE Ltd.	5,26,31,579	20.40	5,26,31,579	19.99
Edelweiss Securities and Investments Private Limited	10,51,27,780	40.75	10,51,27,780	39.93
Reeta Kuhad	2,12,00,000	8.22	2,12,00,000	8.05
Edel Finance Company Limited	2,08,17,286	8.07	2,08,17,286	7.91
Edelweiss Financial Services Limited	2,09,64,082	8.13	2,09,64,082	7.96
	22,07,40,727	85.57	22,07,40,727	83.84



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

	As at March 31, 2026	As at March 31, 2025
20. Instruments entirely equity in nature		
Authorised :		
250,000,000 (Previous year: 250,000,000) Preference Shares of Rs. 10 each	2,500.00	2,500.00
Issued, Subscribed and Paid up:		
NIL (Previous year: NIL)	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
21. Other Equity	As at March 31, 2026	As at March 31, 2025
Capital redemption reserve		
Opening Balance	-	-
Add : Transfer to Capital redemption reserve during the year	52.63	-
Closing Balance	<u>52.63</u>	<u>-</u>
Securities premium account		
Opening Balance	5,777.93	5,777.93
Add : Additions / (Deletions)	(294.74)	-
Closing Balance	<u>5,483.19</u>	<u>5,777.93</u>
Debenture redemption reserve		
Opening Balance	280.83	369.45
Less : Transfer to Retained Earnings during the year	(231.29)	(88.62)
Closing Balance	<u>49.54</u>	<u>280.83</u>
Impairment reserve (refer note 44(d))		
Opening Balance	2,562.85	2,184.59
Add : Additions/ (Reduction) during the year	-	378.26
Closing Balance	<u>2,562.85</u>	<u>2,562.85</u>
Deemed capital contribution - ESOP		
Opening Balance	15.93	15.93
Add : Additions during the year	-	-
Closing Balance	<u>15.93</u>	<u>15.93</u>
Retained earnings		
Opening Balance	24,078.72	20,518.11
Add: Reversal on ESOP/SAR on cancellation/lapses post vesting	0.74	2.47
Add: Profit for the year	3,495.28	3,850.61
Add: Other Comprehensive gain/ (loss)	0.14	(2.83)
Amount available for appropriation	27,574.88	24,368.36
Appropriations:		
Transfer from Capital redemption reserve	52.63	-
Transfer from Debenture redemption reserve	(231.29)	(88.62)
Transfer to/ (from) Impairment reserve	-	378.26
Dividend to equity shareholder	8,642.66	-
Closing Balance	<u>19,110.88</u>	<u>24,078.72</u>
Total	<u>27,275.02</u>	<u>32,716.26</u>

Securities premium account

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Debenture redemption reserve

The Companies Act 2013 requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. The Company is required to transfer a specified percentage (as provided in the Companies Act, 2013) of the outstanding redeemable debentures to debenture redemption reserve. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings. Company has transferred back INR 231.29 million from DRR to retained earnings on account of repayment of debentures during the year.

According to the provisions of Rule (18) (7) (iii) of the Companies (Share Capital and Debentures) Rules, 2014, requirements of creation of Debenture Redemption Reserve are not applicable to listed companies.

Impairment Reserve

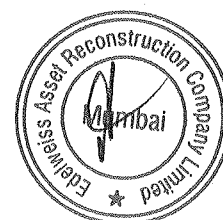
Pursuant to RBI circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020, Reserve Bank of India (RBI) requires every Asset Reconstruction Company to create an Impairment Reserve by appropriating the difference between impairment allowance under Ind AS 109 and the provisioning required under earlier applicable Income Recognition, Asset Classification and Provisioning (IRACP) guidelines (including standard asset provisioning) from their net profit or loss after tax to the said Impairment Reserve. The balance in the 'Impairment Reserve' shall not be reckoned for regulatory capital. Further, no withdrawals are permitted from this reserve without prior permission from RBI.

Capital redemption reserve

The Group has recognised capital redemption reserve on buy back of equity share capital.

Retained Earnings

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



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)
(Currency: Indian rupees in millions)

	For the period ended March 31, 2026	For the year ended March 31, 2025
22 Interest Income (at amortised cost)		
Interest on Loans	189.12	307.40
Interest on Investments	52.91	-
Interest on deposits with bank	516.33	430.82
Total	758.36	738.22

23 Fee and commission income (net of impairment)		
Management and other fees	2,304.35	3,326.71
Total	2,304.35	3,326.71

Revenue from contract with customers

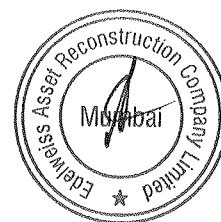
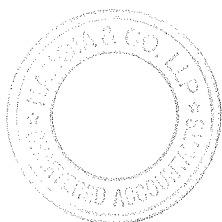
Disaggregation of the revenue from contracts with customers and its reconciliation to amounts reported in statement of profit and loss:

Particulars	Fees and commission income	Fees and commission income
Service transferred at a point in time	-	-
Service transferred over time		
Management Fees	964.27	2,367.28
Performance Fees	1,340.08	959.43
Total revenue from contract with customers	2,304.35	3,326.71

24 Net gain/(loss) on fair value changes		
(A) Net gain / (loss) on financial instruments at fair value through profit or loss		
- Investments	(2,725.12)	(154.36)
Fair value loss*	(2,725.12)	(154.36)
(B) Others	8,962.73	4,845.84
Profit from Investment in security receipts	8,962.73	4,845.84
Total Net gain/(loss) on fair value changes (C) = (A+B)	6,237.61	4,691.48
Fair value changes:		
- Realised	3,981.33	2,791.18
- Unrealised	2,256.28	1,900.30
Total Net gain/loss on fair value changes (D)	6,237.61	4,691.48

* During the year, the company has written-off investment in security receipts amounting to INR 1815.35 millions (previous year : INR 7101.66 millions) on account of lower/no recovery projections in those investments.

25 Other income		
Interest on Income Tax Refund	-	68.61
Total	-	68.61



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

26. Finance Costs

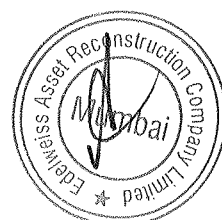
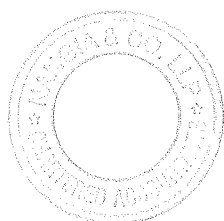
Particulars	For the period ended March 31, 2026		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total
Interest on debt securities	2,638.90	499.52	3,138.42
Interest on borrowings	-	96.50	96.50
Other Finance charges	-	48.69	48.69
Total	2,638.90	644.71	3,283.61

Particulars	For the year ended March 31, 2025		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total
Interest on debt securities	1,072.10	1,090.30	2,162.40
Interest on borrowings	-	152.60	152.60
Other Finance charges	-	61.99	61.99
Total	1,072.10	1,304.89	2,376.99

27. Impairment on financial instruments

Particulars	For the year ended March 31, 2026		
	On Financial instruments measured at fair value through OCI	On Financial instruments measured at Amortised Cost	Total
Loans	-	89.01	89.01
Commercial Papers	-	7.70	7.70
Loan write off	-	-	-
Total	-	96.71	96.71

Particulars	For the year ended March 31, 2025		
	On Financial instruments measured at fair value through OCI	On Financial instruments measured at Amortised Cost	Total
Loans	-	(89.67)	(89.67)
Commercial Papers	-	-	-
Loan write off	-	40.54	40.54
Total	-	(49.13)	(49.13)



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

	For the period ended March 31, 2026	For the year ended March 31, 2025
28. Employee benefit expenses		
Salaries and wages	577.65	586.73
Contribution to provident and other funds (refer note 32)	37.04	34.00
Expense on Employee Stock Option Scheme (ESOP)	-	0.07
Staff welfare expenses	18.97	25.66
Employee Stock Appreciation Rights	-	0.43
Total	633.66	646.89

The Ultimate Holding Company (Edelweiss Financial Services Limited ("EFSL")) has Employee Stock Option Plans (ESOP) in force. Based on such ESOP schemes, parent entity has granted an ESOP option to acquire equity shares of EFSL that would vest in a graded manner to company's employees. Based on group policy / arrangement, EFSL has charged the fair value of such stock options, Company has accepted such cross charge and recognised the same under the employee cost.

29. Other expenses

Advertisement and business promotion	3.16	2.24
Auditors' remuneration (refer note (a) below)	11.25	11.59
Directors' sitting fees	6.50	6.20
Insurance	0.95	2.01
Legal Fees	102.79	77.51
Printing and stationery	3.19	2.33
Rates and taxes	51.17	50.45
Rent	78.68	76.53
Repairs and maintenance	1.29	0.89
Electricity charges	2.72	3.49
Corporate social responsibility -Donation (refer note (b) below)	118.00	103.00
Rating support fees	2.61	4.40
Office expenses	91.78	87.12
ROC Expenses	0.00	0.01
Stamp duty	0.37	0.63
Travelling and conveyance	20.07	19.16
Miscellaneous expenses	67.30	110.30
Total	561.83	557.86

Note (a):

Auditors' remuneration:

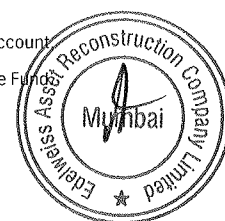
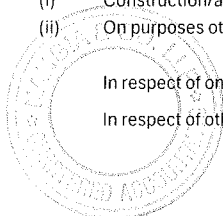
As Auditor	10.00	9.60
Other services	1.00	1.75
Towards reimbursement of expenses	0.25	0.24
	11.25	11.59

Note (b):

Details of CSR Expenditure		For the period ended March 31, 2026	For the year ended March 31, 2025	
a)	Gross amount required to be spent by the company during the year	118.00	103.00	
Sr. No.	Amount spent during the year ended March 31, 2026	Paid	Yet to be paid	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	118.00	-	118.00
Sr. No.	Amount spent during the year ended March 31, 2025	Paid	Yet to be paid	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	103.00	-	103.00

In respect of ongoing projects, there are no unspent amount. Accordingly, no amount is required to be transferred to the special account

In respect of other than ongoing projects, there are no unspent amount. Accordingly, no amount is required to be transferred to the Fund



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

30. Income Tax expense

The components of income tax expense recognised in profit or loss for the years ended March,31 2026 and March 31, 2025 are:

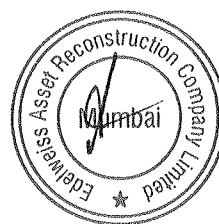
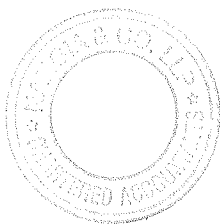
Particulars	2025-26	2024-25
Current tax	1,722.43	-
Adjustment in respect of current income tax of prior years	-	2.32
Deferred tax relating to origination and reversal of temporary differences	(519.04)	1,427.56
Total tax expense	1,203.39	1,429.88
Total Current Tax	1,722.43	2.32
Total Deferred Tax	(519.04)	1,427.56

Break-up of Recognition of Current Tax	2025-26	2024-25
In P&L	1,722.43	2.32
in OCI	-	-

Reconciliation of the total tax expense

The tax expense shown in the statement of profit and loss differs from the tax expense that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2026 and March 31, 2025 is, as follows:

Particulars	2025-26	2024-25
Profit before tax	4,698.67	5,280.49
Tax rate	25.17%	25.17%
Income tax expense calculated based on above tax rate	1,182.66	1,329.10
Adjustment in respect of income tax of prior years	-	2.32
Adjustment in respect of deferred tax of prior years	-	(2.32)
Effect of non-deductible expenses	0.02	0.03
CSR Expenditure disallowance	29.70	25.93
Others	(8.99)	74.82
Tax expense recognised in profit or loss	1,203.39	1,429.88
Effective Income Tax Rate	25.61%	27.08%



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

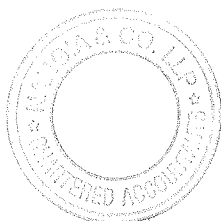
30.1 Components of deferred tax

The following table shows deferred tax recorded in the Balance sheet and changes recorded in the income tax expense:

March 31, 2026	Opening deferred tax asset/(liability)	Recognised in profit or loss	Recognised in other comprehensive income	Total Movement	Closing deferred tax asset/(liability)
Deferred taxes in relation to:					
Investments in Security Receipts	(295.39)	228.99	-	228.99	(66.40)
Trade Receivables	134.94	(11.03)	-	(11.03)	123.91
Unused tax losses/credits	124.75	(124.75)	-	(124.75)	-
Share of Loss in Securitisation Trusts	(1,049.71)	405.13	-	405.13	(644.58)
ECL on Loans	170.62	22.41	-	22.41	193.03
ESOP cost	4.01	-	-	-	4.01
Others	50.05	(1.70)	(0.05)	(1.75)	48.30
Total	(860.73)	519.06	(0.05)	519.00	(341.73)

March 31, 2025	Opening deferred tax asset/(liability)	Recognised in profit or loss	Recognised in other comprehensive income	Total Movement	Closing deferred tax asset/(liability)
Deferred taxes in relation to:					
Investments in Security Receipts	1,453.26	(1,748.65)	-	(1,748.65)	(295.39)
Trade Receivables	153.06	(18.12)	-	(18.12)	134.94
Unused tax losses/credits	-	124.75	-	124.75	124.75
Share of Loss in Securitisation Trusts	(1,287.56)	237.85	-	237.85	(1,049.71)
ECL on Loans	193.19	(22.57)	-	(22.57)	170.62
ESOP cost	4.01	-	-	-	4.01
Others	49.91	(0.82)	0.96	0.14	50.05
Total	565.87	(1,427.56)	0.96	(1,426.60)	(860.73)

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.



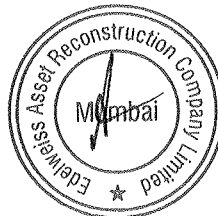
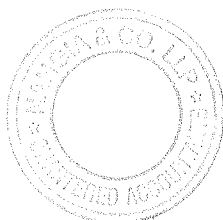
Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

31. Basic and Diluted Earnings per share

Particulars	March 31, 2026	March 31, 2025
(a) Shareholders earnings (as per statement of profit and loss)	3,495.28	3,850.61
(b) Calculation of weighted average number of equity shares of Rs 10 each:		
- Number of shares at the beginning of the year	26,32,52,895	26,32,52,895
- Shares issued during the year	-	-
- Shares bought back during the year	52,63,158	-
Total number of equity shares outstanding at the end of the year	25,79,89,737	26,32,52,895
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	25,82,06,031	26,32,52,895
Number of dilutive potential equity shares	-	-
Weighted average number of diluted equity shares outstanding during the year (based on the date of issue of shares)	25,82,06,031	26,32,52,895
(c) Basic earnings per share of face value of Rs.10 (in rupees)	13.54	14.63
(d) Diluted earnings per share of face value of Rs.10 (in rupees)	13.54	14.63



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

32. Retirement Benefit Plan

A) Defined contribution plan (Provident fund and National Pension Scheme):

Amount of ₹ 25.82 million (Previous year: ₹ 26.14 million) is recognised as expenses and included in "Employee benefit expense" – Note 28 in the statement of Profit and loss.

B) Defined benefit plan (Gratuity):

The following tables summarize the components of the net benefit expenses recognised in the statement of profit and loss and the funded and unfunded status and amount recognised in the balance sheet for the gratuity benefit plan.

1: Reconciliation of Defined Benefit Obligation (DBO)

	March 31, 2026	March 31, 2025
Present value of DBO at the start of the year	40.56	44.19
Service Cost		
a. Current Service Cost	8.65	5.75
b. Past Service Cost	14.76	-
c. Loss/ (Gain) from Settlement	-	-
Interest Cost	2.56	2.09
Benefits Paid	(3.69)	(0.98)
Re-measurements		
a. Actuarial Loss/ (Gain) from changes in demographic assumptions	-	-
b. Actuarial Loss/ (Gain) from changes in financial assumptions	-	1.39
c. Actuarial Loss/ (Gain) from experience over the past year	(0.19)	2.40
Effect of acquisition/ (divestiture)	-	-
Changes in foreign exchange rates	-	(14.28)
Transfer In/ (Out)	-	-
Present value of DBO at the end of the year	62.65	40.56

2: Reconciliation of Fair Value of Plan Assets

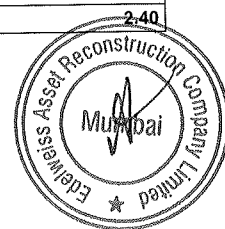
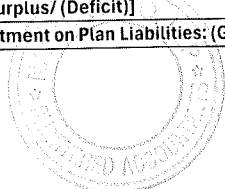
	March 31, 2026	March 31, 2025
Fair Value of Plan Assets at the start of the year	-	-
Contributions by Employer	3.69	0.98
Benefits Paid	(3.69)	(0.98)
Interest Income on Plan Assets	-	-
Re-measurements		
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/ (asset)	-	-
Effect of acquisition/ (divestiture)	-	-
Changes in foreign exchange rates	-	-
Transfer In/ (Out)	-	-
Fair Value of Plan Assets at the end of the year	-	-
Actual Return on Plan Assets	-	-
Expected Employer Contributions for the next year	-	-

3: Expenses recognised in the Profit and Loss Account

	March 31, 2026	March 31, 2025
Service Cost		
a. Current Service Cost	8.65	5.75
b. Past Service Cost	14.76	-
c. Loss/ (Gain) from Settlement	-	-
Net Interest on net defined benefit liability/ (asset)	2.56	2.09
Changes in foreign exchange rates	-	-
Employer Expenses	25.96	7.84

4: Net Liability/ (Asset) recognised in the Balance Sheet

	March 31, 2026	March 31, 2025
Present Value of DBO	62.65	40.56
Fair Value of Plan Assets	-	-
Liability/ (Asset) recognised in the Balance Sheet	62.65	40.56
Of Which, Short term Liability	8.87	6.01
Funded Status [Surplus/ (Deficit)]	(62.65)	(40.56)
Experience Adjustment on Plan Liabilities: (Gain)/ Loss	(0.19)	2.40



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

5: Actuarial Assumptions

	March 31, 2026	March 31, 2025
Salary Growth Rate (% p.a.)	7.00%	7.00%
Discount Rate (% p.a.)	6.30%	6.30%
Interest Rate for interest on Net DBO	6.30%	7.00%
Withdrawal Rate (% p.a.)	16.00%	16.00%
Mortality	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)
Weighted average duration of the obligation	3.00	3.50

6: Movement in Other Comprehensive Income

	March 31, 2026	March 31, 2025
Balance at start of year (Loss)/ Gain	(14.90)	(11.11)
Re-measurements on DBO		
a. Actuarial (Loss)/ Gain from changes in demographic assumptions	-	-
b. Actuarial (Loss)/ Gain from changes in financial assumptions	-	(1.39)
c. Actuarial (Loss)/ Gain from experience over the past year	0.19	(2.40)
Re-measurements on Plan Assets		
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/ (asset)	-	-
Balance at the end of the year (Loss)/ Gain	(14.71)	(14.90)

7: Sensitivity Analysis

DBO increases/ (decreases) by	March 31, 2026	March 31, 2025
1% Increase in Salary Growth Rate	2.72	1.98
1% Decrease in Salary Growth Rate	(2.62)	(1.85)
1% Increase in Discount Rate	(2.62)	(1.85)
1% Decrease in Discount Rate	2.77	2.01
1% Increase in Withdrawal Rate	(0.09)	(0.06)
1% Decrease in Withdrawal Rate	0.10	0.07
Mortality (increase in expected lifetime by 1 year)	2	1
Mortality (increase in expected lifetime by 3 years)	5	4

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses.

8: Movement in Surplus/ (Deficit)

	March 31, 2026	March 31, 2025
Surplus/ (Deficit) at the start of the year	(40.56)	(44.19)
Net Transfer (In)/ Out	-	14.28
Movement during the year		
Current Service Cost	(8.65)	(5.75)
Past Service Cost	(14.76)	-
Net Interest on net DBO	(2.56)	(2.09)
Re-measurements Gains/ (Losses)	0.19	(3.79)
Benefits paid	3.69	0.98
Surplus/ (Deficit) at the end of the year	(62.65)	(40.56)

9: Other Disclosures

Description of ALM Policy

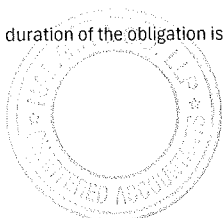
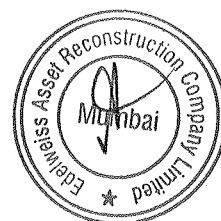
As the plan is unfunded, an ALM policy is not applicable.

Description of funding arrangements and funding policy that affect future contributions

The plan is unfunded and the status is unlikely to change over the next few years.

Maturity profile

The weighted average duration of the obligation is 3 years (March 31, 2025: 3.5 years) as at the date of valuation.



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

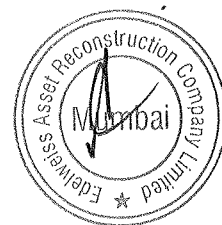
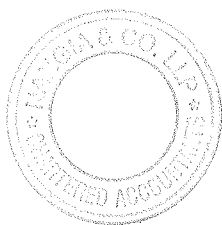
33. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

Particulars	March 31, 2026			March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	5,282.35	-	5,282.35	13,532.37	-	13,532.37
Other bank balances	1,625.14	410.48	2,035.62	13.54	399.90	413.44
Trade receivables	255.93	299.00	554.93	56.59	393.46	450.05
Loans	1,117.38	1,181.03	2,298.41	899.60	1,115.95	2,015.55
Investments	13,950.20	9,723.64	23,673.84	14,436.20	17,079.40	31,515.60
Other financial assets	-	53.50	53.50	50.00	3.42	53.42
	22,231.00	11,667.65	33,898.65	29,387.96	18,592.47	47,980.43
Non-financial assets						
Current tax assets (net)	-	1,274.96	1,274.96	-	1,618.22	1,618.22
Property, plant and equipment	-	4.76	4.76	-	5.74	5.74
Other intangible assets	-	8.91	8.91	-	11.89	11.89
Other non-financial assets	64.59	0.71	65.29	121.30	1.65	122.95
	64.59	1,289.33	1,353.92	121.30	1,637.50	1,758.80
Total assets	22,295.58	12,956.98	35,252.57	29,509.26	20,229.97	49,739.23

Particulars	March 31, 2026			March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Trade payables	141.24	-	141.24	106.62	-	106.62
Debt securities	2,504.42	1,293.99	3,798.41	1,090.93	10,169.31	11,260.24
Borrowing (other than debt securities)	366.60	63.91	430.51	896.72	206.88	1,103.60
Other financial liabilities	193.25	-	193.25	281.07	24.37	305.44
	3,205.51	1,357.90	4,563.41	2,375.34	10,400.56	12,775.90
Non-financial liabilities						
Provisions	10.25	87.35	97.60	7.27	39.70	46.97
Deferred tax liabilities (net)	-	341.73	341.73	-	860.73	860.73
Other non-financial liabilities	394.91	-	394.91	706.84	-	706.84
	405.16	429.08	834.24	714.11	900.43	1,614.54
Total liabilities	3,610.67	1,786.98	5,397.65	3,089.45	11,300.99	14,390.44

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



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

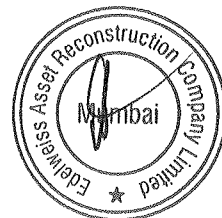
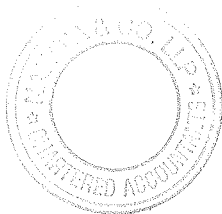
34. Change in liabilities arising from financing activities

Particulars	April 01, 2025	Cash flows	Changes in fair values	Exchange differences	Others*	March 31, 2026
Debt securities	11,260.24	(5,311.56)	(1,538.91)	-	(611.37)	3,798.40
Borrowings other than debt securities	1,103.60	(673.05)	-	-	(0.04)	430.51
Deposits	-	-	-	-	-	-
Subordinated liabilities	-	-	-	-	-	-
Other financial liabilities	305.44	(112.19)	-	-	-	193.25
Total liabilities from financing activities	12,669.28	(6,096.80)	(1,538.91)	-	(611.41)	4,422.16

* Includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees etc.

Particulars	April 01, 2024	Cash flows	Changes in fair values	Exchange differences	Others*	March 31, 2025
Debt securities	18,137.73	(7,127.35)	100.13	-	149.73	11,260.24
Borrowings other than debt securities	1,605.88	(494.52)	-	-	(7.76)	1,103.60
Deposits	-	-	-	-	-	-
Subordinated liabilities	-	-	-	-	-	-
Other financial liabilities	400.52	(95.08)	-	-	-	305.44
Total liabilities from financing activities	20,144.13	(7,716.95)	100.13	-	141.97	12,669.28

* Includes the effect of interest accrued but not due on borrowing, amortisation of processing fees etc.



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

35. Contingent liabilities, commitments and lease arrangements

35.1. Legal claims

There are no legal claims against the company as on March 31, 2026 and as on March 31, 2025.

35.2. Contingent liabilities

Particulars	March 31, 2026	March 31, 2025
Claims against the Company not acknowledged as debt	-	-

35.3 The Company has obligation to acquire non-fund based facilities (Investment of security receipts) of the borrowers upto INR 3.48 millions (previous year : INR 3.48 millions) in case of crysatallisation of liability of the selling bank.

35.4 Lease commitments - Company as a lessee

The company has entered into commercial leases for premises and equipment. Future minimum lease payments under non-cancellable leases as at 31 March are, as follows:

Particulars	March 31, 2026	March 31, 2025
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
Total	-	-

This note provides information for leases where the company is a lessee.

Right-of-use assets

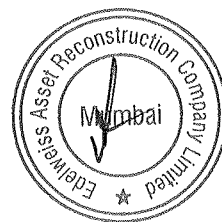
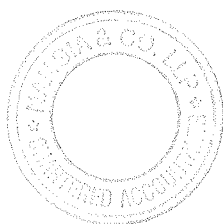
Particulars	March 31, 2026	March 31, 2025
Opening	-	-
Addition	-	-
Deletion	-	-
Depreciation expense	-	-
Closing	-	-

Lease liability

Particulars	March 31, 2026	March 31, 2025
Opening	-	-
Addition (net)	-	-
Accretion of interest	-	-
Payments	-	-
Closing	-	-

The statement of profit or loss shows the following amounts relating to leases

	2025-2026	2024-2025
Depreciation expense on right of use assets	-	-
Interest expense on lease liability	-	-
Expenses related to short term lease (Refer note 29 "Other expenses")	63.89	66.44
Total amount recognised in profit and loss	63.89	66.44



36. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure"

List of Related Parties

A) Where control exists:

Holding Company : Edelweiss Financial Services Limited (w.e.f. 16th September 2016)

B) Other Related Parties:

Fellow subsidiaries

Name of Entity

ECL Finance Limited
Edelcap Securities Limited
ECap Securities and Investments Limited
EAAA India Alternatives Limited
Ecap Equities Limited
Edel Investments Limited
Edelweiss Life Insurance Company Limited
Edelweiss Trusteeship Company Limited
Edelweiss Asset Management Limited
Edelweiss Investment Adviser Limited
EC International Limited
Edelgive Foundation
Edelweiss Alternative Asset Advisors Pte. Limited
Edelweiss International (Singapore) Pte. Limited
Edelweiss Retail Finance Limited (Merged with ECL Finance Limited w.e.f. September 30, 2025)
NIDO Home Finance Limited
Edelweiss Rural & Corporation Services Limited
Comtrade Commodities Services Limited
Edel Finance Company Limited
Edelweiss Multi Strategy Fund Advisors LLP
ZUNO General Insurance Limited
Edelweiss Private Equity Tech Fund
Edelweiss Value and Growth Fund
Edelweiss Securities and Investments Private Limited
Allium Corporate Services Private Limited
Edelweiss Real Asset Managers Limited
Sekura India Management Limited
Edelweiss Global Wealth Management Limited
Nuvama Custodial Services Limited
EAAA Trans Infra Managers Limited
EARC TRUST SC - 229
EARC TRUST SC - 238
EARC TRUST SC - 251
EARC TRUST SC - 298 (upto 31 December 2025)
EARC TRUST SC - 361 (upto 30 September 2025)
EARC TRUST SC - 372
EARC TRUST SC - 373
EARC TRUST SC - 374
EARC TRUST SC - 377
EARC TRUST SC - 378
EARC TRUST SC - 384
EARC TRUST SC - 385
EARC TRUST SC - 393
EARC TRUST SC - 401
EARC TRUST SC - 413
EARC TRUST SC - 416
EARC TRUST SC - 417
EARC TRUST SC - 418
EARC TRUST SC - 447
EARC TRUST SC - 452
EARC TRUST SC - 453
EARC TRUST SC - 459
EARC TRUST SC - 6
EARC TRUST SC - 9

Subsidiaries

Name of Entity

EARC TRUST SC - 102
EARC TRUST SC - 112
EARC TRUST SC - 130
EARC TRUST SC - 245
EARC TRUST SC - 263 (upto 30 September 2025)
EARC TRUST SC - 308
EARC TRUST SC - 314
EARC TRUST SC - 322 (from 02 December 2025)
EARC TRUST SC - 325
EARC TRUST SC - 327 (from 02 December 2025)
EARC TRUST SC - 329
EARC TRUST SC - 331
EARC TRUST SC - 334
EARC TRUST SC - 344 (upto 31 March 2026)
EARC TRUST SC - 347 (upto 31 March 2026)
EARC TRUST SC - 348
EARC TRUST SC - 352
EARC TRUST SC - 370
EARC TRUST SC - 375
EARC TRUST SC - 376
EARC TRUST SC - 380 (upto 31 March 2026)
EARC TRUST SC - 381
EARC TRUST SC - 383
EARC TRUST SC - 386
EARC TRUST SC - 387
EARC TRUST SC - 391
EARC TRUST SC - 392
EARC TRUST SC - 394
EARC TRUST SC - 396
EARC TRUST SC - 397
EARC TRUST SC - 402
EARC TRUST SC - 405 (upto 31 December 2025)
EARC TRUST SC - 406
EARC TRUST SC - 410
EARC TRUST SC - 412
EARC TRUST SC - 415
EARC TRUST SC - 421
EARC TRUST SC - 422
EARC TRUST SC - 423
EARC TRUST SC - 424
EARC TRUST SC - 425
EARC TRUST SC - 428
EARC TRUST SC - 430 (upto 31 December 2025)
EARC TRUST SC - 433
EARC TRUST SC - 434
EARC TRUST SC - 436 (upto 31 December 2025)
EARC TRUST SC - 442 (upto 31 December 2025)
EARC TRUST SC - 443
EARC TRUST SC - 444
EARC TRUST SC - 445
EARC TRUST SC - 448
EARC TRUST SC - 449
EARC TRUST SC - 451
EARC TRUST SC - 455

Subsidiaries

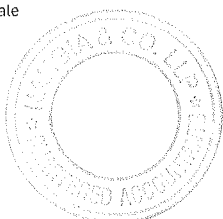
Name of Entity

EARC TRUST SC - 456
EARC TRUST SC - 457
EARC TRUST SC - 462
EARC TRUST SC - 464 (upto 31 December 2025)
EARC TRUST SC - 468
EARC TRUST SC - 469
EARC TRUST SC - 470 (upto 31 December 2025)
EARC TRUST SC - 471 (from 21 July 2025)
EARC TRUST SC - 472 (from 13 August 2025)
EARC TRUST SC - 473 (from 29 August 2025)
EARC TRUST SC - 474 (from 26 September 2025)
EARC TRUST SC - 475 (from 08 December 2025)
EARC TRUST SC - 477
EARC TRUST SC - 481
EARC TRUST SC - 482
EARC TRUST SC - 483
EARC TRUST SC - 484
EARC TRUST SC - 486
EARC TRUST SC - 489
EARC TRUST SC - 492
EARC TRUST SC - 493
EARC TRUST SC - 494
EARC TRUST SC - 497 (from 29 May 2025)
EARC TRUST SC - 498 (from 23 June 2025)
EARC TRUST SC - 499 (from 24 June 2025)
EARC TRUST SC - 500 (from 27 June 2025)
EARC TRUST SC - 501 (from 27 June 2025)
EARC TRUST SC - 502 (from 26 September 2025)
EARC TRUST SC - 503 (from 29 September 2025)
EARC TRUST SC - 504 (from 27 November 2025)
EARC TRUST SC - 505 (from 27 February 2026)
EARC TRUST SC - 506 (from 24 December 2025)
EARC TRUST SC - 507 (from 26 December 2025)
EARC TRUST SC - 508 (from 26 December 2025)
EARC TRUST SC - 509 (from 29 December 2025)
EARC TRUST SC - 510 (from 17 March 2026)
EARC TRUST SC - 511 (from 23 March 2026)
EARC TRUST SC - 512 (from 27 March 2026)
EARC SAF-2 TRUST

Fellow Associates - Nil

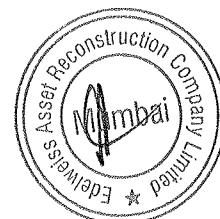
C) Key Management Personnel

Ms. Mythili Balasubramanian (up to September 30, 2025)
Mr. Raj Kumar Bansal (upto May 29, 2024)
Mr. Mohan Vasant Tanksale
Mr. Manish Sanghi
Mr. Deepak Nautiyal
Mr. Ashwani Kumar



D) Independent Directors

Mr. Mohan Vasant Tanksale
Mr. Manish Sanghi
Mr. Pudugramam Narayanaswamy Venkatachalam (upto June 20, 2025)
Mr. Shiva Kumar
Mr. Sameer Kaji (from October 04, 2024)
Mr. Gurumani Suresh (w.e.f. February 18, 2026)



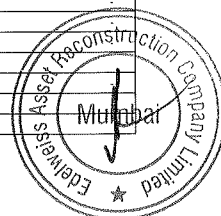
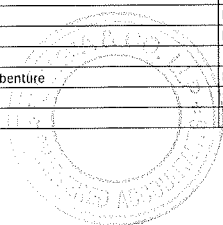
Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

36. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure"

Sr. No.	Nature of Transaction	Related Party Name	From April 01, 2025 to March 31, 2026	From April 01, 2024 to March 31, 2025
E)	Transactions with related parties as stated above			
1	Non-convertible debentures Redeemed to	Edelweiss Investment Adviser Limited	-	131.49
		ECap Equities Limited	966.07	26.24
		Edelweiss Life Insurance Company Limited (Formerly known as Edelweiss Tokio Insurance Company Limited)	331.34	59.42
2	KMP remuneration	Ms. Mythili Balasubramanian*	34.87	0.80
		Mr. Raj Kumar Bansal*	-	34.83
		Mr. Ashwani Kumar*	15.20	13.10
		Mr. Deepak Nautiyal*	15.30	12.82
		Mr. Pudugramam Narayanaswamy Venkatachalam	-	1.69
		Mr. Mohan Vasant Tanksale	3.33	3.33
		Mr. Manish Sanghi	4.33	4.00
		Mr. Shiva Kumar	4.73	4.35
		Mr. Sameer A. Kaji	2.88	0.53
3	Income received from	ECL Finance Limited	261.94	210.65
		Edelweiss Retail Finance Limited) (Merged with ECL Finance Limited w.e.f. September 30, 2025)	60.84	176.45
		Nido Home Finance Limited	1.41	-
		Edelweiss Financial Services Limited	-	-
		India Credit Investment Fund II	-	3.44
		India Credit Investment Fund III	-	49.96
		India Credit Investment Fund V	-	3.86
4	Rating & Corporate Guarantee support fees	Edelweiss Financial Services Limited	28.04	44.64
5	Advisory Fees	Edelweiss Financial Services Limited	-	6.26
6	Interest expense on debentures	Edelweiss Investment Adviser Limited	-	270.13
		ECap Equities Limited	651.98	27.10
		Edelweiss Life Insurance Company Limited (Formerly known as Edelweiss Tokio Insurance Company Limited)	160.49	57.82
7	Shared Premises Cost	Edelweiss Rural & Corporate Services Limited	63.86	61.33
8	Cost reimbursements	Edelweiss Rural & Corporate Services Limited	42.47	43.93
		Edelweiss Financial Services Limited	0.18	1.33
		EAAA India Alternatives Limited (Formerly known as Edelweiss Alternative Asset Advisors Limited)	-	2.54
9	Contribution towards corporate social responsibility	Edelgive Foundation	118.00	103.00
10	Transfer of gratuity liability on account of employee transfer from	Edelweiss Rural & Corporate Services Limited	-	-
		EAAA India Alternatives Limited (Formerly known as Edelweiss Alternative Asset Advisors Limited)	-	-
11	Transfer of gratuity liability on account of employee transfer to	EAAA India Alternatives Limited (Formerly known as Edelweiss Alternative Asset Advisors Limited)	-	12.51
		Edelweiss Financial Services Limited	-	1.77
		Sekura India Management Limited	-	-
12	Management fees & other fees	Asset Reconstruction trusts - managed by the Company as trustee	755.87	918.66
13	Profit from investments in security receipts	Asset Reconstruction trusts - managed by the Company as trustee	3,182.89	3,622.48
14	Interest income	Asset Reconstruction trusts - managed by the Company as trustee	23.81	21.32
15	Investment in Security Receipts	Asset Reconstruction trusts - managed by the Company as trustee	4,295.17	1,528.00
16	Redemption of Security Receipts	Asset Reconstruction trusts - managed by the Company as trustee	4,254.10	9,597.71
17	Loans and advances given/(repaid) (Net)	Asset Reconstruction trusts - managed by the Company as trustee	257.04	154.13
18	Purchase of Security Receipts	ECL Finance Limited	-	-
19	Purchase of Fixed Asset from	EAAA India Alternatives Limited (Formerly known as Edelweiss Alternative Asset Advisors Limited)	-	-
20	Sale of Fixed Asset to	Edelweiss Financial Services Limited	-	0.04
21	Insurance Premium	Edelweiss Life Insurance Company Limited (Formerly known as Edelweiss Tokio Insurance Company Limited)	-0.22	2.48
		Zuno General Insurance Limited	8.48	7.33
22	Dividend paid on Equity Shares	Edelweiss Financial Services Limited	702.30	-
		Edelweiss Securities and Investments Private Limited	3,521.78	-
		Edelcap Securities Limited	353.91	-
		Edel Finance Company Limited	697.38	-
		ECap Equities Limited	30.80	-
		KMP	0.90	-
23	Prepayment/ Buyback/ Repurchase of Debenture	Edelcap Securities Limited	783.24	-
		Edel Finance Company Limited	26.04	-



Edelweiss Asset Reconstruction Company Limited

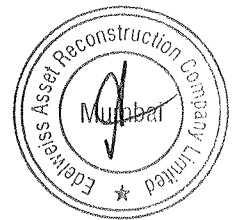
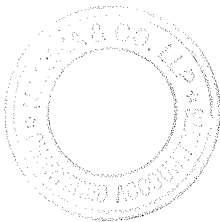
Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

36. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure"

F)	Balances with related parties as stated above			
24	Interest expense accrued and not due on borrowings from	Ecap Equities Limited	30.90	35.31
		Edelweiss Life Insurance Company Limited (Formerly known as Edelweiss Tokio Insurance Company Limited)	-	13.52
25	Receivable from	ECL Finance Limited	7.05	-
		Edelweiss Financial Services Limited	-	-
		Edelweiss Retail Finance Limited) (Merged with ECL Finance Limited w.e.f. September 30, 2025)	-	-
		Zuno General Insurance Limited	-	1.15
		Edelweiss Life Insurance Company Limited (Formerly known as Edelweiss Tokio Insurance Company Limited)	-	0.22
26	Payable to	EAAA India Alternatives Limited (Formerly known as Edelweiss Alternative Asset Advisors Limited)	-	14.07
		Edelweiss Rural & Corporate Services Limited	9.75	9.61
		Edelweiss Financial Services Limited	7.25	11.56
		Sekura India Management Limited	-	-
		ECL Finance Limited	-	0.57
27	Non-convertible debentures held by	Edel Finance Company Limited	0.70	10.70
		Edelweiss Investment Adviser Limited	-	-
		Ecap Equities Limited	3.91	969.96
		Edelweiss Life Insurance Company Limited (Formerly known as Edelweiss Tokio Insurance Company Limited)	0.68	332.02
		Edelcap Securities Limited	0.80	-
28	Security Deposits	Edelweiss Rural & Corporate Services Limited	50.00	50.00
29	Management & other fees receivable	Asset Reconstruction trusts - managed by the Company as trustee	657.06	623.42
30	Investment in Security Receipts	Asset Reconstruction trusts - managed by the Company as trustee	19,445.22	20,652.18
31	Loans and advances given/(repaid)	Asset Reconstruction trusts - managed by the Company as trustee	108.72	(149.15)
32	Corporate Guarantee issued by	Edelweiss Financial Services Limited	2,730.80	3,827.40

* Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment and deferred bonus which are provided for group of employees on an overall basis. These are included on cash basis. The variable compensation included herein is on cash basis.



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

F. Compensation of key management personnel of the Company

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Companies and its employees. The Company considers the members of the Board of Directors which include independent directors (and its sub-committees) and Executive Committee to be key management personnel for the purposes of Ind AS 24 Related Party Disclosures.

Particulars	March 31, 2026	March 31, 2025
Short-term employee benefits	65.36	61.54
Post-employment pension (defined contribution)	-	-
Termination benefits	-	-
Total	65.36	61.54

G. Transactions with key management personnel of the Company

The Company enters into transactions, arrangements and agreements involving directors, senior management and their business associates, or close family members, in the ordinary course of business under the same commercial and market terms, interest and commission rates that apply to non-related parties.

The following table provides the total amount of transactions, which have been entered into with key management personnel for the relevant financial year:

Particulars	March 31, 2026	March 31, 2025
Key management personnel of the Company	65.36	61.54

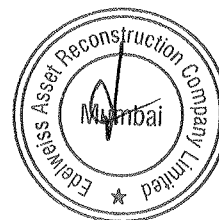
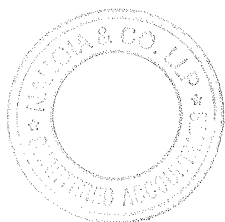
37. Capital management

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 in order to support its business and to maximise shareholder value.

The company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Regulatory capital

Particulars	March 31, 2026	March 31, 2025
Common Equity Tier1 (CET1) capital	19,647.31	28,536.15
Other Tier 2 capital instruments	-	-
Total capital	19,647.31	28,536.15
Risk weighted assets	24,548.41	31,545.36
CET1 capital ratio	80.03%	90.46%
Total capital ratio	80.03%	90.46%



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

38. Fair value measurement

38.1 Valuation Principles

The company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

38.2 Valuation framework

The company has an established control framework for the measurement of fair values. This framework includes a Control function, which is independent of front office management and reports to the Chief Financial Officer, and which has overall responsibility for independently verifying the results of investment operations and all significant fair value measurements. Specific controls include:

- Verification of observable pricing;
- Re-performance of model valuations;
- A review and approval process for new models and changes to models;
- Quarterly calibration and back-testing of models against observed market transactions;
- Analysis and investigation of significant daily valuation movements; and
- Review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments compared with the previous month, by senior member of management.

38.3 Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

Particulars	March 31, 2026			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Investments				
Security receipts	-	-	21,704.14	21,704.14
Total financial assets measured at fair value on a recurring basis	-	-	21,704.14	21,704.14

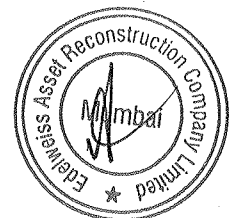
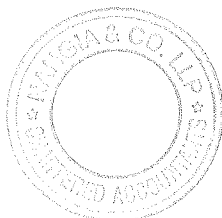
Particulars	March 31, 2026			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis -				
Non Convertible Debentures (designated at FVTPL)	-	-	69.85	69.85
Total financial liabilities measured at fair value on a recurring basis	-	-	69.85	69.85

Particulars	March 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Investments				
Security receipts	-	-	31,515.60	31,515.60
Total financial assets measured at fair value on a recurring basis	-	-	31,515.60	31,515.60

Particulars	March 31, 2025			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis -				
Non Convertible Debentures (designated at FVTPL)	-	-	6,351.73	6,351.73
Total financial liabilities measured at fair value on a recurring basis	-	-	6,351.73	6,351.73

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade and other payables as on March 31, 2026 approximate the fair value because of their short term nature. Difference between carrying amounts and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

38.4 Movement in level 3 financial instruments measured at fair value

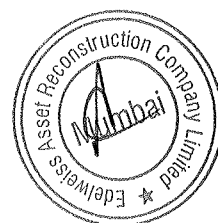
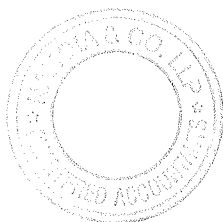
The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements in Level 3 of the fair value hierarchy.

Financial assets	Investments in security receipts
At April 1, 2025	31,515.60
Purchase of Investments	4,295.24
Redemption/Write-offs	(11,658.03)
Gains / (losses) for the year recognised in profit or loss	(2,448.67)
At March 31, 2026	21,704.14
Unrealised gains related to balances held at the end of year	260.81

Financial liabilities	Debt Securities
At April 1, 2025	6,351.73
Issuances	-
Settlements	(4,687.96)
Interest Accrued/ losses for the year recognised in profit or loss	(1,593.92)
At March 31, 2026	69.85
Unrealised gains related to balances held at the end of the year	(3.00)

Financial assets	Investments in security receipts
At April 1, 2024	42,659.63
Purchase of Investments	1,590.90
Redemption/Write-offs	(19,782.35)
Gains / (losses) for the year recognised in profit or loss	7,047.42
At March 31, 2025	31,515.60
Unrealised gains related to balances held at the end of the year	2,709.49

Financial liabilities	Debt Securities
At April 1, 2024	7,010.23
Issuances	-
Settlements	(713.80)
Interest Accrued/ losses for the year recognised in profit or loss	55.30
At March 31, 2025	6,351.73
Unrealised gains related to balances held at the end of the year	1,535.92



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

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

Type of Financial Instruments	Fair value of asset as on March 31, 2026	Fair value of liability as on March 31, 2026	Valuation Techniques	Significant Unobservable input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Investments in security receipts	21,704.14		Discounted projected cash flow	Expected Gross Recoveries *	1.26,202.89	4,340.32	1,118.40	(4,261.14)	(1,118.77)
				Discount rates	13.10%-15.15%	0.50%	(156.01)	-0.50%	158.33
Non - Convertible Debentures		69.85	Discounted projected cash flow	Expected Gross Recoveries *	2,866.97	143.35	0.93	(143.35)	(0.93)
				Discount rates	15.08%	0.50%	(0.08)	-0.50%	0.08
Total	21,704.14	69.85							

Type of Financial Instruments	Fair value of asset as on March 31, 2025	Fair value of liability as on March 31, 2025	Valuation Techniques	Significant Unobservable input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Investments in security receipts	31,515.60	-	Discounted projected cash flow	Expected Gross Recoveries *	2,24,485.97	9,878.32	1,761.03	(9,878.32)	(1,762.08)
				Discount rates	13.8%-14.9%	0.50%	(232.38)	-0.50%	235.87
Non - Convertible Debentures	-	6,351.73	Discounted projected cash flow	Expected Gross Recoveries *	66,782.75	3,339.14	463.65	(3,339.14)	-463.65
				Discount rates	14.85%	0.50%	(51.54)	-0.50%	52.31
Total	31,515.60	6,351.73							

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

38.6 Quantitative analysis of significant unobservable inputs

Discount margin/spreads

Discount margin/spreads represent the discount rates used when calculating the present value of future cash flows. In discounted cash flow models such spreads 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 a liability. They generally reflect the premium an investor expects to achieve over the benchmark interest rate to compensate for the higher risk driven by the uncertainty of the cash flows caused by the credit quality of the asset. They can be implied from market prices 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, nature and value of collaterals, manner of resolution and other economic drivers. The timing of expected cash flows is influenced by the nature of collateral and the expected use of the same by the market participants. The manner of resolution is determined based on financial position and negotiations with the counterparty.

38.7 Quantitative analysis of significant unobservable inputs

Asset backed securities

These instruments include residential mortgage backed securities (RMBS), commercial mortgage backed securities (CMBS) and other asset-backed securities. The market for these securities is not active. Therefore, the Company uses a variety of valuation techniques to measure their fair values. For certain more liquid instruments, the Company uses trade and price data updated for movements in market levels between the observed and the valuation dates. Less liquid instruments are valued by discounted cash flow models. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and collateral levels. Securities with no significant unobservable valuation inputs are classified as Level 2, while instruments with no comparable instruments or valuation inputs are classified as Level 3.



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued) (Currency: Indian rupees in millions)

39. Analysis of risk concentration

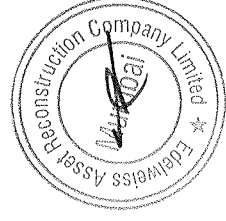
The following table shows the risk concentration by industry for the components of the balance sheet. The concentrations of risk are determined based on client/counterparty's industry sector. Additional disclosures for credit quality and year-end stage classification are further disclosed in Note 5.

Industry analysis - Risk concentration for March 31, 2026

Particulars	Infrastructure	Metal	Cement	Paper and Paper Products	Real Estate	EPC	Chemical	Beverages and Food Processing	Shipping and Ship Building	Textile	Auto	Engineering	Others	Financial Services	Total
Financial assets															
Cash and cash equivalent and other bank balances	-	-	-	-	-	-	-	-	-	-	-	-	-	7,317.97	7,317.97
Financial assets carried at fair value through profit and loss	184.86	4.43	0.13	11.50	11,934.96	545.39	1.16	218.93	(0.00)	1,057.43	55.51	3.29	7,667.07	19.48	21,704.14
Fair value gain/(loss) included above	(525.49)	(65.49)	(1.68)	(2.11)	1,486.97	26.52	(20.14)	(23.83)	(28.95)	9.40	(265.68)	(104.15)	(224.64)	(9.86)	260.87
Investment in Commercial Papers (At amortised cost)	-	-	-	-	-	-	-	-	-	-	-	-	-	1,977.40	1,977.40
ECL on Commercial Papers	-	-	-	-	-	-	-	-	-	-	-	-	-	(7.70)	(7.70)
Trade and other receivables	216.47	2.20	0.10	0.13	536.37	21.37	0.04	0.67	21.46	31.52	66.83	3.35	18.73	0.57	915.81
ECL on Trade receivable	(34.56)	(1.13)	(0.10)	(0.08)	(236.88)	(18.08)	(0.03)	(0.21)	(21.39)	(9.52)	(35.46)	(1.83)	(5.55)	(0.06)	(364.87)
Loans	1,421.76	-	-	-	884.45	-	-	-	-	-	-	-	-	759.08	3,065.29
ECL on loans	(361.70)	-	-	-	(221.11)	-	-	-	-	-	-	-	-	(184.07)	(766.89)
Other Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	53.50	53.50
Total	1,426.83	5.50	0.13	11.55	12,897.79	548.68	1.17	219.39	0.07	1,079.43	86.88	4.81	7,680.25	9,936.17	33,898.65

Industry analysis - Risk concentration for March 31, 2025

Particulars	Infrastructure	Metal	Cement	Paper and Paper Products	Real Estate	EPC	Chemical	Beverages and Food Processing	Shipping and Ship Building	Textile	Auto	Engineering	Others	Financial Services	Total
Financial assets															
Cash and cash equivalent and other bank balances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets carried at fair value through profit and loss	2,219.07	9.65	0.23	3,210.96	14,889.58	379.35	2.07	313.36	-	445.86	-	8.65	10,002.00	34.82	31,515.60
Fair value gain/(loss) included above	54.95	(134.62)	(2.64)	1,739.66	1,144.91	(365.60)	(21.29)	39.47	-	(67.28)	(221.00)	(149.50)	699.14	(6.71)	2,709.49
Investment in Commercial Papers (At amortised cost)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ECL on Commercial Papers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other receivables	182.36	2.69	0.18	0.00	525.42	17.38	0.05	0.68	21.34	36.73	62.74	0.00	8.98	0.29	856.84
ECL on Trade receivable	(49.13)	(1.65)	(0.18)	(0.00)	(279.19)	(7.98)	(0.03)	(0.11)	(21.34)	(5.24)	(39.32)	(0.00)	(2.59)	(0.03)	(405.79)
Loans	1,416.02	-	-	-	739.75	-	-	-	-	-	-	-	-	537.14	2,693.42
ECL on loans	(361.20)	-	-	-	(184.94)	-	-	-	-	-	-	-	-	(131.73)	(677.87)
Other Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	53.42	53.42
Total	3,407.12	10.69	0.23	3,210.96	15,686.62	388.75	2.09	313.93	-	477.35	23.42	8.65	10,008.90	14,439.72	47,980.43



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

40. Collateral held and other credit enhancements

The below tables show the maximum exposure to credit risk by class of financial asset. They also show the total fair value of collateral and the net exposure to credit risk.

March 31, 2026	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
Financial assets		
Loans:		
Wholesale loans - Secured	2,252.18	Tangible Assets
Wholesale loans - Unsecured	813.11	
Trade receivables	919.81	Tangible Assets
Commercial Papers	1,969.70	
Total financial assets at amortised cost	5,954.80	
Financial assets at FVTPL (except equity)*	21,704.14	Tangible Assets
Total financial instruments at fair value through profit or loss	21,704.14	
	27,658.94	
Loan commitments - Secured	-	
Loan commitments - Unsecured	-	
Other commitments (max exposure)	3.48	
Total	27,662.42	

March 31, 2025	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
Financial assets		
Loans:		
Wholesale loans - Secured	2,146.19	Tangible Assets
Wholesale loans - Unsecured	547.23	
Trade receivables	856.84	Tangible Assets
Commercial Papers	-	
Total financial assets at amortised cost	3,550.26	
Financial assets at FVTPL (except equity)*	31,515.60	Tangible Assets
Total financial instruments at fair value through profit or loss	31,515.60	
	35,065.86	
Loan commitments - Secured	-	
Loan commitments - Unsecured	-	
Other commitments (max exposure)	3.48	
Total	35,069.34	

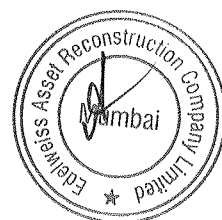
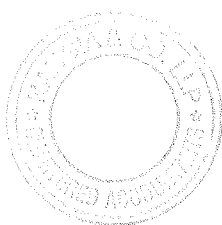
*Financial assets at FVTPL (except equity) and trade receivables comprises of Investment in Security Receipts and fees receivables respectively. Investments in security receipts are made into the security receipts issued by the Trusts and Trusts in turn have used these proceeds to acquire financial assets from banks/Financial Institutions which are secured by collateral, such as Land & Building, Plant & Machinery, Book debts, Inventory and other working capital items, Shares and Others.

Loans including commitments are secured by way of tangible assets such as Land & Building, Plant & Machinery, Book debts, Inventory and other working capital items, Shares and Others.

The below tables provide an analysis of the current fair values of collateral held and credit enhancements for stage 3 assets. Dependent on the level of collateral, some Stage 3 exposures may not have individual ECLs when the expected value of the collateral is greater than the LGD, even in if the future value of collateral is forecast using multiple economic scenarios.

March 31, 2026	Maximum exposure to credit risk (carrying amount before ECL) (A)	Associated ECL (B)	Carrying amount (A-B)	Fair value of collateral
Financial assets				
Loans:				
Wholesale loans	2,969.63	749.59	2,220.04	5,121.30
Total financial assets at amortised cost	2,969.63	749.59	2,220.04	5,121.30
Loan and other commitments	3.48	-	3.48	-
Total	2,973.11	749.59	2,223.52	5,121.30

March 31, 2025	Maximum exposure to credit risk (carrying amount before ECL) (A)	Associated ECL (B)	Carrying amount (A-B)	Fair value of collateral
Financial assets				
Loans:				
Wholesale loans	2,652.15	670.23	1,981.92	5,293.50
Total financial assets at amortised cost	2,652.15	670.23	1,981.92	5,293.50
Loan and other commitments	3.48	-	3.48	-
Total	2,655.63	670.23	1,985.40	5,293.50



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

41. Liquidity risk and funding management

Liquidity risk emanates from the mismatches existing on the balance sheet due to differences in maturity and repayment profile of assets and liabilities. These mismatches could either be forced in nature due to market conditions or created with an interest rate view. Such risk can lead to a possibility of unavailability of funds to meet upcoming obligations arising from liability maturities. To avoid such a scenario, Edelweiss has ensured maintenance of a Liquidity Cushion in the form of Fixed Deposits, Cash, Credit Lines etc. These assets carry minimal credit risk and can be liquidated in a very short period of time. A liquidity cushion amounting to 10-12% of the borrowings is sought to be maintained through such assets. These would be to take care of immediate obligations while continuing to honour our commitments as a going concern. There are available lines of credit from banks which are drawable on notice which further augment the available sources of funds.

41. 1. Analysis of non-derivative financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's non-derivative financial liabilities as at 31 March.

Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that the counterparties will not request repayment on the earliest date it could be required to pay.

As at March 31, 2026	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	Greater than 3 Years	Total
Trade payables	141.24	-	-	-	-	141.24
Debt securities	599.35	2,074.62	347.55	1,937.41	142.72	5,101.65
Borrowings (other than debt securities)	321.63	19.28	37.28	69.64	-	447.84
Other financial liabilities	193.25	-	-	-	-	193.25
Total undiscounted non-derivative financial liabilities	1,255.47	2,093.90	384.83	2,007.05	142.72	5,883.98

As at March 31, 2025	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	Greater than 3 Years	Total
Trade payables	106.62	-	-	-	-	106.62
Debt securities	2,899.67	152.66	389.74	9,381.84	3,286.21	16,110.12
Borrowings (other than debt securities)	780.14	63.77	104.22	228.64	-	1,176.77
Other financial liabilities	281.06	-	-	24.38	-	305.44
Total undiscounted non-derivative financial liabilities	4,067.49	216.43	493.96	9,634.86	3,286.21	17,698.95

41. 2. Analysis of non-derivative financial assets by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's non-derivative financial assets as at 31 March.

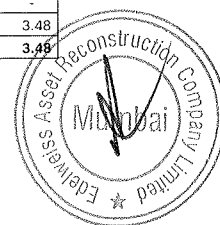
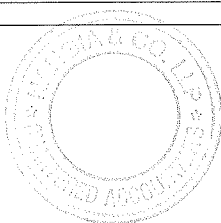
As at March 31, 2026	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	Greater than 3 Years	Total
Cash and cash equivalent and other bank balances	5,282.35	1,361.12	264.02	410.25	0.23	7,317.97
Trade receivables	206.59	5.06	90.15	776.57	-	1,078.37
Loans	128.96	81.14	1,041.69	1,464.75	348.75	3,065.29
Investments at fair value through profit or loss	2,334.62	2,427.19	8,823.86	16,423.08	5,104.71	35,113.46
Investments at fair value through profit or loss pledged as collateral	1,152.43	295.96	885.90	1,340.14	64.65	3,739.08
Investments at amortised cost	1,969.70	-	-	-	-	1,969.70
Other financial assets	-	-	-	-	53.50	53.50
Total	11,074.65	4,170.47	11,105.62	20,414.80	5,571.84	52,337.38

As at March 31, 2025	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	Greater than 3 Years	Total
Cash and cash equivalent and other bank balances	13,532.37	0.65	12.89	399.67	0.23	13,945.81
Trade receivables	7.63	6.18	56.48	967.28	-	1,037.57
Loans	90.49	10.93	867.33	1,527.07	197.60	2,693.42
Investments at fair value through profit or loss	2,733.28	2,236.37	6,752.65	19,442.46	5,212.97	36,377.73
Investments at fair value through profit or loss pledged as collateral	3,915.58	732.60	1,114.21	7,485.40	2,800.12	16,047.91
Investments at amortised cost	-	-	-	-	-	-
Other financial assets	-	-	50.00	-	3.42	53.42
Total	20,279.35	2,986.08	9,253.87	29,422.45	8,214.11	70,155.86

41.3. The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments.

As at March 31, 2026	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	Greater than 3 Years	Total
Undrawn loan commitments	-	-	-	-	-	-
Other commitments	3.48	-	-	-	-	3.48
Total	3.48	-	-	-	-	3.48

As at March 31, 2025	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	Greater than 3 Years	Total
Undrawn loan commitments	-	-	-	-	-	-
Other commitments	3.48	-	-	-	-	3.48
Total	3.48	-	-	-	-	3.48



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)
(Currency: Indian rupees in millions)

41.4. Assets available to support future funding

March 31, 2026	Pledged as collateral	Hypothecation	Available as collateral	Unavailable as collateral*	Total carrying amount
Cash and cash equivalent including bank balance (Refer Note 1)	430.13	-	6,886.34	1.50	7,317.97
Trade receivables	63.03	-	491.90	-	554.93
Loans	-	-	2,298.41	-	2,298.41
Investments	2,157.18	3,728.60	17,788.06	-	23,673.84
Other financial assets	-	-	53.50	-	53.50
Property, plant and equipment	-	0.98	-	3.79	4.78
Other Intangible assets	-	-	-	8.91	8.91
Other non financial assets	-	-	-	65.29	65.29
Total assets	2,650.35	3,729.58	27,518.21	79.49	33,977.62

March 31, 2025	Pledged as collateral	Hypothecation	Available as collateral	Unavailable as collateral*	Total carrying amount
Cash and cash equivalent including bank balance (Refer Note 1)	1,498.62	-	12,445.69	1.50	13,945.81
Trade receivables	43.87	-	406.18	-	450.05
Loans	-	-	2,015.55	-	2,015.55
Investments	9,348.74	4,908.50	17,258.36	-	31,515.60
Other financial assets	-	-	53.42	-	53.42
Property, plant and equipment	-	1.04	-	4.70	5.74
Other Intangible assets	-	-	-	11.89	11.89
Other non financial assets	-	-	-	122.95	122.95
Total assets	10,891.23	4,909.54	32,179.20	141.04	48,121.01

1. The assets pledged as collateral represents assets available for specific purpose which are not available as collateral for additional borrowings.

* Represents assets which are not pledged, however the asset has been created for specific purpose and hence it is restricted from using to secure funding for legal or other reason.

Refer terms of pledge mentioned in Note 6.1

42. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Board has established limits on the non-trading interest rate gaps for stipulated periods.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the standalone financial statement of profit and loss and equity. The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non-trading financial assets and financial liabilities held at 31 March 2026, including the effect of hedging instruments. The sensitivity of equity is calculated by revaluing the fixed rate FVOCI, including the effect of any associated hedges and swaps designated as cash flow hedges, at 31 March for the effects of the assumed changes in interest rates. The total sensitivity of equity is based on the assumption that there are parallel shifts in the yield curve.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the standalone financial statement of profit and loss and equity.

Currency of borrowing / advances	2025-26					
	Increase in basis points	Effect on profit before tax	Effect on Equity	Decrease in basis points	Effect on profit before tax	Effect on Equity
INR	25	(1.91)	-	25	1.91	-

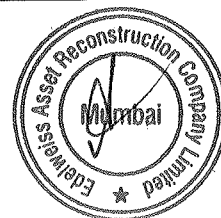
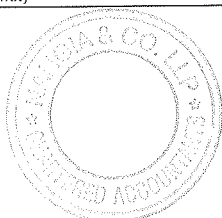
Currency of borrowing / advances	2024-25					
	Increase in basis points	Effect on profit before tax	Effect on Equity	Decrease in basis points	Effect on profit before tax	Effect on Equity
INR	25	(2.59)	-	25	2.59	-

43. Unconsolidated Structured Entities

An entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

The following tables show the carrying amount of the company's recorded interest in its balance sheet as well as the maximum exposure to risk (as defined in below) due to these exposures in the unconsolidated structured entities.

Particulars	March 31, 2026		March 31, 2025	
	Securitisation trusts	Maximum exposure	Securitisation trusts	Maximum exposure
Loans	584.78	584.78	404.28	404.28
Trade Receivables	628.79	628.79	517.84	517.84
Investment in Security Receipts	3,978.75	3,978.75	13,090.15	13,090.15
Total Assets	5,192.32	5,192.32	14,012.27	14,012.27
Off-balance sheet exposure	3.48	3.48	3.48	3.48
Size of the structured entity	68,063.13	68,063.13	1,18,217.85	1,18,217.85
Income from the structured entity	5,424.62	5,424.62	1,960.92	1,960.92



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

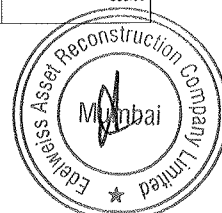
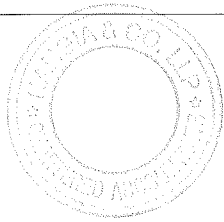
44. Additional Disclosures

The following disclosures have been made taking into account RBI guidelines.

a) Names and addresses of the banks / financial institutions from whom financial assets were acquired and the values at which such assets were acquired from each such bank/financial institution:

Name	Address	As at March 31, 2026 Acquisition Price	As at March 31, 2025 Acquisition Price
Sponsors			
None		Nil	Nil
Sub Total (A)		Nil	Nil

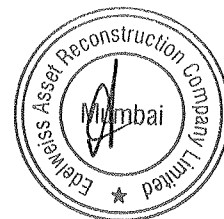
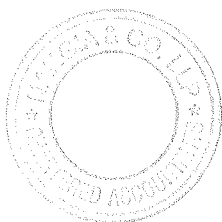
Name	Address	As at March 31, 2026 Acquisition Price	As at March 31, 2025 Acquisition Price
Non-sponsors			
Abhyudaya Co-Operative Bank Limited	K.K.Tower, Abhyudaya Bank Lane, Off. G.D. Ambekar Marg, Parel Village, Mumbai - 400012.	4,000.00	4,000.00
Alchemist Asset Reconstruction Company Limited	A-270, 1st & 2nd Floor, Defence Colony, New Delhi - 110024	758.32	-
Aptus Finance India Private Limited	Aptus Finance India Private Limited, No.88, 8th Floor, Doshi Towers, 205, Poonamallee High Road, Kilpauk, Chennai - 600010	109.00	-
Aptus Value Housing Finance India Limited	8 B, Doshi Towers, 8th Floor No.205, Poonamallee High Road, Kilpauk, Chennai 600010	394.70	-
Asirvad Micro Finance Limited	9th Floor, No. 9, Club House Road, Anna Salai, Chennai - 600002, Tamil Nadu, India	314.50	314.50
Asset Reconstruction Company (India) Limited	10th Floor, The Ruby, Senapati Bapat Marg, Dadar (West), Mumbai - 400028	2,921.42	2,921.42
Assets Care and Reconstruction Enterprise Limited	14th Floor, Eros Corporate Tower, Nehru Place South East Delhi, New Delhi, India, 110019	9,370.10	9,370.10
Au Small Finance Bank Limited	19-A, Ajmer Road, Dhuleshwar Garden, Jaipur, Rajasthan-302001	308.90	308.90
Axis Bank Limited	Corporate Office, 7th Floor, Axis House, C-2, Wadia International Centre, P.B.Marg, Worli, Mumbai-400 025	25,926.49	25,926.49
Axis Finance Limited	Axis House, Ground Floor, Pandurang Budhkar Marg, Worli, Mumbai-400025	164.80	-
Bajaj Finance Limited	6th Floor, Bajaj Finserv Corporate Office, Off Pune Ahmednagar Road, Viman Nagar, Pune - 411014, And Akurdi, Pune-411035	1,090.95	1,090.95
Bajaj Housing Finance Limited	Bajaj Auto Limited Complex, Mumbai-Pune Road, Akurdi Pune Mh In 411035.	272.74	272.74
Bank Muscat Saog	205-206 Regent Chambers, 2nd Floor, Jammalal Bajaj Road, 208 Nariman Point, Mumbai 400021	336.14	336.14
Bank of Baroda	Bank Of Baroda, Specialized Integrated Treasury Br.Bst, 4th And 5th Floor, C-34 G-Block Bandra Kurla Complex, Mumbai-400051	22,491.03	22,491.03
Bank of India	Treasury Branch, 7th Floor, Star House I, C-5, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051.	31,265.05	31,265.05
Bank of Maharashtra	Treasury & International Banking Division, Apeejay House, 1st Floor, 130 V B Gandhi Marg, Fort, Mumbai	3,002.80	3,002.80
Barclays Bank	801-808 Ceejay House, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400018	40.00	40.00
Canara Bank	Non Str & Asset Follow-Up Section, Integrated Treasury Wing, 5th Floor, Canara Bank Building, C-14, G Block, Bandra Kurla Complex, Bandra East, Mumbai- 400051	21,425.40	21,425.40
Central Bank of India	Central Bank Of India Treasury Department, Chandramukhi Building, Nariman Point, Mumbai-400021	31,902.12	31,902.12
Centrum Housing Finance Limited	Centrum House C.S.T. Road, Vidyanageri Marg, Kalina Santacruz (East), Mumbai - 400 098	173.50	68.80
CFM Asset Reconstruction Private Limited	1st Floor, Wakefield House, Sprott Road, Ballard Estate, Mumbai-400038	6,510.00	6,510.00
Cholamandlam Investments & Finance Company Limited	Dare House No. 2 N S C Bose Road, Parrys Chennai Tn In 600001.	56.20	56.20
Credit Agricole Corporate and Investment Bank	Hoechst House 11th Floor, Nariman Point Mumbai Mh 400021	540.00	540.00
CSB Bank Limited	Integrated Treasury, 1st Floor, Siroya Centre, Sahar Airport Road, Andheri East, Mumbai - 400099	100.00	100.00
DBS Bank India Limited	Express Towers, Dbs Bank India Limited, Ground Floor, Nariman Point, Mumbai, Maharashtra 400021	2,004.76	2,004.76
DBS Bank Limited	Level 19, Express Tower, Nariman Point, Mumbai - 400 021	1,900.00	1,900.00
ECL Finance Limited	Edelweiss House Off, CST Road Kalina, Mumbai, Maharashtra, India, 400098	66,081.70	66,081.70
Edel Finance Company Limited	Edelweiss House, Off CST Road, Kalina, Mumbai, Maharashtra, India, 400098	3,080.32	3,080.32
Edelweiss Retail Finance Limited	Tower 3, Wing B, Kohinoor City Mall, Kohinoor City, Kirod Road, Kurla (West), Mumbai - 400 070	775.29	775.29
Export Import Bank of India	Centre One Building, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai - 400005	18,591.93	18,591.93
Fincare Small Finance Bank Limited	5th Floor, Bren Mercury, Kaikondanahalli, Sarjapur Main Rd Bangalore, Kaikondrahalli-560035	403.90	403.90
Goldman Sachs (India) Finance Private Limited	Rational House, A, 951, Appasaheb Marathe Marg, Prabhadevi, Mumbai, Maharashtra 400025	5,500.00	5,500.00
Grihsum Housing Finance Limited (Formerly Poonawalla Housing Finance Ltd & Magma Housing Finance Ltd	Grihsum Housing Finance Limited, 6th Floor, B Building, Ganga Trueno, Lohegaon, Pune, Maharashtra 411014	1,067.38	709.48
HDB Financial Services Limited	Zenith House, Ground Floor K K Marg, Opp Mahataxmi Race Course Mahataxmi, Mumbai, Maharashtra, India, 400034	4,922.32	4,788.32
HDFC Bank Limited	Treasury Operations, Lodha - I Think Techno Campus, Building - Alpha, 4th Floor, Near Kanjurmarg Railway Station, Kanjurmarg (E), Mumbai - 400042	16,645.30	16,289.80
HSBC Limited	S2, 60, Mahatma Gandhi Road, Kala Ghoda, Fort, Mumbai, Maharashtra 400001	2,152.00	2,152.00
ICICI Bank Limited	ICICI Bank Towers, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	29,653.22	29,253.12
ICICI Home Finance Company Limited	ICICI Bank Towers, G-Block, Bandra Kurla Complex, Mumbai - 400 051	179.39	179.39
IDBI Bank Limited	Nmg Department & Treasury Department, 7th Floor, Idbi Tower, Wtc Complex Cuffe Parade, Mumbai, Maharashtra, India, 400005	4,607.75	4,607.75
IDFC First Bank Limited	Treasury Operations 9th Floor, C-62, G-Block, Vibgyor Towers Bandra Kurla Complex, Bandra (East) Mumbai - 400 051	30,983.90	30,983.90
IIFL Home Finance Limited	Registered Office- lift House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Midc, Thane Industrial Area, Wagale Estate, Thane - 400604	474.20	-
India Infrastructure Finance Company Limited	5th Floor, Block 2, Plate A & B, Nbcc Tower, East Kidwai Nagar, New Delhi-110023	5,711.50	5,711.50
Indiabulls Commercial Credit Limited	One International Centre, Tower 1, 18th Floor Senapati Bapat Marg, Fitwala Rd, W, Mumbai, Maharashtra 400013	960.37	960.37
Indian Bank	Indian Bank, Treasury Branch 1st Floor, Allahabad Bank Building, Near By Bombay Stock Exchange, 37, Mumbai Samachar Marg, Fort, Mumbai - 400023	22,104.22	22,104.22
Indian Overseas Bank	Treasury Department, Central Office, 4th Floor, Annexure Building, No.763, Anna Salai, Chennai - 600 002	32,154.66	32,154.66
Indusind Bank Limited	11th Floor, Tower 1, One World Centre B41, S.B. Marg Elphinstone Road, Mumbai - 400 013	34,525.77	34,525.77
Industrial Finance Corporation of India	Ifci Tower, 61 Nehru Place, New Delhi 110019	13,237.50	13,237.50
Industrial Investment Bank of India	19 Netaji Subhas Road 2nd Floor Kolkata Wb 700001	257.60	257.60
Irep Credit Capital Pvt Limited	22nd Floor, Sunshine Tower, S B Road, Dadar (West), Mumbai-400013	195.00	-
J.C. Flowers Asset Reconstruction Private Limited	12th Floor, Crompton Greaves House, Dr Annie Besant Rd, Century Bazaar, Worli, Mumbai, Maharashtra 400030	365.05	365.05



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)
(Currency: Indian rupees in millions)

Name	Address	As at March 31, 2026	As at March 31, 2025
		Acquisition Price	Acquisition Price
Jammu & Kashmir Bank Limited	National Business Centre, Treasury Operations, 3rd & 4th Floor, Bandra Kurla Complex, Bandra East Mumbai-400051.	10,750.00	10,750.00
JP Morgan Chase Bank	Prism Towers, Level Nos. 9 To 11, Link Road, Mindspace, Goregaon (West), Mumbai Mh In 400104.	194.00	194.00
Kotak Mahindra Bank Limited	Treasury Operations, 7th Floor, 12 Bkc, C-12, G Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra, India, 400051	345.31	345.31
L&T Finance Limited	Brindavan Plot No 177, Cst Road, Kalina Santacruz East, Mumbai, Maharashtra, India, 400098	19,963.43	19,963.43
Nido Home Finance Limited (Edelweiss Housing Finance Limited)	Edelweiss Housing Finance Ltd, Edelweiss House Off Cst Road, Kalina, Mumbai, Maharashtra, India, 400098	3,268.96	3,268.96
Omkara Assets Reconstruction Private Limited	47 Floor, Kohinoor Square, N.C Kelkar Road, Ram Ganesh Gadkari Chowk, Opp. Shiv Sena Bhavan, Dadar West, Mumbai, Maharashtra 400028	2,300.00	2,300.00
Piramal Finance Limited	Unit No 601 6th Floor Amity Bldg, Agastya Corporate Park, Kamani Junction Opp Fire Station, Mumbai, Maharashtra, India, 400070	1,481.98	1,481.98
PNB Housing Finance Limited	9th Floor, Antriksh Bhavan, 22 Kasturba Gandhi Marg, Near Connaught Place, New Delhi 110001	127.00	127.00
Poonawalla Fincorp Limited	Near Raga Lawns, 201 And 202 2nd Floor, Ap81 Koregaon Park Annex, Pune, Maharashtra, India, 411036	869.10	869.10
Pridhvi Asset Reconstruction And Securitisation Company Limited	Raja Praasadamu', 4th Floor, Wing No. 1, Plot No. 6, 6A, 6B, Masjid Banda Road, Kondapur Hyderabad Tg In 500084	3,301.60	3,301.60
PTC Financial Services Limited	7th Floor, Telephone Exchange Building, 8 Bhikaji Cama Place, New Delhi, Delhi-110066	346.20	346.20
Punjab and Sind Bank	H.O. Funds Management Dept 1st Floor, Bank House 21, Rajendra Palace, New Delhi-110008	1,103.50	1,103.50
Punjab National Bank	Ho: Treasury Division, C-29, G Block, Pnb Bldg Tower, Opposite Jio Garden Gate No. 9, Bandra Kurla	37,635.89	37,635.89
Rabobank International (CCRB)	Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013	299.20	299.20
Rare Asset Reconstruction Limited	203 Gala Argos, Beside Harikpura Tower, Near Ellisbridge Gymkhana Gujarat College Road Ahmedabad Ahmedabad GJ 380007	7,100.10	7,100.10
Reliance Commercial Finance Limited	The Ruby, 11th Floor, North West Wing, Plot No. 29, Jk Sawant Marg, Dadar West, Dadar, Mumbai, Maharashtra 400028	300.00	300.00
Religare Housing Development Finance Corporation Limited	1407, 14th Floor, Chiranjiv Tower, 43, Nehru Place New Delhi South Delhi DI 110019	116.90	116.90
Sammaan Capital Limited	4th Floor, Augusta Point, Golf Course Road, Dlf Phase-3, Sector-53 Dlf Qe, Gurgaon, Haryana, India, 122002	25,439.63	25,439.63
SBFC Finance Limited	Unit 103, C&B Square, Sangam Carnival Cinemas, Chakala, Andheri East, Mumbai, Maharashtra 400059	360.10	158.00
State Industrial and Investment Corporation of Maharashtra Limited (SICOM)	Solitaire Corporate Park, Building No. 4, Guru Hargovindji Road, Mumbai, Maharashtra 400093	724.70	724.70
Small Industries Development Bank of India (SIDBI)	Sidbi Tower, 15, Ashok Marg, Lucknow; Postcode: 226001; City/Parish: Lucknow	276.58	276.58
Slice Small Finance Bank Limited	G.S. Point, G.S. Road, Vill- Sarumataria, Opp. Dispur Fire Station, Sachivalaya, Dispur, Guwahati, 781006	1,498.60	1,498.60
SMFG India Credit Company Limited	10th Floor, Office No.101, 102, & 103, 2 North Avenue, Maker Maxity, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	37.80	-
Standard Chartered Bank	Crescenzo C-38/39, G Block Bkc, Bandra East, Mumbai, Maharashtra 400051	459.50	459.50
State Bank of India	Securities Services Branch, Global Markets, 2nd Floor, 'Synergy' Sbi Lho Building Opposite National Stock Exchange C-6, G Block, Bandra- Kurla Complex, 3rd Floor, 'D' Wing, Idbi Tower, Wtc Complex, Cuffe Parade, Mumbai - 400 005	1,23,983.13	1,23,829.13
Stressed Assets Stabilization Fund	3rd Floor, 'D' Wing, Idbi Tower, Wtc Complex, Cuffe Parade, Mumbai - 400 005	160.00	160.00
Suryoday Small Finance Bank Limited	Hdfc Bank Limited, Custody Operation, Sempire Plaza Twr-1, 4th Floor, Cha, Ndan Nagaribs Marg, Vikhroli West, Mumbai, Maharashtra, India, 400063	1,662.52	1,665.30
Tata Capital Financial Services Limited	11th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013	213.50	213.50
The Federal Bank Limited	Treasury Department, C-8 1st Floor Laxmi Towers, Bandra - Kurla Complex, Mumbai, Maharashtra, India, 400051	3,859.29	3,859.29
The Karnataka Bank Limited	P B No 599, Regd And Head Office, Mahaveera Circle Kankanady, Mangalore, Karnataka, India, 575002	618.30	618.30
The Karur Vysya Bank Limited	Treasury Department, 954, 2nd Floor, Gayathri Towers, Appasaheb Marathe Marg, Mumbai, Maharashtra, India, 400025	967.00	967.00
The Royal Bank of Scotland Plc	2, Senapati Bapat Marg, Railway Colony, Lower Parel, Mumbai, Maharashtra 400013	290.30	290.30
The South Indian Bank Limited	Crescenzo 804 8th Floor B Wing, G Block Behind Mca Ground, Bandra Kurla Complex Bandra E, Mumbai, Maharashtra, India, 400051	1,867.50	1,867.50
Tourism Finance Corporation of India	607 Lodha Supremus, Senapati Bapat Marg, Opp. Kamala Mills Compound, Lower Parel, Mumbai, Maharashtra 400013	145.00	145.00
Truhome Finance Limited	Truhome Finance Limited, Level 3, Wockhardt Towers, East Wing C-2, G - Block, Bandra Kurla Complex, Mumbai - 400051	186.20	-
Tyger Capital Private Limited (Formerly Adani Capital Private Limited)	Adani House, 56 Shrimati Society, Navrangpura, Ahmedabad, Gujarat, India, 380009	344.35	241.95
U GRO Capital Limited	4Th Floor, Tower-3 West Wing, Equinox Business Park, Off Bkc, Lbs Road, Kurla (W), Mumbai-400070, Maharashtra	237.50	237.50
UCO Bank	Treasury Branch, 3rd Flr, Uco Bank Bldg, 359, D. N. Road, Fort, Mumbai-400001	11,119.50	11,119.50
Union Bank of India	239, 3rd Floor Union Bank Bhavan, Vidhan, Bhavan Marg, Nariman Point, Mumbai - 400021	12,670.73	12,670.73
Unity Small Finance Bank Limited	Unity Small Finance Bank Limited (Unity), 1st Floor, Vinay Bhavya Complex, Cst Road, Kalina, Mumbai 400098	285.40	285.40
Varthana Finance Private Limited	Varasiddhi, 3rd Floor, No. 5BC-110 Service Road, 3Rd Block, Hrbr Layout, Bangalore-560043	985.30	985.30
Vistaar Financial Services Private Limited	Office At Plot No. 59 & 60 - 23, 22Nd Cross, 29Th Main, Btm Layout, 2nd Stage, Bengaluru - 560076	220.80	-
Yes Bank Limited	Resolution And Recoveries Unit, Yes Bank House, 6th Floor, North Wing, Off Western Express Highway, Santacruz - East, Mumbai - 400055	5,412.30	4,839.00
Sub Total (B)		7,45,557.86	7,40,635.81
Grand Total (A+B)		7,45,557.86	7,40,635.81



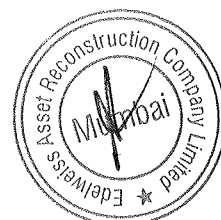
Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

b) Dispersion of various financial assets industry-wise and sponsor-wise:

Industry	As at		As at	
	March 31, 2026		March 31, 2025	
	Acquisition Price	Percentage to total acquisition price	Acquisition Price	Percentage to total acquisition price
Sponsors				
None	-	-	-	-
Sub Total (A)	-	-	-	-
Non Sponsors				
Agro, Food & Food Processing	18,562.36	2.49%	18,562.36	2.51%
Agro, Food & Food Processing - Others	6,283.71	0.85%	6,283.71	0.85%
Consumer Foods, Beverages & Tobacco	6,755.80	0.91%	6,755.80	0.91%
Dairy & Milk Products	608.03	0.08%	608.03	0.08%
Ethanol & Sugar	4,914.83	0.66%	4,914.83	0.66%
Allied Services - Infra and Others	311.00	0.04%	311.00	0.04%
Services providers to Infrastructure projects viz. Airport, SEZ, Telecom, Renewable power	311.00	0.04%	311.00	0.04%
Auto & Auto Ancillary	13,753.40	1.84%	13,753.40	1.86%
Vehicles, Vehicle Parts, & Transport Equipment	13,753.40	1.84%	13,753.40	1.86%
Chemical & Chemical Products	24,465.21	3.28%	24,465.21	3.30%
Chemicals & Chemical Products - Others	1,399.00	0.19%	1,399.00	0.19%
Drugs & Pharmaceuticals	21,007.61	2.84%	21,007.61	2.84%
Fertilizers, Pesticides & other agrochemicals	140.00	0.02%	140.00	0.02%
Petrochemicals	1,918.60	0.26%	1,918.60	0.26%
Construction Material & Allied Products	38,277.99	5.13%	38,277.99	5.17%
Cement & Cement Products	38,277.99	5.13%	38,277.99	5.17%
Education	5,274.90	0.71%	5,274.90	0.71%
Educational Institutions & Educational Technology Company	5,274.90	0.71%	5,274.90	0.71%
Engineering	12,880.50	1.73%	12,880.50	1.74%
Engineering - Electronics & Electricals	8,520.80	1.15%	8,520.80	1.15%
Engineering - Machinery & Equipment	4,359.70	0.59%	4,359.70	0.59%
Engineering Procurement Construction (EPC)	18,835.55	2.53%	18,835.55	2.54%
EPC	18,835.55	2.53%	18,835.55	2.54%
Financial Institutions (FI)	3,442.40	0.46%	3,442.40	0.46%
Banking, Financial Services, & Insurance	3,442.40	0.46%	3,442.40	0.46%
Gems & Jewellery	2,745.50	0.37%	2,745.50	0.37%
Gems & Jewellery	2,745.50	0.37%	2,745.50	0.37%
Glass & Glassware	3,471.75	0.47%	3,471.75	0.47%
Glass & Glassware	3,471.75	0.47%	3,471.75	0.47%
Healthcare	1,348.80	0.18%	1,348.80	0.18%
Hospitals & Diagnostic center	1,348.80	0.18%	1,348.80	0.18%
Hospitality & Entertainment	27,963.40	3.75%	27,963.40	3.78%
Entertainment - Theme Parks, Cinemas, Media Houses	3,911.90	0.53%	3,911.90	0.53%
Hospitality - Hotels, Motels, Resorts, & Restaurants	24,051.50	3.25%	24,051.50	3.25%
Information & Technology	5,700.90	0.76%	5,700.90	0.77%
Information Technology & Information Technology Enabled Services (ITES)	5,700.90	0.76%	5,700.90	0.77%
Infrastructure - Others	6,686.30	0.90%	6,686.30	0.90%
Infrastructure - Others	150.00	0.02%	150.00	0.02%
Social & Commercial Infrastructure	6,057.00	0.82%	6,057.00	0.82%
Solid Waste Management	469.30	0.06%	469.30	0.06%
Water & Sanitation	10.00	0.00%	10.00	0.00%
Infrastructure - Ports	18,706.80	2.51%	18,706.80	2.53%
Port and Airport	18,706.80	2.51%	18,706.80	2.53%
Infrastructure - Road	4,438.30	0.60%	4,438.30	0.60%
Roads, Highways, & Bridges	4,438.30	0.60%	4,438.30	0.60%
Infrastructure - SEZ	17,504.80	2.35%	17,504.80	2.36%
SEZ, Warehouse, Cold Storage	17,504.80	2.35%	17,504.80	2.36%
Infrastructure - Telecom	30,948.79	4.15%	30,948.79	4.18%
Telecom Infrastructure	30,948.79	4.15%	30,948.79	4.18%
Metal & Metal Products	1,20,171.55	16.12%	1,20,171.55	16.23%
Iron & Steel	1,09,837.32	14.83%	1,09,837.32	14.83%
Metal & Metal Products - Others	10,334.23	1.40%	10,334.23	1.40%
Mining	3,238.10	0.43%	3,238.10	0.44%
Mining & Quarrying	3,238.10	0.43%	3,238.10	0.44%
Others *	5,404.54	0.72%	5,404.54	0.73%
Others	5,404.54	0.72%	5,404.54	0.73%
Paper & Paper Products	39,053.94	5.24%	39,053.94	5.27%
Paper & Paper Products	39,053.94	5.24%	39,053.94	5.27%
Power	68,169.47	9.14%	68,169.47	9.20%
Power Generation - Renewable (Hydro, Solar, Wind)	12,742.89	1.72%	12,742.89	1.72%
Power Generation - Thermal Power	44,389.30	5.99%	44,389.30	5.99%
Power Transmission & Distribution	11,037.28	1.49%	11,037.28	1.49%
Real Estate - Others	51,085.67	6.85%	51,085.67	6.90%
Real Estate - Completed	101.20	0.01%	101.20	0.01%
Real Estate - Land	3,000.00	0.41%	3,000.00	0.41%
Real Estate - Others	47,984.47	6.48%	47,984.47	6.48%
Real Estate - Under Construction	85,306.02	11.44%	85,306.02	11.52%
Real Estate - Under Construction	85,306.02	11.44%	85,306.02	11.52%
Retail	58,965.66	7.91%	54,801.94	7.40%
Retail Portfolio	58,965.66	7.91%	54,801.94	7.40%
Rubber & Plastic Products	3,932.50	0.53%	3,932.50	0.53%
Rubber & Plastic Products	3,932.50	0.53%	3,932.50	0.53%
Shipping & Ship Building	20,386.04	2.73%	20,386.04	2.75%
Shipping & Ship Building	20,386.04	2.73%	20,386.04	2.75%
Textiles	32,424.71	4.35%	31,666.39	4.28%
Apparel & Accessories - Leather & their Products	452.90	0.06%	452.90	0.06%
Cotton, Silk, Wool, Jute, & Yarns	29,282.03	3.95%	29,282.03	3.95%
Fabric & Garment Manufacturing	2,566.82	0.24%	1,808.50	0.24%
Textiles - Others	122.96	0.02%	122.96	0.02%
Trading & Distribution	2,017.23	0.27%	2,017.23	0.27%
Wholesale & Retail - Traders & Distributors	2,017.23	0.27%	2,017.23	0.27%
Wood & Wood Products	83.80	0.01%	83.80	0.01%
Wood & Wood Products	83.80	0.01%	83.80	0.01%
Sub Total (B)	7,45,557.86	100.00%	7,40,635.81	100.00%
Grand Total (B)	7,45,557.86	100.00%	7,40,635.81	100.00%



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

c) Other additional disclosures:

Particulars	For the Year Ended	For the Year Ended
	March 31, 2026	March 31, 2025
Value of financial assets acquired during the year	4,924.82	1,842.30
Value of financial assets realised during the year	85,833.76	56,696.61
Value of financial assets outstanding for realisation at end of year	79,072.50	1,23,766.20
Value of Security Receipts redeemed partially during the year	30,365.61	34,776.38
Value of Security Receipts redeemed fully during the year	18,938.79	4,970.78
Value of Security Receipts pending for redemption at end of year	90,467.61	1,45,398.27
Value of SRs which could not be redeemed as a result of non-realisation of the financial asset as per the policy formulated under paragraph 10.2 or 10.3 as per Master direction dated April 24, 2024	2,44,358.70	2,79,470.02
Value of land and/or building acquired in ordinary course of business of reconstruction of assets	-	-
Expected cashflows against the financial assets outstanding	1,24,134.53	2,24,485.97

-Restructuring Loan disbursed to 4 borrowers/ borrower groups (Previous Year: 3) amounting to Rs. 1,053 millions (Previous Year: Rs. 1,048 millions) has been classified as Non-Performing asset as at March 31, 2026.

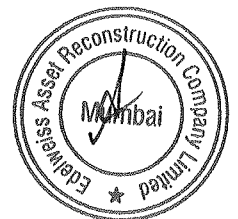
- Details of assets where acquisition value is more than book value.

For the year ended March 31, 2026: Nil

For the year ended March 31, 2025: Nil

- Details of physical assets disposed off by the Company during the year at a discount of more than 20% of valuation as on previous year end are as follows:

Name of the account	Modified Disclosure reason	Distress Sale Value as per valuation report	Sale Price
Mukesh Madhukar Magare - EARC Trust SC 371	The 1 BHK flat at Revdanda, Raigad, located in a 10-year-old building with no modern amenities and poor access, was initially valued at ₹14.09 lakh but failed to attract bidders in two auctions. Considering market benchmarks and locational constraints, the reserve was reduced, and in April 2025 the property was successfully sold at ₹9.2 lakh	1.17	0.92
Ramnarayan Das - EARC Trust SC 370	Possession of the 1 BHK flat in Virar, Palghar was taken in January 2025. Despite a valuation of ₹9.99 lakh RSV and ₹8.81 lakh DSV, the first auction at ₹7.25 lakh failed due to poor condition, society dues of ₹2.26 lakh, and locational disadvantages. A second auction in May 2025 with a reserve of ₹6.25 lakh was successful, and the property was sold at ₹6.35 lakh	0.88	0.64
Gopal Dairy - EARC Trust SC 410	The shop property at Kadodra, Surat, taken into possession in December 2022, faced multiple failed auctions despite valuations between ₹8.71 lakh and ₹6.58 lakh, owing to poor maintenance, low occupancy, and lack of surrounding development. Based on market feedback, the reserve was reduced, and in August 2025 the property was successfully sold at ₹5.10 lakh	0.66	0.51
Mohammed Imran Qureshi - EARC Trust SC 477	The 1 BHK flat at Neral, Raigad, taken into possession in November 2024, faced weak demand due to poor occupancy, incomplete project status, and maintenance issues, despite a valuation of ₹15.89 lakh RSV and ₹14.01 lakh DSV. After the first auction at ₹13 lakh failed, the reserve was reduced, and in September 2025 the property was successfully sold at ₹11.10 lakh	1.40	1.11
Naineshkumar Ashwinkumar Pandya - EARC Trust SC 482	Possession of the 1 BHK flat in the old city area of Vadodara was taken in March 2024. Despite valuations of ₹10.28 lakh RSV and ₹9.07 lakh DSV, three auction attempts failed due to poor maintenance, migration-led demand slump, and low marketability. Based on market feedback, the fourth auction in November 2025 with a reserve of ₹5.5 lakh was successful, and the property was sold at ₹5.6 lakh	0.75	0.56

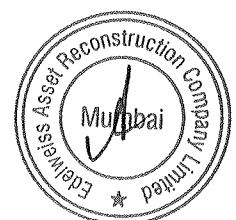
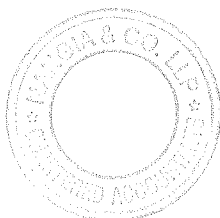


Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

Name of the account	Modified Disclosure reason	Distress Sale Value as per valuation report	Sale Price
Sanjay G Lathiya - EARC Trust SC 477	Possession of the 12-year-old row house in Kosamba, Surat was taken in March 2025. Despite valuations of ₹17.41 lakh RSV and ₹15.36 lakh DSV, auctions in June and November 2025 failed due to very low occupancy and weak demand. Considering market feedback, the reserve was reduced, and in December 2025 the property was successfully sold at ₹10.10 lakh	1.54	1.01
Ajitsinh Mangaji Thakor - EARC Trust SC 422	Possession of the residential property in Vadod village, about 10 km from Anand city, was taken in June 2024. Despite valuations of ₹13.47 lakh RSV and ₹11.22 lakh DSV, four auction attempts failed due to weak demand and locational disadvantages. Based on market feedback, the reserve was reduced, and in December 2025 the property was successfully sold at ₹8.10 lakh	1.08	0.81
Sanjay G Lathiya - EARC Trust SC 477	Possession of the row house in Kosamba, Surat was taken in March 2025. Despite valuations of ₹16.91 lakh RSV and ₹14.92 lakh DSV, auctions in June and November 2025 failed due to very low occupancy and weak demand. Considering market feedback, the reserve was reduced, and in December 2025 the property was successfully sold at ₹10.10 lakh	1.49	1.01
Hiren Sharadbhai Mistry - EARC Trust SC 481	Possession of the residential flat in Vatva, Vinzol, Ahmedabad was taken in June 2024. Despite valuations of ₹15.8 lakh RSV and ₹13.19 lakh DSV, three auction attempts between September 2024 and November 2025 failed due to the industrial surroundings, weak demand, and limited buyer interest. Considering market feedback, the reserve was reduced, and in January 2026 the property was successfully sold at ₹10.10 lakh	1.29	1.01
Ghanshyam R Kunjadiya - EARC Trust SC 492	Possession of the residential flat in Bardoli, about 40 km from Surat, was taken in February 2025. Despite valuations of ₹7.70 lakh RSV and ₹6.80 lakh DSV, three auction attempts between May and November 2025 failed due to poor condition, lack of amenities, and weak demand in the locality. Based on market feedback, the reserve was reduced, and in January 2026 the property was successfully sold at ₹5.10 lakh	0.68	0.51
Sanjay Dnyandeo Bankar - EARC Trust SC 477	Possession of the 2 BHK flat near Baramati Railway Station was taken in March 2018. Despite valuations of ₹17.36 lakh RSV and ₹15.32 lakh DSV, three auction attempts between March and September 2025 failed due to the dilapidated condition, incomplete works, and weak demand in the locality. Considering market feedback, the reserve was reduced, and in October 2025 the property was successfully sold at ₹12.10 lakh	1.53	1.21
Subodh P Walavalkar - EARC Trust SC 371	Possession of the residential unit in Badlapur East was taken in May 2023. Despite valuations of ₹21.42 lakh RSV and ₹17.85 lakh DSV, auction attempts in May 2024 and February 2025 failed due to developer dues of ₹7.62 lakh and weak demand. Considering market feedback, the reserve was reduced, and in December 2025 the property was successfully sold at ₹13.10 lakh, with the buyer settling the developer's outstanding dues.	1.82	1.31
Chetan Mafatlal Doshi - EARC Trust SC 371	Possession of the 2 BHK flat near Boisar Railway Station was taken in November 2022. Despite valuations of ₹20.18 lakh RSV and ₹16.82 lakh DSV, auction attempts in June and December 2024 failed due to poor accessibility, structural deficiencies, and weak demand in the locality. Considering market feedback and comparable sales, the reserve was reduced, and in December 2025 the property was successfully sold at ₹15.20 lakh	2.01	1.52
Veena Prashant Bhople - EARC Trust SC 424	Possession of the 2 BHK flat in a 23-year-old Gunthewari building at Baramati was taken in January 2024. Despite valuations of ₹22.47 lakh RSV and ₹18.73 lakh DSV, auction attempts in January and October 2025 failed due to property tax dues, poor condition, and weak demand in the locality. Considering market feedback, the reserve was reduced, and in December 2025 the property was successfully sold at ₹9.10 lakh	1.67	0.91

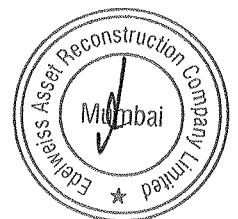


Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

Name of the account	Modified Disclosure reason	Distress Sale Value as per valuation report	Sale Price
Santosh Kashinath Chavan - EARC Trust SC 417	Possession of the 22-year-old residential flat near Pune was taken in January 2025. Despite valuations of ₹25.50 lakh RSV and ₹22.50 lakh DSV, auction attempts in April, July, and December 2025 failed due to restrictions on Gowthan property registration, floodline zoning, and weak demand. Considering market feedback, the reserve was reduced, and in January 2026 the property was successfully sold at ₹15.10 lakh	2.25	1.51
Anand Harikisan Dayama - EARC Trust SC 410	Possession was taken in September 2022 located at Singhgad Road, Pune. Due to significant encumbrances and lack of bidder interest, auctions at a reserve price of ₹22 lakh failed. Based on market feedback, the reserve price was reduced to ₹18 lakh in January 2026, and the property was sold for ₹18.10 lakh.	2.36	1.81
Daniel Peter Athat - EARC Trust SC 371	Possession of the 1 BHK flat in a 12-year-old building at Shirgoan Village, about 3 km from Badlapur, was taken in October 2023. Despite valuations of ₹20.00 lakh RSV and ₹18.00 lakh DSV, multiple auction attempts between December 2023 and September 2025 failed due to society dues of ₹2.69 lakh and weak demand. Considering market feedback and encumbrances, the reserve was reduced, and in January 2026 the property was successfully sold at	1.65	1.32
Ishtiyaque Shaikh - EARC Trust SC 401	Possession of the 1 BHK flat on the ground floor at Lodha Palava, Dombivli was taken on 18 May 2023. Despite valuations of ₹39.17 lakh RSV and ₹34.56 lakh DSV, auction attempts in June and December 2024 failed due to substantial society dues of ₹2.30 lakh and weak demand. Considering market feedback and encumbrances, the reserve was reduced, and in January 2026 the property was successfully sold at ₹18.10 lakh.	2.82	1.81
Bhimrao Sakaru Pawar - EARC Trust SC 477	Possession of the residential flat on Agashi Road, about 6-7 km from Virar Railway Station, was taken in April 2025. Despite valuations of ₹14.55 lakh RSV and ₹12.84 lakh DSV, auction attempts in December 2025 failed due to encumbrances, absence of lift, registration complications, and weak demand. Considering market feedback and liabilities, the reserve was reduced, and in January 2026 the property was successfully sold at ₹9.10 lakh	1.28	0.91
Vishal Anant Gaikwad - EARC Trust SC 477	Possession of the residential flat on the 7th floor at Joveli Village, about 4 km from Badlapur Railway Station, was taken in April 2022. Despite valuations of ₹18.81 lakh RSV and ₹16.60 lakh DSV, auction attempts in June, September, and December 2025 failed due to low occupancy, multiple bank notices on the building, and poor accessibility. Considering market feedback, the reserve was reduced, and in January 2026 the property	1.40	1.11
Negandhi Jayesh Ranjit - EARC Trust SC 469	Possession of the 1 BHK flat at Lodha Palava, Dombivli was taken in October 2020. Despite valuations of ₹36.28 lakh RSV and ₹32.01 lakh DSV, auction attempts in November 2024 and December 2025 failed due to property tax arrears of ₹80,000, society dues of ₹4.10 lakh, and oversupply of comparable units. Considering market feedback and encumbrances, the reserve was reduced, and in January 2026 the property was	3.20	2.31
Sunny Babu Patel - EARC Trust SC 371	Possession of the 1 RK flat on the ground floor at Shirgaon, Badlapur was taken in July 2025. Despite valuations of ₹19.54 lakh RSV and ₹17.24 lakh DSV, auction attempts in November 2025 and January 2026 failed due to flooding issues, repair needs, and outstanding dues of ₹1.81 lakh. Considering market feedback and encumbrances, the reserve was reduced, and in March 2026 the property was successfully sold at ₹13.30 lakh, effectively realizing	1.72	1.33
Kashinath S Sahu - EARC Trust SC 482	Possession of the 2 BHK flat at Sachin, about 25 km from Surat city, was taken in September 2024. Despite valuations of ₹15.30 lakh RSV and ₹13.05 lakh DSV, auction attempts in July 2025, January 2026, and February 2026 failed due to poor building maintenance, average locality development, and weak demand. Considering market feedback, the reserve was reduced, and in March 2026 the property was successfully sold at ₹8.10 lakh.	1.09	0.81
Srikanth M M - EARC Trust SC 469	Possession of the 2 BHK flat at Marasur Village, Kasaba Hobli was taken in September 2024. Despite valuations of ₹19.65 lakh RSV and ₹17.34 lakh DSV, auction attempts in December 2025 and January 2026 failed due to poor building maintenance and prevailing negative market sentiment. Considering market feedback, the reserve was reduced, and in March 2026 the property was successfully sold at ₹12.10 lakh.	1.73	1.21

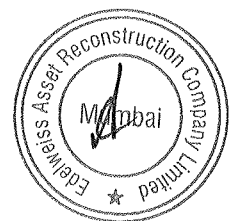
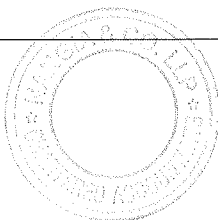


Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

Name of the account	Modified Disclosure reason	Distress Sale Value as per valuation report	Sale Price
Aarti Agrawal - EARC Trust SC 477	Possession of the 1 BHK flat, about 33 km from Indore city, was taken in March 2021. Despite valuations of ₹11.42 lakh RSV and ₹9.40 lakh DSV, six auction attempts between April 2024 and March 2025 failed due to poor maintenance, weak demand, and lack of bidder participation, even after over 40 site inspections. Considering market feedback, the reserve was reduced, and in March 2026 the property was successfully sold at	1.10	0.81
Sufi Export - EARC Trust SC 410	Possession of the 1 BHK studio apartment on the 4th floor at Jaipur was taken in August 2023. Despite valuations of ₹19.58 lakh RSV and ₹17.28 lakh DSV, auction attempts in October 2024 and February 2026 failed due to poor building maintenance, non-functional lift, vacancy-related repair needs, and weak buyer perception in the locality. Considering market feedback, the reserve was reduced, and in March 2026 the property was successfully sold at	2.02	1.51
Sattaadhar Hotel - EARC Trust SC 375	Possession of the ground-floor commercial shop at Sachin, Surat was taken in January 2023. Despite valuations of ₹62.13 lakh RSV and ₹54.82 lakh DSV, four auction attempts between March 2023 and April 2025 failed due to poor building condition, low occupancy, outstanding dues of about ₹15 lakh, and land-use complications. Considering market feedback and liabilities, the reserve was reduced, and in March 2026 the	4.54	3.01
Mamta Kumari Kishorkumar - EARC Trust SC 443	Possession of the MIG residential flat at Kamrej, Surat was taken in May 2024. Despite valuations of ₹10.96 lakh RSV and ₹9.67 lakh DSV, the auction attempt in November 2025 failed due to poor locality perception, adjoining drain, and weak demand. Considering market feedback and property condition, the reserve was reduced, and in March 2026 the property was successfully sold at ₹7.10 lakh.	0.97	0.71
Sawant Vijay Maruti - EARC Trust SC 469	Possession of the 1 BHK flat at Lodha Casa, Palava City was taken in September 2023. Despite valuations of ₹35.49 lakh RSV and ₹31.31 lakh DSV, auction attempts in December 2025 and January 2026 failed due to outstanding dues of about ₹4.58 lakh, weak buyer sentiment, and limited demand in the locality. Considering market feedback and liabilities, the reserve was reduced, and in March 2026 the property was successfully sold at	3.13	2.26
Ashok Photoframe House - EARC Trust SC 483	Possession of the G+1 row house in District Bhatinda was taken in January 2025. Despite valuations of ₹26.66 lakh RSV and ₹23.52 lakh DSV, auction attempts in April 2025 and February 2026 failed due to incomplete construction, poor locality development, and weak demand. Considering market feedback, the reserve was reduced, and in March 2026 the property was successfully sold at ₹22.60 lakh.	2.96	2.26
Ravindra Ramdasji Vilaytkar - EARC Trust SC 371	Possession of the G+1 row house at Hingna, District Nagpur was taken in April 2025. Despite valuations of ₹13.86 lakh RSV and ₹12.32 lakh DSV, auction attempts in July, October, and November 2025 failed due to incomplete construction, poor condition, absence of amenities, and ongoing litigation before the Consumer Court with the developer. Considering market feedback and challenges, the reserve was reduced, and in February	1.23	0.71
Tiwari Kamallesh R - EARC Trust SC 469	Possession of the 1 BHK flat at Lodha Palava City was taken in April 2024. Despite valuations of ₹27.20 lakh RSV and ₹24 lakh DSV, auction attempts in December 2025 and January 2026 failed due to outstanding dues of about ₹11.75 lakh and weak buyer sentiment in the locality. Considering market feedback and liabilities, the reserve was reduced, and in March 2026 the property was successfully sold at ₹15.10 lakh, effectively realizing	2.40	1.51
Shinde Dhanashree Pravinkumar - EARC Trust SC 469	Possession of the 2 BHK flat near Pimpri railway station, Pune District, was taken in September 2024. Despite valuations of ₹56.80 lakh RSV and ₹50.12 lakh DSV, auction attempts in January 2025 failed due to significant builder dues of about ₹32 lakh and weak buyer interest. Considering market feedback and liabilities, the reserve was reduced, and in February 2026 the property was successfully sold at ₹30.10 lakh, effectively realizing	5.01	3.01



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

Name of the account	Modified Disclosure reason	Distress Sale Value as per valuation report	Sale Price
Vijay Kumar - EARC Trust SC 371	Possession of the 1 BHK flat on the ground floor at Haridwar was taken in March 2022. Despite valuations of ₹12.75 lakh RSV and ₹11.25 lakh DSV, auction attempts in March 2025, July 2025, and January 2026 failed due to poor building maintenance, lack of electricity meter, and weak residential demand in the locality. Considering market feedback, the reserve was reduced, and in February 2026 the property was successfully sold at ₹7.10	1.05	0.71
Himachal Equipment - EARC Trust SC 410	Possession of the 1st-floor commercial shop in a 40-year-old shopping complex at Dehradun was taken in July 2023. Despite valuations of ₹12.57 lakh RSV and ₹11.09 lakh DSV, auction attempts in September 2023 and February 2025 failed due to poor maintenance, vacant surroundings, lack of electricity meter, and weak commercial activity. Considering market feedback, the reserve was reduced, and in February 2026 the property	0.66	0.51
Hind Picture Concern - EARC Trust SC 410	Possession of the ground-floor commercial shop at Howrah was taken in March 2025. Despite valuations of ₹60.54 lakh RSV and ₹53.41 lakh DSV, auction attempts in May, June, September, and November 2025 failed due to lack of statutory documents and weak bidder confidence. Considering market feedback, the reserve was reduced, and in February 2026 the property was successfully sold at ₹42.10 lakh.	5.34	4.21
Ramjee Sharma - EARC Trust SC 422	Possession of the 1 BHK row house near Surat was taken in September 2023. Despite valuations of ₹9.92 lakh RSV and ₹8.17 lakh DSV, auction attempts in March 2024, June 2024, and November 2025 failed due to poor infrastructure, prolonged vacancy, and weak buyer sentiment in a locality with multiple NPA-tagged properties. Considering market feedback, the reserve was reduced, and in February 2026 the property was	1.02	0.71
Amritsari Naan Shop Mohani Halwai And Catering - EARC Trust SC 449	Possession of the row house at Phagwara was taken in February 2025. Despite valuations of ₹26.54 lakh RSV and ₹23.41 lakh DSV, auction attempts in July and December 2025 failed due to dilapidated condition, structural issues, waterlogging at the rear portion, and weak buyer sentiment. Considering market feedback, the reserve was reduced, and in February 2026 the property was successfully sold at ₹21.10 lakh.	2.65	2.11
Aditya Bali - EARC Trust SC 371	Possession of the 2 BHK flat (Flat No. 503) was taken in May 2023. Despite valuations of ₹155.72 lakh RSV and ₹137.40 lakh DSV, auction attempts in June and August 2025 failed due to incomplete construction and substantial developer dues of about ₹9 crore across adjoining flats, which discouraged buyers. Considering market feedback and liabilities, the reserve was reduced, and in March 2026 the property was successfully sold at	13.91	9.02
Aditya Bali - EARC Trust SC 371	Possession of the 2 BHK flat (Flat No. 504, created by merging two adjoining units) was taken in May 2023. Despite valuations of ₹157.76 lakh RSV and ₹139.20 lakh DSV, auction attempts in June and August 2025 failed due to incomplete construction and substantial developer dues of about ₹9 crore across adjoining flats, which discouraged buyers. Considering market feedback and liabilities, the reserve was reduced, and in February 2026	12.91	9.82
Aditya Bali - EARC Trust SC 371	Possession of the 2 BHK flat (Flat No. 505, created by merging two adjoining units) was taken in May 2023. Despite valuations of ₹211.48 lakh RSV and ₹186.60 lakh DSV, auction attempts in June and August 2025 failed due to incomplete construction and substantial developer dues of about ₹9 crore across adjoining flats, which discouraged buyers. Considering market feedback and liabilities, the reserve was reduced, and in February 2026	17.30	11.22
Saiprasad Arvind Vaidya - EARC Trust SC 371	Possession of the 1 RK flat located on the 1st floor at Ambernath was taken in May 2023, and despite four auction attempts between February 2024 and July 2025, the property could not be sold due to poor bidder response arising from outstanding developer dues of ₹3.45 lakh and adverse market perception. After repeated auction failures and considering market feedback, the reserve price was reduced to ₹8.00 lakh,	1.32	0.81

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



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

-During the year Company has written off assets acquired after 5th August 2014, under below trusts on account of closure and lower recovery projections in the underlying assets:-

Trust Name	Value of Financial Assets before write off	Financial Assets written Off
EARC TRUST SC - 59	57.00	52.90
EARC TRUST SC - 105	2.00	2.00
EARC TRUST SC - 112	271.33	6.81
EARC TRUST SC - 125	39.22	0.03
EARC TRUST SC - 141	248.78	155.41
EARC TRUST SC - 144	261.76	176.33
EARC TRUST SC - 152	149.59	90.97
EARC TRUST SC - 162	50.00	40.00
EARC TRUST SC - 164	24.02	24.02
EARC TRUST SC - 171	36.09	36.09
EARC TRUST SC - 186	26.81	26.81
EARC TRUST SC - 193	28.99	28.99
EARC TRUST SC - 203	232.21	5.44
EARC TRUST SC - 212	20.46	20.46
EARC TRUST SC - 224	468.25	284.85
EARC TRUST SC - 226	27.52	27.52
EARC TRUST SC - 254	705.32	261.46
EARC TRUST SC - 256	200.00	80.00
EARC TRUST SC - 259	13.32	9.48
EARC TRUST SC - 265	20.39	20.39
EARC TRUST SC - 270	459.90	56.29
EARC TRUST SC - 291	322.40	75.27
EARC TRUST SC - 294	0.11	0.08
EARC TRUST SC - 295	15.72	12.70
EARC TRUST SC - 296	2.99	2.28
EARC TRUST SC - 298	2,448.09	2,448.09
EARC TRUST SC - 300	180.77	180.77
EARC TRUST SC - 303	3.46	2.84
EARC TRUST SC - 305	485.52	485.52
EARC TRUST SC - 315	603.69	603.69
EARC TRUST SC - 317	172.40	172.40
EARC TRUST SC - 329	340.49	290.49
EARC TRUST SC - 330	271.55	271.55
EARC TRUST SC - 331	488.60	438.60
EARC TRUST SC - 420	1,333.63	803.43
EARC TRUST SC - 462	1,510.39	1,510.39

-Information about outsourced agency, if owned/ controlled by a director of the Company

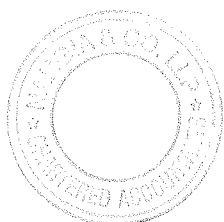
During the year, the Company has not entered into any transactions with outsourced agencies owned/controlled by directors of the Company.

-Information about assets acquired under IBC including the type and value of assets acquired, the sector-wise distribution based on business of the corporate debtor

Nil as the Company is not a Resolution Applicant under Insolvency and Bankruptcy Code, 2016 (IBC)

-Implementation status of the resolution plans approved by the Adjudicating Authority on a quarterly basis

Nil as the Company is not a Resolution Applicant under Insolvency and Bankruptcy Code, 2016 (IBC)



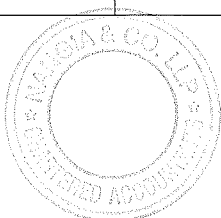
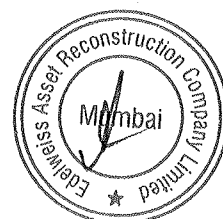
Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

- Details of assets where the value of SRs has declined more than 20% below the acquisition value:

Trust Name	Acquisition Value (Rs in Millions)	March 31, 2026	March 31, 2025
		NAV %	NAV %
EARC TRUST SC - 65	129.90	5%	5%
EARC TRUST SC - 59	59.20	NA	5%
EARC TRUST SC - 70	24.57	5%	5%
EARC TRUST SC - 243	2,690.20	NA	0%
EARC TRUST SC - 248	289.40	NA	0%
EARC TRUST SC - 254	2,440.00	NA	0%
EARC TRUST SC - 255	2.16	NA	0%
EARC TRUST SC - 256	1,900.00	NA	0%
EARC TRUST SC - 258	3,800.00	NA	0%
EARC TRUST SC - 259	17.72	NA	0%
EARC TRUST SC - 260	149.00	Exited	0%
EARC TRUST SC - 265	860.00	NA	0%
EARC TRUST SC - 270	460.00	NA	5%
EARC TRUST SC - 291	322.50	NA	5%
EARC TRUST SC - 294	0.14	NA	0%
EARC TRUST SC - 295	17.40	NA	0%
EARC TRUST SC - 296	3.82	0%	0%
EARC TRUST SC - 298	2,720.00	0%	0%
EARC TRUST SC - 300	360.00	Exited	0%
EARC TRUST SC - 303	3.80	NA	0%
EARC TRUST SC - 305	820.50	0%	1%
EARC TRUST SC - 315	975.00	0%	1%
EARC TRUST SC - 317	230.00	0%	5%
EARC TRUST SC - 323	6,850.00	0%	0%
EARC TRUST SC - 326	71.11	0%	0%
EARC TRUST SC - 327	756.30	0%	0%
EARC TRUST SC - 329	257.40	0%	5%
EARC TRUST SC - 330	451.00	0%	1%
EARC TRUST SC - 331	354.57	0%	5%
EARC TRUST SC - 334	500.00	0%	0%
EARC TRUST SC - 335	28.72	0%	0%
EARC TRUST SC - 364	4,000.00	10%	15%
EARC TRUST SC - 367	13,800.00	70%	75%
EARC TRUST SC - 379	308.90	65%	70%
EARC TRUST SC - 381	550.00	25%	25%
EARC TRUST SC - 385	211.51	60%	65%
EARC TRUST SC - 391	1,080.00	125%	125%
EARC TRUST SC - 392	1,584.65	10%	25%
EARC TRUST SC - 393	375.00	15%	50%
EARC TRUST SC - 400	0.74	0%	0%
EARC TRUST SC - 403	5,300.00	0%	0%
EARC TRUST SC - 407	7.14	0%	0%
EARC TRUST SC - 408	260.00	0%	0%
EARC TRUST SC - 411	2,576.92	5%	15%
EARC TRUST SC - 412	10.08	5%	10%
EARC TRUST SC - 413	278.14	50%	70%
EARC TRUST SC - 417	279.83	50%	70%
EARC TRUST SC - 420	7,400.00	25%	50%
EARC TRUST SC - 437	138.84	0%	0%
EARC TRUST SC - 444	851.50	15%	25%
EARC TRUST SC - 446	65.77	0%	0%
EARC TRUST SC - 447	366.41	50%	55%
EARC TRUST SC - 450	2,350.80	25%	50%
EARC TRUST SC - 451	138.56	100%	50%
EARC TRUST SC - 459	80.70	75%	50%
EARC TRUST SC - 462	1,260.00	0%	0%
EARC TRUST SC - 279	1,036.20	Exited	75%
EARC TRUST SC - 353	2,000.00	50%	50%
EARC TRUST SC - 373	265.00	75%	75%
EARC TRUST SC - 374	74.26	20%	60%
EARC TRUST SC - 383	200.00	70%	75%
EARC TRUST SC - 384	4,026.00	75%	75%
EARC TRUST SC - 401	693.00	50%	75%
EARC TRUST SC - 414	3,000.00	65%	75%
EARC TRUST SC - 418	160.70	75%	75%
EARC TRUST SC - 458	2,850.00	55%	60%
EARC TRUST SC - 452	7,929.43	60%	70%
EARC TRUST SC - 485	1,660.00	60%	75%
EARC TRUST SC - 445	1,200.00	25%	50%
EARC TRUST SC - 453	14,534.52	60%	75%



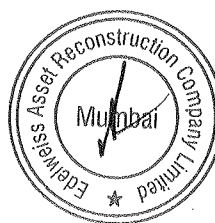
Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

Trust Name	Acquisition Value (Rs in Millions)	March 31, 2026	March 31, 2025
		NAV %	NAV %
EARC TRUST SC - 486	6,016.70	50%	75%
EARC TRUST SC - 487	314.50	50%	55%
EARC TRUST SC - 490	2,356.88	70%	75%
EARC TRUST SC - 491	1,498.60	65%	75%
EARC TRUST SC - 470	1,500.60	50%	75%
EARC TRUST SC - 308	283.00	0%	85%
EARC TRUST SC - 314	84.00	0%	100%
EARC TRUST SC - 322	3,246.00	0%	150%
EARC TRUST SC - 377	9,056.70	25%	150%
EARC TRUST SC - 416	116.29	75%	85%
EARC TRUST SC - 479	1,120.00	75%	100%
EARC TRUST SC - 488	242.34	75%	100%
EARC TRUST SC - 495	1,337.70	75%	100%

Note: NAV for the trusts which have completed 8 years are shown as NA



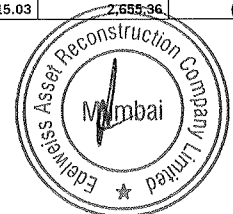
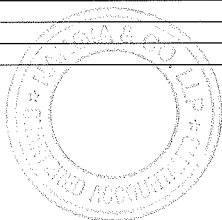
Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)
(Currency: Indian rupees in millions)

(d) Comparison between provisions required under IRACP and impairment allowances made under Ind AS 109

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)
As at March 31, 2026						
Performing assets						
	Stage 1	52.86	9.34	43.53	17.26	(7.92)
Standard	Stage 2	42.40	7.95	34.45	3.66	4.29
	Stage 3	26.74	6.69	20.06	5.98	0.70
Sub total		122.00	23.97	98.03	26.90	(2.93)
Non - Performing assets (NPA)						
	Stage 3	191.32	47.83	143.49	89.34	(41.50)
Substandard						
	Stage 3	-	-	-	-	-
Doubtful -upto 1 year						
1 to 3 years	Stage 3	138.28	34.57	103.71	138.28	(103.71)
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		138.28	34.57	103.71	138.28	(103.71)
Loss	Stage 3	2,613.28	660.51	1,952.77	2,613.28	(1,952.77)
Subtotal for NPA		2,942.89	742.91	2,199.98	2,840.90	(2,097.99)
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	-	-	-	-	-
Additional Reserve as directed by RBI						(461.10)
Subtotal		-	-	-	-	(461.10)
Total	Stage 1	52.86	9.34	43.53	17.26	(7.92)
	Stage 2	42.40	7.95	34.45	3.66	4.29
	Stage 3	2,969.63	749.60	2,220.03	2,846.88	(2,097.29)
	Others	-	-	-	-	(461.10)
	Total	3,064.89	766.88	2,298.01	2,867.80	(2,562.02)

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)
As at March 31, 2025						
Performing assets						
	Stage 1	37.06	6.95	30.11	7.69	(0.74)
Standard	Stage 2	3.69	0.69	3.00	3.30	(2.61)
	Stage 3	12.67	3.17	9.50	11.91	(8.74)
Sub total		53.42	10.81	42.61	22.90	(12.09)
Non - Performing assets (NPA)						
	Stage 3	65.58	16.40	49.19	58.56	(42.16)
Substandard						
	Stage 3	-	-	-	-	-
Doubtful -upto 1 year						
1 to 3 years	Stage 3	154.18	38.55	115.64	154.18	(115.64)
More than 3 years	Stage 3	14.65	3.66	10.99	14.65	(10.99)
Subtotal for doubtful		168.84	42.21	126.63	168.84	(126.63)
Loss	Stage 3	2,405.06	608.46	1,796.61	2,405.06	(1,796.61)
Subtotal for NPA		2,639.49	667.06	1,972.43	2,632.46	(1,965.40)
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	-	-	-	-	-
Provision as per RBI's (Asset Reconstruction Companies) Master Direction	Others	-	-	-	-	(585.36)
Subtotal		-	-	-	-	(585.36)
Total	Stage 1	37.06	6.95	30.11	7.69	(0.74)
	Stage 2	3.69	0.69	3.00	3.30	(2.61)
	Stage 3	2,652.15	670.23	1,981.92	2,644.37	(1,974.14)
	Others	-	-	-	-	(585.36)
	Total	2,692.90	677.87	2,015.03	2,655.36	(2,562.85)



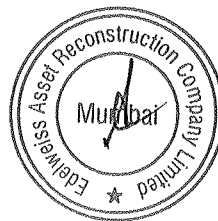
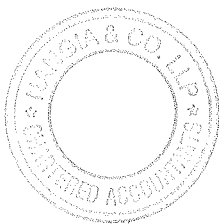
Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

(e) In terms of the requirements of RBI circular no. DOR.ACC.REC.No.104/21.07.001/2022-23, w.e.f. 20 February 2023,

Particulars	As at the end of March 31, 2026	As at the end of March 31, 2025
Outstanding amount of unrealised management fee	919.81	856.84
1. Out of the above, amount outstanding for:		
(a) Amounts where the net asset value of the security receipts has fallen below 50 per cent of the face value	460.90	414.58
(b) Other amounts unrealised for:		
(i) More than 180 days but upto 1 year	101.85	102.91
(ii) More than 1 year but upto 3 years	224.93	151.70
(iii) More than 3 years	0.35	1.02
Allowances held for unrealised management fee	364.87	406.79
Net unrealised management fee receivable	554.93	450.05



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

45. Other disclosure

The Reserve Bank of India ("RBI") had imposed the restrictions on the Company in May 2024. The restrictions imposed by RBI were regarding cessation of acquisition of financial assets, including security receipts ("SRs"), and reorganisation of existing SRs into senior and subordinated tranches. The RBI lifted these restrictions in December 2024.

Further, the Company received the RBI inspection report and Risk Mitigation plan ("RMP") for FY 2023-24 and implemented the action points submitted and approved by the RBI. Accordingly, during the year ended March 31, 2025, the Company has made a provision of ₹ 265.35 Millions.

46. Impact of new Labour code

The Government of India, vide notification dated November 21, 2025, has notified the new Labour Code, basis which the Company has reassessed its employee benefit obligations based on the revised definition of wages and expanded eligibility criteria. Accordingly, based on actuarial valuation and management estimates, the Company has recognized an incremental expense of ₹ 1.47 crore for the year ended March 31, 2026 on account of past service cost in accordance with Ind AS 19 – Employee Benefits and disclosed as an exceptional item. The Company continues to monitor developments relating to the implementation of the New Labour Codes

47. Segment Information

The Company is in the business of acquisition and resolution of non - performing assets. All other activities of the Company revolve around the main business. Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment.

48. Foreign Currency Expenses

The foreign exchange outgo during the year was ₹ 0.05 millions (Previous year: ₹ 1.54 millions).

49. Events after Reporting Date

49.1 Pursuant to the approval received from the Reserve Bank of India, Edel Finance Company Limited (EFCL) acquired, on April 7, 2026, the entire shareholding of CDPQ Private Equity Asia Pte. Ltd. (CDPQ), one of the sponsors of the Company, representing 20.40% of the Company's equity share capital. Following this transfer, CDPQ ceased to be a sponsor of the Company and EFCL became one of the sponsors of the Company (EFCL's shareholding increased from 8.07% to 28.47%). As a result, the Edelweiss Group's aggregate shareholding increased from 63.12% to 83.52%.

49.2 The Board of Directors at their meeting held on April 23, 2026, have recommended a final dividend of Rs. 11.75 per equity share (on face value of Rs.10 per equity share), subject to the approval of the members at the ensuing Annual General Meeting.

50. Other Additional Regulatory Information

50.1. Title deeds of Immovable Properties not held in name of the Company

The Company do not have any immovable properties where title deeds are not held in the name of the company.

50.2. Loans and Advances

There are no loans or advances in the nature of loans which are 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:

- (a) repayable on demand or
- (b) without specifying any terms or period of repayment

50.3. Details of Benami Property held

The Company do not have any benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

50.4 Security of current assets against borrowings

The Company has no borrowings from banks or financial institutions on the basis of security of current assets.

50.5. Wilful Defaulter

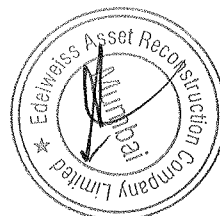
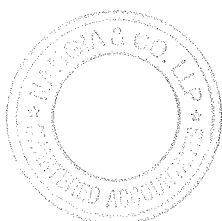
The Company is not declared as wilful defaulter by any bank or financial institution or other lender.

50.6. Relationship with Struck off Companies

The Company do not have any transactions with companies struck off.

50.7. Registration of charges or satisfaction of charges with Registrar of Companies (ROC)

The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

50.8. Ratios

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Liquidity Coverage Ratio ¹	1144.00%	1220.77%
Debt Equity Ratio ²	0.14	0.35
Debt Service Coverage Ratio ³	1.69	2.20
CRAR ⁴	80.03%	90.46%

¹Liquidity Coverage Ratio = (High Quality Liquid Assets/ Short-term obligations for next 30 days)

²Debt-equity Ratio = (Debt securities + Borrowings (other than debt securities)) / Net Worth

³DSCR = Profit before interest and tax / (Interest expense + Principal Repayment in next 12 months)

⁴CRAR = Total Capital / Risk Weighted assets

50.9. Utilisation of Borrowed funds and share premium:

(A) During the year, the company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (i) 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
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(B) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

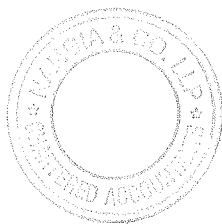
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

50.10. Undisclosed Income

The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

50.11. Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the current financial year and any of the previous years.



Edelweiss Asset Reconstruction Company Limited

Notes to the standalone financial statements (Continued)

51. Previous year figures have been regrouped and reclassified wherever necessary.

As per our report of even date attached

For Nangia & Co. LLP

Chartered Accountants

ICAI Firm's Registration No. 002391C / N500069

Jaspreet Singh Bedi
Partner

Membership Number: 601788

Mumbai

April 23, 2026

For and on behalf of the Board of Directors of

Edelweiss Asset Reconstruction Company Limited

Mohan Vasant Tanksale

Chairman & Independent Director

DIN :02971181

Ashwani Kumar

Chief Financial Officer

Mumbai

April 23, 2026

Deepak Nautiyal
Company Secretary

Membership Number: 29485

NANGIA & CO LLP

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Edelweiss Asset Reconstruction Company Limited (the "Holding Company")

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Edelweiss Asset Reconstruction Company Limited** (hereinafter referred to as "the Holding Company") and its Trusts (the Holding Company and its Trusts together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2026, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended and notes to the Consolidated Financial Statements, including a summary of material accounting policies 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 ("Ind AS") prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at March 31, 2026, its Consolidated Profit (including Other Comprehensive Income), its Consolidated Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated 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 (the "ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated 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 obtained by us 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 for the financial year ended March 31, 2026. 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. For each matter below, our description of how our audit addressed the key audit matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the Consolidated Financial Statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

✓ Registered office: 2 - Floor, B-27, Arundhata, New Delhi 110017

Corporate Office: Fourth Floor, Iconic Tower, UBAL E-1, Gurgaon, Haryana 122001
Tel: +91 22 4474 4474, email: info@nangia.com, nania@nangia.com

Other offices: 110017, 110017, 110017, 110017, 110017, 110017

Noida - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

NANGIA & CO LLP

CHARTERED ACCOUNTANTS

Key Audit Matters (Continued)

Key audit matters	How our audit addressed the key audit matter
(A) Fair Valuation of Investments in Security Receipts (SR) As described in Note 6 of the Consolidated Financial Statements	
The Group has Investment in SR amounts to Rs. 3978.75 millions as disclosed in the Consolidated financial statements, which are measured at Fair Value as per Ind AS 109 read with Ind AS 113. These Investment in SR are Level 3 as per Fair Value hierarchy given under Ind AS 113 and are determined through discounted cash flow method which involves management judgement such as projection of future cash flows and expenses. The management has involved credit rating agencies for valuation of SR. Considering the fair valuation of investments is significant to overall Consolidated Financial Statements and the degree of management's judgment involved in the estimate, any error in the estimate could lead to material misstatement in the Consolidated Financial Statements. Therefore, it is considered as a key audit matter.	- Our audit procedures included an assessment of internal controls over measurement of fair value and evaluating the methodologies, inputs, judgments made and assumptions used by management in determining fair values. - We evaluated rationale of the models and accounting treatment applied. We compared observable inputs against independent sources and externally available market data for sample cases. - We have performed testing on a sample basis of key inputs as mentioned above to validate the reasonableness of the input values. - We assessed disclosures included in the Consolidated Financial Statements with respect to such fair valuation. - We have compared the rating provided by the independent rating agencies with Fair Valuation determined by the Company.
(B) Impairment of Trade Receivable As described in Note 4 of the Consolidated Financial Statement	
Trade receivables (net of impairment provision) outstanding as on March 31, 2026 are Rs. 436.87 millions. Significant portion of trade receivables comprises of management fees receivable from trusts where the Company is the trustee. Ind AS 109 Financial Instruments (Ind AS 109) requires the Group to provide for impairment of its financial instruments (designated as amortized cost or fair value through Other Comprehensive Income) using the expected credit loss (ECL) approach. Such ECL allowance is required to be measured considering the guiding principles mentioned in the standard. The Group follows simplified approach for ECL on trade receivables and recognizes impairment loss allowance based on lifetime expected credit loss at each reporting date.	- Our audit procedures included considering the Group's board approved policies for impairment of trade receivable and assessing compliance with the policies in terms of Ind AS 109. - We assessed the design and tested the operating effectiveness of key controls over the computation of provision on trade receivables. - We obtained management's assessment of future cash flows and validated the assumptions with historical data on recovery and write off on trade receivables. - For sample cases we tested the computation of lifetime expected credit losses. - We tested the arithmetical accuracy of computation of ECL provision performed by the Company.

Registered office: 2nd Floor, B-27 Sector Hagar, Near D-Block-110017

Corporate Office: Fourth Floor, Front Tower, UBHLE City, Gopal Rao Kadam Plaza, Lower Park, Anand - 400017

Ph: +91 22 4474 3400 Email: info@nangia.com, chartered@nangia.com, audit@nangia.com, tax@nangia.com, www.nangia.com

UDIN: 240600012024011741 for signed Certificate - Unaudited

Noida - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

NANGIA & CO LLP

CHARTERED ACCOUNTANTS

The computation provision for receivables involves high degree of judgement applied by management in determining expected credit loss. Therefore, it is considered as a key audit matter.	We assessed the disclosures related to provision on trade receivables included in the Consolidated Financial Statements.
(C) Impairment of Loans As described in Note 5 of the Consolidated Financial Statement	
Loans (net of impairment provision) outstanding as on March 31, 2026 are Rs. 22,856.06 millions. Ind AS 109 Financial instruments (Ind AS 109) requires the Group to provide for impairment of its financial instruments (designated as amortized cost or fair value through Other Comprehensive Income) using the expected credit loss (ECL) approach. Such ECL allowance is required to be measured considering the guiding principles mentioned in the standard. In the process of applying such principles and other requirements of the standard, a significant degree of judgement has been applied by the management in respect of following matters: - Grouping of loans under homogenous pools in order to determine probability of default (PD) on a collective basis. - Determining the staging of loans. - Determining effect of past defaults on future probability of default. - Estimation of management overlay for macro-economic factors which could impact the ECL provisions. - Estimation of loss given default (LGD) based on past recovery rates. Given the complexity, significant judgement involved in the estimation of impairment of financial instruments. Therefore, it is considered as a key audit matter.	- Our audit procedures included considering the Group's board approved policies for impairment of financial instruments and assessing compliance with the policies in terms of Ind AS 109. - We understood the process of ECL estimation and tested the design and operating effectiveness of key controls around data extraction and validation. - We understood the methodology used by the management to arrive at their ECL provision and examined certain assumptions used by the Group in their model for grouping and staging of financial assets into various categories and default buckets and for determining the PD and LGD rates including the macro-economic factors. - We tested the operating effectiveness of the controls for staging of loans based on their past due status. - We tested the arithmetical accuracy of computation of ECL provision performed by the Group. - We assessed the disclosures included in the Consolidated Financial Statements with respect to such allowance / estimate are in accordance with the requirements of relevant Indian Accounting Standards.
(D) Consolidation of Trusts As described in Note 1.4 of the Consolidated Financial Statement	
The Group sets up trusts to acquire stressed assets for the purpose of carrying on the activity of Securitisation and Asset Reconstruction. These Trusts issue SRs which represent the beneficial undivided right, title and interest in the assets of the respective trust to the beneficiaries. The Group acts as assets manager in respect of these trusts and consolidates and trusts which it controls.	We have understood the structure of all the trusts managed by the company and reviewed the beneficial interest, the waterfall mechanism of distribution of returns and other relevant clauses of the trust deeds.

Registered office: 2nd Floor, D-27 Seam Nagar, New Delhi-110017

Corporate Office: Fourth Floor, E-01, Tower UPDA E-01, Gurgaon Road, Kirti Khand, LG-01, Phase 1, Gurgaon - 122001
Ph: +91 22 4479 3400, Email: info@nangia.com, website: www.nangia.com

UPA: Chartered Accountants (Firm) Registered in India under the Indian

Noida - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

CHARTERED ACCOUNTANTS

Regist

Corporate Office: Fourth Floor, B-20, UPTAL Express, Gurgaon Road, Kirti Vihar, Lodhi Road, Mumbai - 400013

1997, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 2680, 26

Noida - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

NANGIA & CO LLP

CHARTERED ACCOUNTANTS

Considering the significant management estimate and judgement involved in assessing cash flows and the discount rate.

Therefore, it is considered as a key audit matter.

- Verified the arithmetical accuracy of the valuation of the POCI assets using the expected cash flow and discount rate performed by the Company using spreadsheets.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Board report but does not include the Consolidated Financial Statements and our auditor's report thereon. The Board Report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available and, in doing so, consider whether the 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.

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

The Holding Company's Management and the Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the Consolidated financial position, Consolidated financial performance including Consolidated Other Comprehensive Income, Consolidated Statement of Cash Flows and Consolidated Statement of 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 respective Management and the Board of Directors of the companies included in the Group are 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; the 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 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.

In preparing the Consolidated Financial Statements, the respective Management and the Board of Directors of the companies included in the Group are 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 and the Board of Director either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Management and Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Registered office: 2nd Floor, B-27 Sector Nangal, Near Gaffar 110017

Corporate Office: Fourth Floor, Lotus Tower, UPPD Estate, Gurgaon Road, Fudam Block, Lotus Park, Gurgaon - 122001

Ph: +91 22 4477 5400, mail: info@nangia.com, website: www.nangia.com

LLP Registration No: UPPD17A (as per MCA 21 details)

Noida - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

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 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company 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 and the Board of Directors.
- Conclude on the appropriateness of Management's and the Board of Director'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, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Consolidated Financial Statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Registered office: 2nd Floor, B-27 South Nagar, New Delhi-110017

Corporate Office: Fourth Floor, Lotus Tower, UPLN E-10, Gurgaon Phase Kadambas, Sector 14, Faridkot (Gurgaon - 122001)

Ph: +91 22 3474 3470, Email: info@nangia.com, info@nangia.com, www.nangia.com

Offices: Noida - 110017, Gurugram - 122001, Dehradun - 248001

Noida - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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 for the financial year ended March 31, 2026 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, to the extent applicable.
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 Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant 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 March 31, 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its Trusts incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure 2".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 read with schedule V of the Act.

Registered office: 2nd Floor, B-27, Connaught Place, New Delhi-110017

Corporate Office: Fourth Floor, Phase 1, Sector 18, Gurgaon, Haryana-122001

Ph: +91 21 4474 3400, Email: info@nangia.com, ca@nangia.com

UDIN: 26060400-14412749-120111-140000-140000

Noida - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

Report on Other Legal and Regulatory Requirements (Continued)

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 has disclosed the impact of pending litigations on its Consolidated financial position in its Consolidated Financial Statements – (Refer Note 35 to the Consolidated Financial Statements).
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its Trusts incorporated in India.
 - iv. (a) The Management of the Holding Company which is the Company incorporated in India whose financial statements have been audited under the Act have represented to us, to the best of its knowledge and belief, as disclosed in the Note 50.9 to the Consolidated Financial Statements, during the year 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 Holding Company, to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Trusts incorporated in India and included in the consolidated financial statements are not Companies under the Act and provision of Rule 11 (e) (i) is not applicable to Trusts.
 - (b) The Management of the Holding Company which is the Company incorporated in India whose financial statements have been audited under the Act have represented to us, to the best of their knowledge and belief, as disclosed in the Note 50.9 to the Consolidated Financial Statements, during the year no funds have been received by the Holding Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, 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. Trusts incorporated in India and included in the consolidated financial statements are not Companies under the Act and provision of Rule 11 (e) (ii) is not applicable to Trusts.
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.
 - v. The final dividend paid by the Holding Company, incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Company during the year is in accordance with Section 123 of the Act.

Registered office: 2nd Floor, B-27, Connaught Place, New Delhi-110017

Corporate Office: Fourth Floor, Lotus Tower, UPDA Estate, Gurgaon Road, Faridabad, Haryana - 147913

Ph: +91 22 4474 3100, Email: info@nangia.com, chartered@nangia.com

UPDA - Faridabad - 147913, Gurgaon - 122001, Faridabad - 147913

Noida - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

NANGIA & CO LLP

CHARTERED ACCOUNTANTS

Report on Other Legal and Regulatory Requirements (Continued)

As stated in Note 49 to the consolidated financial statements, the Board of Directors of the Holding Company has proposed a final dividend for the year, which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- vi. Based on our examination which included test checks, the Holding Company have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. 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 Holding Company as per the statutory requirements for record retention.

Trusts incorporated in India and included in the consolidated financial statements are not Companies under the Act and provision of Rule 11 (g) is not applicable to Trusts.

For **Nangia & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 002391C/N500069


Jaspreet Singh Bedi
Partner
Membership Number: 601788
UDIN: 26601788OYZUIY7399

Place: Mumbai
Date: April 23, 2026

Registered office: 2nd Floor, D-27, Connaught Place, New Delhi-110017
Corporate Office: Fourth Floor, 1, Connaught Place, UPLA Estate, Connaught Place, New Delhi-110017
Ph: +91 22 4978 3474 Email: info@nangia.co, audit@nangia.co, chartered@nangia.co

Branches: Mumbai, Delhi, Gurugram, Dehradun,
Noida - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

NANGIA & CO LLP

CHARTERED ACCOUNTANTS

“Annexure 1” to the Independent Auditor’s Report referred to in paragraph 1 under the heading ‘Report on Other Legal and Regulatory Requirements’ of our report of even date on the Consolidated Financial Statements of Edelweiss Asset Reconstruction Company Limited

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

Clause (xxi)

Trusts incorporated in India and included in the Consolidated Financial Statements are not companies to which the Companies (Auditor’s Report) Order (CARO) is applicable. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For **Nangia & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 002391C/N500069

Jaspreet Singh Bedi

Partner

Membership Number: 601788

UDIN: 26601788OYZUIY7399

Place: Mumbai

Date: April 23, 2026

Registered office: 2nd Floor, B-27, Grand Naga, New D-Block, D-17

Corporate Office: Fourth Floor, Lotus Tower, UPHI E-Block, Gurgaon Road, Kirti Nagar, Connaught Place (Anand) - 110013

Ph: +91 22 4474 3400, Email: info@nangia.com, Website: www.nangia.com

UDIN: 26601788OYZUIY7399

Noida - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

NANGIA & CO LLP

CHARTERED ACCOUNTANTS

"ANNEXURE 2" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF EDELWEISS ASSET RECONSTRUCTION COMPANY LIMITED

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

To The Member of Edelweiss Asset Reconstruction Company Limited

In conjunction with our audit of the Consolidated Financial Statements of **Edelweiss Asset Reconstruction Company Limited** (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its Trusts (the Holding Company and its Trusts together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management and the Board of Director's Responsibility for Internal Financial Controls

The Management and the Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing ("SAs") as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Registered office: 21 Floor, B-27, Connaught Place, New Delhi-110017

Corporate Office: Fourth Floor, Iconic Tower, UPHL E-10, Gurgaon Road, Faridkot, U.P., 201301 (Amritsar - 141001)

Ph: +91 22 4474 3406 Email: info@nangia.co.in Website: www.nangia.co.in

UPH - 201301, 201301, 201301, 201301, 201301, 201301, 201301, 201301, 201301, 201301

Noida - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

NANGIA & CO LLP

CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting with reference to these Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated 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 Consolidated financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to the Consolidated Financial Statements and such internal financial controls over financial reporting with reference to the Consolidated Financial Statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matter

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

For **Nangia & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 002391C/N500069

Jaspreet Singh Bedi

Partner

Membership Number: 601788

UDIN: 26601788OYZUIY7399

Place: Mumbai

Date: April 23, 2026

Registered office: 2nd Floor, B-27 Sector 62, Phase 1, New Delhi - 110017

Corporate Office: Fourth Floor, Tower Tower, UPMI E-ward, Ganga Rao Poddam Road, Lower Panel, Mumbai - 400013

Ph: +91 22 4878 3400 Email: info@nangia.co.in / audit@nangia.co.in

CA's in various cities: www.nangia.co.in / www.nangia.com / www.nangia.org

Noida - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

Edelweiss Asset Reconstruction Company Limited

CIN-U67100MH2007PLC174759

Consolidated Balance Sheet as at March 31, 2026

(Currency: Indian rupees in millions)

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
ASSETS			
Financial assets			
(a) Cash and cash equivalents	2	5,492.62	13,646.34
(b) Bank balances other than cash and cash equivalents	3	2,035.62	413.44
(c) Trade receivables (net of impairment on financial instruments)	4	436.87	302.17
(d) Loans (net of impairment on financial instruments)	5	22,856.06	27,486.68
(e) Investments	6	5,948.45	13,090.15
(f) Other financial assets	7	53.50	53.42
Total Financial assets		36,823.12	54,992.20
Non-financial assets			
(a) Current tax assets (net)	8	1,274.96	1,618.22
(b) Property, Plant and Equipment	9	4.76	5.74
(c) Other Intangible assets	9	6.11	10.08
(d) Intangible assets under development	10	2.80	1.81
(e) Other non- financial assets	11	233.76	319.32
Total Non-financial assets		1,522.39	1,955.17
TOTAL ASSETS		38,345.51	56,947.37
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
(a) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	12	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	12	153.72	123.10
(b) Debt securities	13	3,798.41	11,260.24
(c) Borrowings (other than debt securities)	14	430.51	1,103.60
(d) Other financial liabilities	15	3,238.38	6,208.78
Total Financial liabilities		7,621.02	18,695.72
Non-financial liabilities			
(a) Provisions	16	97.60	46.96
(b) Deferred tax liabilities (net)	17	372.39	886.85
(c) Other non-financial liabilities	18	534.95	1,875.46
Total Non-financial liabilities		1,004.94	2,809.27
EQUITY			
(a) Equity share capital	19	2,579.90	2,632.53
(b) Instruments entirely equity in nature	20	-	-
(c) Other equity	21	27,139.65	32,809.85
Total Equity		29,719.55	35,442.38
TOTAL LIABILITIES AND EQUITY		38,345.51	56,947.37

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

1 to 52

This is the Consolidated Balance Sheet referred to in our report of even date.

For Nangia & Co. LLP

Chartered Accountants

ICAI Firm's Registration No. 002391C / N500069

Jaspreet Singh Bedi

Partner

Membership Number: 601788

For and on behalf of the Board of Directors of
Edelweiss Asset Reconstruction Company Limited

Mohan Vasant Tanksale

Chairman & Independent Director

DIN :02971181

Ashwani Kumar

Chief Financial Officer

Deepak Nautiyal

Company Secretary

Membership Number: 29485

Mumbai
April 23, 2026

Mumbai
April 23, 2026

Edelweiss Asset Reconstruction Company Limited

CIN-U67100MH2007PLC174759

Consolidated Statement of Profit and Loss for the year ended March 31, 2026

(Currency: Indian rupees in millions)

Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from operations			
Interest income	22	6,400.50	8,842.80
Fee and commission income	23	2,010.42	2,771.53
Net gain on fair value changes	24	3,437.12	60.78
Total Revenue from operations		11,848.04	11,675.11
Other income	25	0.29	68.75
Total Income		11,848.33	11,743.86
Expenses			
Finance costs	26	3,385.57	1,802.16
Impairment on financial instruments	27	2,465.75	3,089.53
Employee benefits expense	28	633.68	646.89
Depreciation, amortisation and impairment	9	11.08	11.92
Other expenses	29	863.25	894.24
Total expenses		7,359.33	6,444.74
Profit / (Loss) before exceptional items and tax		4,489.00	5,299.12
Exceptional items		14.76	-
Profit before tax		4,474.24	5,299.12
Tax expenses:			
Current tax	30	1,722.43	2.32
Deferred tax	30	(514.51)	1,420.92
Profit for the year		3,266.32	3,875.88
Other Comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement gain / (loss) on defined benefit plans (OCI)		0.19	(3.79)
Tax effect on Remeasurement gain / (loss) on defined benefit plans (OCI)		(0.05)	0.96
Other Comprehensive gain / (loss) (Net of Tax)		0.14	(2.83)
Total Comprehensive income		3,266.46	3,873.05
Earnings per equity share (₹) (Face value of ₹ 10 each):			
(1) Basic (₹)	31	12.65	14.72
(2) Diluted (₹)	31	12.65	14.72

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

1 to 52

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For Nangia & Co. LLP
Chartered Accountants

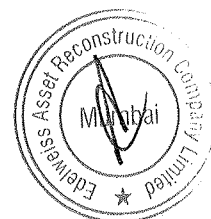
ICAI Firm's Registration No. 002391C / N500069

Jaspreet Singh Bedi
Partner
Membership Number: 601788For and on behalf of the Board of Directors of
Edelweiss Asset Reconstruction Company LimitedMohan Vasant Tanksale
Chairman & Independent Director
DIN : 02971181Ashwani Kumar
Chief Financial OfficerDeepak Nautiyal
Company Secretary
Membership Number: 29485Mumbai
April 23, 2026Mumbai
April 23, 2026

Consolidated Statement of Cash Flow for the year ended March 31, 2026

	(Currency: Indian rupees in millions)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
A Cash flow from operating activities		
Profit before tax	4,474.24	5,299.12
Adjustments for		
Depreciation, amortisation and impairment	11.08	11.92
Impairment on financial instruments	2,465.75	1,177.15
Diminution in the value of trade receivables	(27.86)	(86.85)
Write off / (Write back) of Investment in security receipts	1,815.35	7,096.09
Fair value changes on financial assets	2,681.91	(5,654.42)
Fair value changes on financial liabilities	(1,538.91)	100.13
Provision for compensated absences	27.16	(1.43)
Provision for gratuity	22.27	(7.41)
Reversal on Employee Stock Option Plan (ESOP)/Stock appreciation rights (SAR) on cancellation/lapses post vesting	0.74	2.47
Profit from investments in security receipts	(6,395.46)	(1,602.58)
Profit on sale of fixed assets	0.06	0.03
Interest income on fixed deposits	(518.15)	(434.40)
Interest on Investments	(45.21)	-
Finance costs	3,385.57	1,802.17
Operating cash flow before working capital changes	6,358.54	7,701.99
Add / (Less): Adjustments for working capital changes		
Increase / (Decrease) in trade payables	30.62	77.17
Increase / (Decrease) in other financial liabilities	(2,970.40)	(5,010.24)
(Increase) / Decrease in trade receivables	(106.94)	155.26
(Increase) / Decrease in loans given	2,164.87	13,318.81
(Increase) / Decrease in other financial assets	(0.08)	(0.16)
(Increase) / Decrease in other non financial assets	85.56	(37.21)
Increase / (Decrease) in other non financial liabilities	(1,340.50)	(3,990.50)
Cash generated from operations	4,221.67	12,215.12
Income taxes (paid) / refund (net)	(1,379.16)	(524.80)
Net cash generated from/(used in) operating activities - A	2,842.51	11,690.32
B Cash flow from investing activities		
Purchase of property, plant and equipment and intangibles	(5.75)	(10.99)
Proceeds from sale of property, plant and equipment	0.04	0.04
Purchase of investments	(0.07)	(62.90)
Sale/ Redemption of investments	11,009.68	4,669.75
Interest received on fixed deposits/ Maturity of bank balances other than cash & cash equivalents	(1,104.03)	433.80
Investment in Commercial Papers	(1,924.49)	-
Net cash generated from/(used in) investing activities - B	7,975.38	5,029.70
C Cash flow from financing activities		
Repayment of debt securities	(5,311.56)	(7,127.35)
Proceeds from term loan from banks	-	200.00
Repayment of term loan from banks	(973.05)	(196.88)
Proceeds of bank overdraft/working capital demand loan (net) (Refer Note 2)	300.00	(497.65)
Dividend paid	(8,642.66)	-
Buyback of Equity shares	(347.37)	-
Finance costs	(3,996.97)	(1,660.21)
Net cash generated from/(used in) financing activities - C	(18,971.61)	(9,282.09)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(8,153.72)	7,437.93
Cash and cash equivalent as at the beginning of the year	13,646.34	6,208.41
Cash and cash equivalent as at the end of the year (Refer note 1)	5,492.62	13,646.34

The Above Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013



Note:

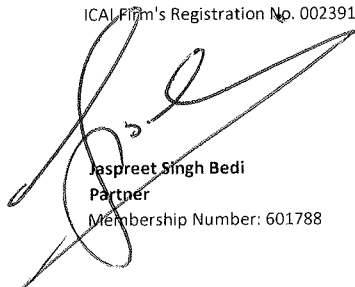
1 Cash and cash equivalents include the following:

Cash on hand	-	-
Balances with banks		
- in current accounts	735.36	2,836.57
- in fixed deposits with original maturity less than 3 months (including interest accrued)	4,757.26	10,809.77
Total	5,492.62	13,646.34

2 Pursuant to Ind AS 7 - Statement of Cash Flows, cash receipts and payments for transactions in which the turnover is quick, the amounts are large and the maturities are short are presented on net basis.

This is the Consolidated Statement of Cash Flow referred to in our report of even date

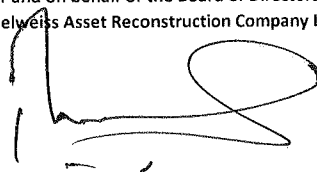
For Nangia & Co. LLP
Chartered Accountants
ICAI Firm's Registration No. 002391C / N500069



Jaspreet Singh Bedi
Partner
Membership Number: 601788

Mumbai
April 23, 2026

For and on behalf of the Board of Directors of
Edelweiss Asset Reconstruction Company Limited



Mohan Vasant Tanksale
Chairman & Independent Director
DIN :02971181



Ashwani Kumar
Chief Financial Officer

Mumbai
April 23, 2026



Deepak Nautiyal
Company Secretary
Membership Number: 29485

Consolidated Statement of Changes in Equity for the year ended March 31, 2026

(Currency: Indian rupees in millions)

	As at March 31, 2026	As at March 31, 2025
(A) Equity share capital		
Balance at the beginning of the reporting period	2,632.53	2,632.53
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	2,632.53	2,632.53
Changes in equity share capital during the year	(52.63)	-
Balance at the end of the reporting period	<u>2,579.90</u>	<u>2,632.53</u>

Instruments entirely equity in nature

Balance at the beginning of the reporting period	-	-
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	<u>-</u>	<u>-</u>

(B) Other Equity

Particulars	Reserves and Surplus						Total
	Capital Redemption Reserve	Securities Premium Account	Deemed capital contribution	Debenture redemption reserve	Impairment Reserve	Retained earnings	
Balance at March 31, 2024	-	5,777.93	15.93	369.45	2,184.59	20,586.43	28,934.33
Add: Reversal on ESOP/SAR on cancellation/lapses post vesting	-	-	-	-	-	2.47	2.47
Profit for the year	-	-	-	-	-	3,875.88	3,875.88
Other comprehensive income	-	-	-	-	-	(2.83)	(2.83)
Total Comprehensive Income for the year	-	-	-	-	-	3,875.51	3,875.51
Transfers (to) / from retained earnings	-	-	-	(88.62)	378.26	(289.64)	-
Balance at March 31, 2025	-	5,777.93	15.93	280.83	2,562.85	24,172.30	32,809.85
Add: Reversal on ESOP/SAR on cancellation/lapses post vesting	-	-	-	-	-	0.74	0.74
Profit for the year	-	-	-	-	-	3,266.32	3,266.32
Other comprehensive income	-	-	-	-	-	0.14	0.14
Total Comprehensive Income for the year	-	-	-	-	-	3,267.20	3,267.20
Dividends to equity shareholders	-	-	-	-	-	(8,642.66)	(8,642.66)
Transfers (to) / from retained earnings	52.63	(294.74)	-	(231.29)	-	178.66	(294.74)
Balance at March 31, 2026	52.63	5,483.19	15.93	49.54	2,562.85	18,975.50	27,139.65

Refer Note 21 for information on nature of reserves maintained

This is the Consolidated Statement of Changes in Equity referred to in our report of even date

For Nangia & Co. LLP
Chartered Accountants
CAI Firm's Registration No. 002391C / N500069

Jaspreet Singh Bedi
Partner
Membership Number: 601788

Mumbai
April 23, 2026

For and on behalf of the Board of Directors of
Edelweiss Asset Reconstruction Company Limited

Mohan Vasant Tanksale
Chairman & Independent Director
DIN :02971181

Ashwani Kumar
Chief Financial Officer

Mumbai
April 23, 2026

Deepak Nautiyal
Company Secretary
Membership Number: 29485

Edelweiss Asset Reconstruction Company Limited

1.0 Notes to the Consolidated Financial Statements:

1.1 Background

Edelweiss Asset Reconstruction Company Limited ('the Company') is registered with Reserve Bank of India w.e.f. October 16, 2009 with Registration no. 13/2009 as a Securitisation and Asset Reconstruction Company under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ('SARFAESI').

The Company was incorporated as a Public Company on October 5, 2007 and is engaged in business of acquiring Loan Portfolios, Loan Accounts, Non- Performing Assets (NPA) from the Banks and Financial Institutions and resolving them through appropriate resolution strategies enunciated in SARFAESI and give loans for undertaking restructuring of acquired loan as permitted by Reserve Bank of India. The Company's registered office is at Edelweiss House, Off CST road, Kalina, Mumbai, Maharashtra, India.

The Ultimate Holding Company of the Company is Edelweiss Financial Services Limited ("EFSL").

Trusts are set-up under SARFAESI for acquisition of Non-Performing Asset and the trusts which are controlled by the company are considered subsidiary / controlled structured entities. The Company and trusts are collectively referred to as 'the Group'. Trusts are governed by their respective terms of the indenture of Trust and the Offer Document, based on which Security Receipts (SRs), which represent the beneficial undivided right, title and interest in the assets of the respective trust have been issued to the beneficiaries. The objective of a Trust is to acquire stressed assets for the purpose of carrying on the activity of securitization and asset reconstruction.

1.2 Basis of preparation of financial statements

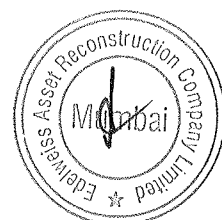
The consolidated financial statements of the Group has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 ('the Act'), other relevant provisions of the Act and other accounting principles generally accepted in India.

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments such as financial assets and liabilities measured at fair value through profit and loss (FVTPL) instruments, derivative financial instruments and other financial assets held for trading, which have been measured at fair value.

The consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest million, except when otherwise indicated.

1.3 Presentation of financial statements

The Group presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 33.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without it 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 Group and or its counterparties

1.4 Basis of consolidation

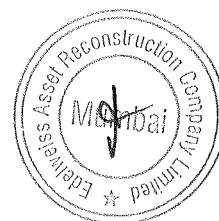
The consolidated financial statements comprise the financial statements of the Company and its controlled structured entities as at March 31, 2026. The Group consolidates a trust when it controls it. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement 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
- Whether the group is exposed, or has rights, to variable returns from its involvement with the investee, and has the power to affect the variability of such returns
- Decision making authority in trusts managed by it, economic interests in the form of units of Security Receipts (SRs), fees earned and collection incentives.
- Investment management and other contractual arrangements
- Removal rights held by other parties

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of 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 subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the company, i.e., year ended on March 31.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

Consolidation procedure:

- a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its trusts. For this purpose, income and expenses of the trusts are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b. Offset (eliminate) the carrying amount of the parent's investment in each trusts and the parent's portion of equity of each trusts.
- c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, are eliminated in full). Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of 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.

On consolidation, all intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full.

A change in the ownership interest of a trust, without loss of control, is accounted for as an equity transaction. However, at each reporting date, the non-controlling interest is derecognised as if it were acquired at that date and a financial liability is recognised and measured at its fair value. The difference between these two amounts is recognised as an equity transaction and attributed to owners of the parent.

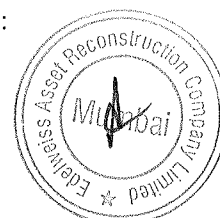
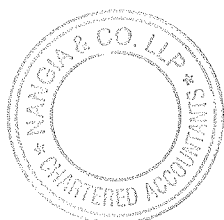
The Group sets up trusts to acquire stressed assets for the purpose of carrying on the activity of Securitisation and Asset Reconstruction. These Trusts issue SRs which represent the beneficial undivided right, title and interest in the assets of the respective trust to the beneficiaries. The Group acts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

1.5 Material accounting policies

1.5.1 Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment

1.5.2 The SPPI test

As a second step of its classification process the Group assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

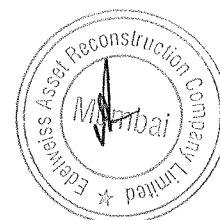
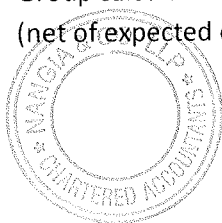
1.5.3 Recognition of Interest

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in statement of profit and loss.

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 amortised cost (net of expected credit loss) of the financial asset.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

1.5.4 Financial Instruments

1.5.4.1 Date of recognition

Financial assets and liabilities, with the exception of loans, 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. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans are recognised when funds are transferred to the customers' account. The Group recognises debt securities, deposits and borrowings when funds reach the Group.

1.5.4.2 Initial measurement of financial instruments

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

1.5.4.3 Day 1 profit or loss

When the fair value of financial instruments at initial recognition differs from the transaction price, the Group accounts for the Day 1 profit or loss, as described below:

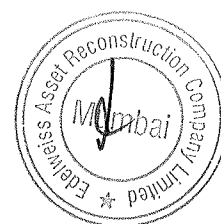
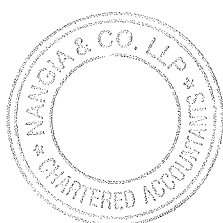
When the transaction price of the financial instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

1.5.5 Measurement categories of financial instruments

1.5.5.1 Financial assets:

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

- Amortised cost
- Fair value through profit or loss [FVTPL]



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

The Group measures debt financial assets that meet the following conditions at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are initially measured at fair value and subsequently measured at FVTPL.

1.5.5.1.1 Amortized cost and Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and allocating interest income over the relevant period.

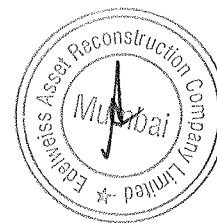
For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including receipts and payments that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

1.5.5.1.2 Financial assets at fair value through profit or loss

Financial assets in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis
- Financial assets at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

1.5.5.1.3 Loan commitment

Undrawn loan commitments are commitments under which, the Group is required to provide a loan with pre-specified terms to the customer during the duration of commitment. Undrawn loan commitments are in the scope of the ECL requirements, as set out in Note 1.5.8

1.5.5.2 Financial liabilities

All financial liabilities are measured at amortised cost except derivative financial liabilities and financial liabilities designated at fair value through profit and loss.

1.5.5.2.1 Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

The Group issues certain non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at a reporting date. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the statement of profit and loss. The debt component of such debentures is measured at amortised cost using yield to maturity basis.

1.5.5.2.2 Financial liabilities at fair value through profit or loss

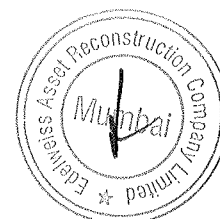
Financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when the following criteria is met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring liabilities or recognising gains or losses on them on a different basis,

Financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss. Interest incurred on financial liabilities designated at FVTPL is accrued in finance cost, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument.

1.5.5.3 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.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

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.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments

1.5.6 Reclassification of financial assets and financial liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Group did not reclassify any of its financial assets or liabilities upto and including the year ended March 31, 2026.

1.5.7 Derecognition of financial assets and financial liabilities

1.5.7.1 Derecognition of financial assets due to substantial modification of terms and conditions

The Group derecognises a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial asset, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised financial asset are classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be POCI.

When assessing whether or not to derecognise a loan to a customer, amongst others, the Group considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty

If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets (other than due to substantial modification of terms and conditions)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

The Group has transferred the financial asset if, and only if, either:

- The Group has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following conditions are met:

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients

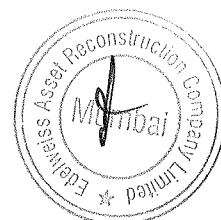
The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Group has transferred substantially all the risks and rewards of the asset; or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

1.5.7.2 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, is recognised in profit or loss.

1.5.8 Impairment of financial assets

The Group records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitment, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

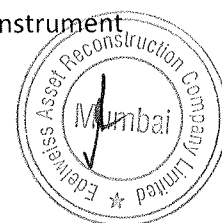
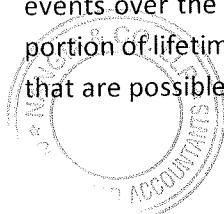
The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Group uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Financial assets that are purchased or originated credit impaired (POCI):

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

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

Based on the above process, the Group categorises its financial instruments into Stage 1, Stage 2, and Stage 3 as described below:

- Stage 1:** When loans are first recognised, the group recognises an allowance based on 12mECLs. Stage 1 financial instruments also include facilities where the credit risk has improved and the financial instruments has been reclassified from Stage 2.
- Stage 2:** When a financial instruments has shown a significant increase in credit risk since origination, the group records an allowance for the 12m ECLs. Stage 2 financial instruments also include facilities, where the credit risk has improved and the financial instruments has been reclassified from Stage 3.
- Stage 3:** Financial instruments considered credit-impaired (as outlined in Note 1.5.2.2).The group records an allowance for the LTECLs.

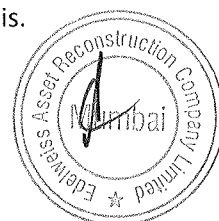
The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend and the Group's understanding of the specific future financing needs of the debtors.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

If a financial instrument includes both a loan (i.e. financial asset) and an undrawn commitment (i.e. loan commitment) component and the Group cannot separately identify the expected credit losses on the loan commitment component from those on the financial asset component, the expected credit losses on the loan commitment have been recognised together with the loss allowance for the financial asset. To the extent that the combined expected credit losses exceed the gross carrying amount of the financial asset, the expected credit losses have been recognised as a provision.

1.5.9 Collateral valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a periodical basis.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, or based on housing price indices.

1.5.10 Write off

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in statement of profit and loss.

1.5.11 Determination of fair value

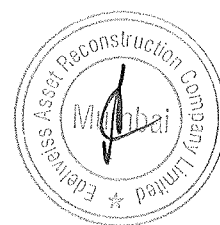
The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement 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 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. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. 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. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- Level 1 financial instruments –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments–Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

- Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

The Group applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

The Group evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

1.5.12 Investment in Commercial Papers

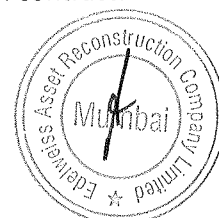
Investments in Commercial Papers (CP), are considered as held to maturity and are accordingly valued at historical cost, subject to accretion of discount, over the period of maturity on a straight-line basis

Investments in Commercial Papers made during the period are recognized at cost and carried at amortized cost, with discount being amortized over the tenure of the instrument. Interest in income for such instruments is recognized on a time-proportion basis

Such investments are assessed for impairment in accordance with applicable accounting standards, including Expected Credit Loss (ECL) principles. However, as a matter of prudence, provisioning such investments may be maintained in line with applicable regulatory norms, wherever higher

1.5.13 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. Where the consideration promised is variable, the Group excludes the estimates of variable consideration that are constrained. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

The Group recognises revenue from the following sources:

- a. The fee income comprises of management fees. 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. 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. Redemption incentive and recovery incentive is accounted over the period on cash basis, i.e. as and when received by the Group, based on terms of the relevant trust deeds and offer document issued by the Trust.
- c. Any upside share in excess realisation over acquisition price of financial asset by trust is recognised at point in time basis as per terms of the relevant trust deed/offer document.
- d. Interest on bank deposits is accounted for on accrual basis as per the terms of the deposits.
- e. The above receipts are recognised as revenue excluding GST.
- f. Interest income on financial assets is recognized on an accrual basis using effective interest method. Interest revenue is continued to be recognized at the original effective interest rate applied on the gross carrying amount of assets falling under impairment stages 1 and 2 as against on amortised cost for the assets falling under impairment stage 3.

1.5.14 Operating leases (IND AS 116)

Leases as a Lessee

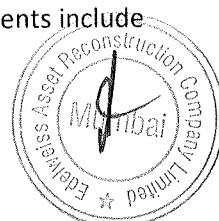
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Rights-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e the date of underlying asset is available for use). Rights-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of rights-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Rights-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease Liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

fixed payments (including in substance fixed payments) less any lease incentives receivable and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date as the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in lease term, a change in lease payments or a change in the assessment of an option to purchase the underlying asset.

Short term lease

The Group has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of 12 months or less. The Group recognises lease payment associated with these leases as an expense on a straight-line basis over lease term.

1.5.15 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares into equity shares.

1.5.16 Retirement and other employee benefit

Provident fund and national pension scheme

The Group contributes to a recognised provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss.

Gratuity

The Group's gratuity scheme is a defined benefit plan. The Group's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit 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, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

Remeasurements are not reclassified to profit or loss in subsequent periods

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated Absences

The eligible employees of the Group are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Group recognises the charge in the statement of profit and loss and corresponding liability on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.

1.5.17 Share-based payment arrangements

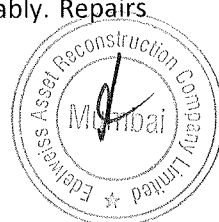
Certain employees of the Group have been granted equity-settled ESOPs by the ultimate parent company (Edelweiss Financial Services Limited). The Group recognizes a cost with respect to the services received from the said employees measured by reference to the fair value of the equity instruments granted by the ultimate parent at the grant date.

The fair value determined at the grant date is expensed over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in deemed capital contribution from the ultimate parent. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the deemed capital contribution. In cases where the share options granted vest in instalments over the vesting period, the Group treats each instalment as a separate grant, because each instalment has a different vesting period, and hence the fair value of each instalment differs.

1.5.18 Property, plant and equipment

Property, plant and equipment is stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent costs incurred on an item of property, plant and equipment is recognised in the carrying amount thereof when those costs meet the recognition criteria i.e. it is probable that future economic benefits will flow to the entity and cost can be measured reliably. Repairs and maintenance are recognised in statement of profit or loss as incurred.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives. Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal.

As per the requirement of Schedule II of the Companies Act, 2013, the Group has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule II for calculating the depreciation.

Estimated useful lives of the assets are as follows:

Nature of assets	Estimated useful life
Building (other than Factory Building)	60 years
Vehicles	8 years
Office Equipment	5 years
Computers - Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years

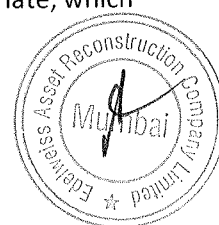
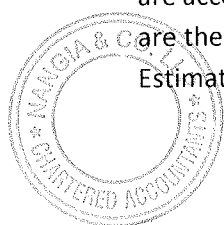
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The carrying amount of those components which have been separately recognised as assets is derecognised at the time of replacement thereof. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

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

1.5.19 Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors. Amortization methods and useful lives are reviewed periodically including at each financial year end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates.

Estimate useful life of software is considered as 3 years.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

1.5.20 Impairment of non-financial assets

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

1.5.21 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

1.5.22 Expenses incurred by the Group on behalf of the trust

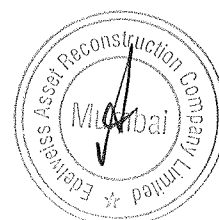
Expenses incurred at pre-acquisition stage are recognised as expenses for the period in which such costs are incurred. If such expenses are contracted to be recovered from the trusts the same are shown as loan to trust in the Balance Sheet and grouped under Loans. These expenses are reimbursed to the Group in terms of the provisions of relevant trust deed and offer document of the trusts.

1.5.23 Provisions and other contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Group determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. Detailed disclosures are provided in Note 16.

1.5.24 Income tax expenses

Income tax expense represents the sum of the current tax and deferred tax



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

1.5.23.1 Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

1.5.23.2 Deferred tax

Deferred tax is recognised on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

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

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

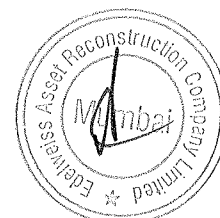
It is probable that taxable profit will be available against which a deductible temporary difference, unused tax loss or unused tax credit can be utilised when there are sufficient taxable temporary differences which are expected to reverse in the period of reversal of deductible temporary difference or in periods in which a tax loss can be carried forward or back. When this is not the case, deferred tax asset is recognised to the extent it is probable that:

- the entity will have sufficient taxable profit in the same period as reversal of deductible temporary difference or periods in which a tax loss can be carried forward or back; or

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 asset to be recovered. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

1.5.23.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.5.23.4 Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

1.5.24 Undrawn Loan Commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements, as set out in Note 5.2. The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the balance sheet. The nominal values of these instruments together with the corresponding ECLs are disclosed in Note 5.2.

1.5.25 Derivative contracts (Derivative assets / Derivative liability)

Group has designed a risk strategy based to cover exposure on issuance of G-Sec Linked Debentures, by entering into a derivative contracts either to minimize the loss or to earn a minimum committed income by entering into a combination of derivative contracts (say for example purchased call and put options) with a wide range of strike prices. Above strategy has been approved by the risk committee and ensures that risk is fully or partially covered, hence supports to reduce the risk exposure.

Derivatives are initially recognised at fair value and are subsequently re-measured at fair value through profit or loss. The resulting gain or loss is recognised in profit or loss immediately.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

1.6 Critical accounting judgements, estimates and assumptions

In the application of the Group's accounting policies, which are described in note 1.5, the management is required to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities, about the carrying amounts of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1.6.1 Critical judgements in applying accounting policies

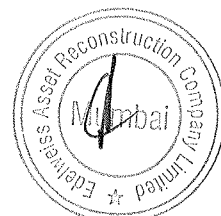
The following are the critical judgements, apart from those involving estimations, that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

1.6.1.1 Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how group of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

1.6.1.2 Significant increase in credit risk

As explained in note 1.5.8, ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Ind AS 109 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information. Refer to note 1.5.2.2 for more details.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

1.6.1.3 Determining lease term for lease contracts with renewal and termination option:

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain, whether or not, to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation of the leased asset).

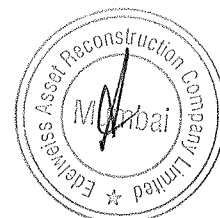
1.6.2 Sources of key estimation uncertainty

The following are the key assumptions concerning the future, and other sources of key estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

1.6.2.1 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.

For Investments made into Security receipts (SRs), Group uses discounted cash flow model, given that the SRs are less liquid instruments. 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, nature & value of collaterals, manner of resolution and other economic drivers. For any valuation which are based on models, Judgements and estimates are applied, which include considerations of liquidity, credit risk (both own and counterparty), funding value adjustments, correlation and volatility.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

1.6.2.2. Impairment of 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 levels of allowances.

The Group's ECL calculations 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 include:

- Probabilities of defaults (PDs) the calculation 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
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, exposure at defaults and loss given defaults (LGDs)

It is Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

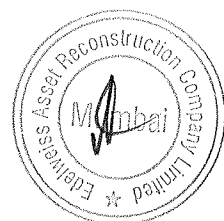
1.6.2.3 Effective interest rate method

The Group's EIR methodology, as explained in Note 1.5.3, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes fee income/expense that are integral parts of the instrument.

1.6.2.4 Accounting for deferred taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

The Group has recognised deferred tax assets on carried forward tax losses where the Group believes that the said deferred tax assets shall be recoverable based on the estimated future taxable income which in turn is based on approved business plans and budgets. The losses are allowed to be carried forward to the years in which the Group expects that there will be sufficient taxable profits to offset these losses.

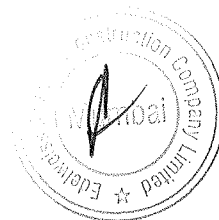
1.6.2.5 Provisions and other contingent liabilities

The Group operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations.

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

Given the subjectivity and uncertainty of determining the probability and amount of losses, the group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

For further details on provisions and other contingencies see Note 16 and 35.

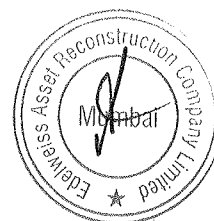


Edelweiss Asset Reconstruction Company Limited

Notes to the Consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

	As at March 31, 2026	As at March 31, 2025
2 Cash and cash equivalents		
Balances with banks		
- in current accounts	735.36	2,836.57
- in fixed deposits with original maturity less than 3 months (including interest accrued)	4,757.26	10,809.77
Total	5,492.62	13,646.34
3 Bank balances other than cash and cash equivalents		
Fixed deposits, held as margin money or security against borrowings, guarantees other commitments	0.24	0.24
Fixed Deposits with original maturity more than 12 months (including interest accrued)	409.73	399.10
Fixed Deposits with original maturity more than 3 months upto 12 months (including interest accrued)	1,625.65	14.10
Total	2,035.62	413.44
4 Trade receivables (net of impairment on financial instruments)		
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured	16.89	0.65
Receivables which have significant increase in credit risk	1.32	6.24
Receivables - Credit Impaired	664.94	569.42
Gross receivables	683.15	576.31
Less : Allowance for Expected credit losses (ECL)	246.28	274.14
Total receivables (net of impairment on financial instruments)	436.87	302.17



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

4.1 Trade receivables Ageing Schedule

As at March 31, 2026	Outstanding for following periods from due date of receipt					Total
Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables – considered good -Unsecured	16.89	-	-	-	-	16.89
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	1.32	-	-	-	1.32
(iii) Undisputed Trade Receivables – credit impaired	22.00	68.05	126.52	107.87	340.50	664.94
Gross receivables (A)	38.89	69.37	126.52	107.87	340.50	683.15
i) Undisputed Trade receivables – considered good -Unsecured	1.74	-	-	-	-	1.74
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	0.48	-	-	-	0.48
(iii) Undisputed Trade Receivables – credit impaired	8.55	26.63	50.14	34.55	124.19	244.06
ECL - Simplified approach (B)	10.29	27.11	50.14	34.55	124.19	246.28
Total receivables net of provision = (A)-(B)	28.60	42.26	76.38	73.32	216.31	436.87

As at March 31, 2025	Outstanding for following periods from due date of receipt					Total
Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables – considered good -Unsecured	0.65	-	-	-	-	0.65
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	6.24	-	-	-	6.24
(iii) Undisputed Trade Receivables – credit impaired	28.24	99.69	127.46	68.86	245.17	569.42
Gross receivables (A)	28.89	105.93	127.46	68.86	245.17	576.31
i) Undisputed Trade receivables – considered good -Unsecured	0.23	-	-	-	-	0.23
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	0.65	-	-	-	0.65
(iii) Undisputed Trade Receivables – credit impaired	16.75	59.17	68.72	18.62	110.00	273.26
ECL - Simplified approach (B)	16.98	59.82	68.72	18.62	110.00	274.14
Total receivables net of provision = (A)-(B)	11.91	46.11	58.74	50.24	135.17	302.17

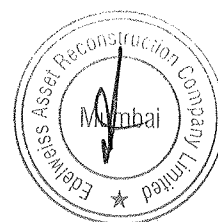
No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days.

There are no disputed, unbilled or not due receivables, hence the same is not disclosed in the ageing schedule.

4.2 Reconciliation of ECL on trade receivables:

Particulars	Amount
Allowance for Expected credit losses (ECL) measured as per simplified approach	
Allowance for Expected credit losses (ECL) as on March 31, 2024	360.99
Net increase / (decrease) during the year	(86.85)
Allowance for Expected credit losses (ECL) as on March 31, 2025	274.14
Net increase / (decrease) during the year	(27.86)
Allowance for Expected credit losses (ECL) as on March 31, 2026	246.28



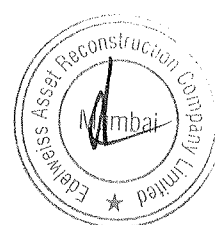
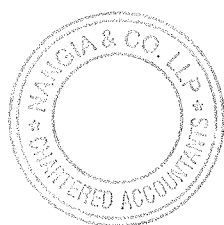
Edelweiss Asset Reconstruction Company Limited

Notes to the Consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

5 Loans (net of impairment on financial instruments)

Particulars	As at March 31, 2026	As at March 31, 2025
Loans (At Amortised Cost)		
A.(i) Term Loans	43,901.65	45,867.63
Total Gross (A)	43,901.65	45,867.63
Less: Expected credit loss	21,045.59	18,380.95
Total Net (A)	22,856.06	27,486.68
B.(i) Secured by tangible assets	43,260.04	45,453.25
(ii) Unsecured	641.61	414.38
Total Gross (B)	43,901.65	45,867.63
Less: Expected credit loss	21,045.59	18,380.95
Total Net (B)	22,856.06	27,486.68
C.I. Loans in India		
(i) Public Sectors	-	-
(ii) Others	43,901.65	45,867.63
Total Gross (C.I)	43,901.65	45,867.63
Less: Expected credit loss	21,045.59	18,380.95
Total Net (C.I)	22,856.06	27,486.68
C.II. Loans outside India		
(i) Public Sectors	-	-
(ii) Others	-	-
Total Gross (C.II)	-	-
Less: Expected credit loss	-	-
Total Net (C.II)	-	-
Total Net (C.I and C.II)	22,856.06	27,486.68



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)
(Currency: Indian rupees in millions)

5.1 Credit quality of assets

(A) The table below shows the credit quality and the maximum exposure to credit risk based:

Particulars	March 31, 2026				Total
	12 Month ECL (Stage 1)	Lifetime ECL Not Credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	Purchased or originated as credit impaired (POCI)	
Loan measured at amortised cost					
Performing	49.69	42.40	-	-	92.09
Individually impaired	-	-	2,804.09	41,005.47	43,809.56
Total	49.69	42.40	2,804.09	41,005.47	43,901.65

Particulars	March 31, 2025				Total
	12 Month ECL (Stage 1)	Lifetime ECL Not Credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	Purchased or originated as credit impaired (POCI)	
Loan measured at amortised cost					
Performing	28.09	0.70	-	-	28.79
Individually impaired	-	-	2,531.78	43,307.06	45,838.84
Total	28.09	0.70	2,531.78	43,307.06	45,867.63

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows:

(B) Gross carrying amount reconciliation

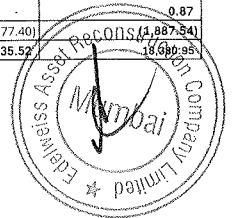
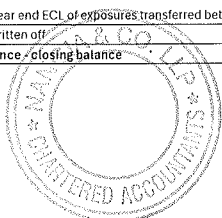
Particulars	2025-2026				Total
	12 Month ECL (Stage 1)	Lifetime ECL Not Credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	Purchased or originated as credit impaired (POCI)	
Gross carrying amount opening balance	28.09	0.69	2,531.79	43,307.06	45,867.63
New assets originated or purchased	408.07	1.13	469.07	4,924.85	5,803.11
Assets derecognised or repaid (excluding write offs)	(354.09)	(0.84)	(350.13)	(12,844.36)	(13,549.43)
Interest income during the period	3.04	0.02	159.35	5,617.92	5,780.33
Transfers to 12 Month ECL (Stage 1)	0.87	(0.02)	(0.84)	-	-
Transfers to lifetime ECL (Stage 2)	(0.96)	42.26	(41.30)	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(35.32)	(0.84)	36.16	-	-
Amounts written off	-	-	-	-	-
Gross carrying amount closing balance	49.69	42.39	2,804.09	41,005.47	43,901.65

Particulars	2024-2025				Total
	12 Month ECL (Stage 1)	Lifetime ECL Not Credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	Purchased or originated as credit impaired (POCI)	
Gross carrying amount opening balance	8.25	10.01	2,878.51	53,901.16	56,797.93
New assets originated or purchased	472.60	44.18	255.30	1,528.00	2,300.08
Assets derecognised or repaid (excluding write offs)	(458.79)	(26.77)	(865.75)	(18,364.03)	(19,715.34)
Interest income during the period	2.48	0.09	280.98	8,119.34	8,402.88
Transfers to 12 Month ECL (Stage 1)	14.38	(0.07)	(14.31)	-	-
Transfers to lifetime ECL (Stage 2)	(0.19)	0.70	(0.50)	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(10.64)	(27.45)	38.09	-	-
Amounts written off	-	-	(40.54)	(1,877.41)	(1,917.95)
Gross carrying amount closing balance	28.09	0.69	2,531.79	43,307.06	45,867.63

(C) Reconciliation of ECL Balances

Particulars	2025-2026				Total
	12 Month ECL (Stage 1)	Lifetime ECL Not Credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	Purchased or originated as credit impaired (POCI)	
ECL amount opening balance	5.18	0.23	640.02	17,735.52	18,380.95
New assets originated or purchased	10.88	0.09	88.23	-	99.20
Assets derecognised or repaid (excluding write offs)	(0.80)	(0.03)	(19.52)	(764.96)	(785.31)
Transfers to 12 Month ECL (Stage 1)	0.22	(0.00)	(0.21)	-	(0.00)
Transfers to lifetime ECL (Stage 2)	(0.18)	10.50	(10.33)	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	(6.62)	(0.16)	6.78	-	0.00
Impact of year end ECL of exposures transferred between stages during the year	(0.05)	(2.58)	2.26	-	(0.38)
Impact of ECL on amounts written off	-	-	-	3,351.13	3,351.13
ECL allowance - closing balance	8.62	8.05	707.24	20,321.69	21,045.59

Particulars	2024-2025				Total
	12 Month ECL (Stage 1)	Lifetime ECL Not Credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	Purchased or originated as credit impaired (POCI)	
ECL amount opening balance	0.33	1.36	726.70	14,086.89	14,815.29
New assets originated or purchased	4.15	3.57	92.84	5,752.14	5,852.70
Assets derecognised or repaid (excluding write offs)	(1.39)	(0.02)	(172.85)	(226.11)	(400.36)
Transfers to 12 Month ECL (Stage 1)	5.71	(0.03)	(5.68)	-	-
Transfers to lifetime ECL (Stage 2)	(0.14)	0.87	(0.73)	-	(0.00)
Transfers to lifetime ECL- Credit impaired (Stage 3)	(2.07)	(5.34)	7.41	-	-
Impact of year end ECL of exposures transferred between stages during the year	(1.42)	(0.18)	2.47	-	0.87
Amounts written off	-	-	(10.13)	(1,977.40)	(1,987.54)
ECL allowance - closing balance	5.18	0.23	640.02	17,735.52	18,380.95



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

5.2 Credit quality of loan commitments

The table below shows the credit quality and the maximum exposure to credit risk based:

Particulars	March 31, 2026			
	12 Month ECL (Stage 1) Individual	Lifetime ECL Not Credit Impaired (Stage 2) Individual	Lifetime ECL Credit Impaired (Stage 3)	Total
Performing	-	-	-	-
Total	-	-	-	-

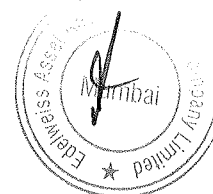
Particulars	March 31, 2025			
	12 Month ECL (Stage 1) Individual	Lifetime ECL Not Credit Impaired (Stage 2) Individual	Lifetime ECL Credit Impaired (Stage 3)	Total
Performing	-	-	-	-
Total	-	-	-	-

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows:

Gross carrying amount reconciliation

Particulars	2025-2026			
	12 Month ECL (Stage 1) Individual	Lifetime ECL Not Credit Impaired (Stage 2) Individual	Lifetime ECL Credit Impaired (Stage 3)	Total
Opening balance of outstanding exposure	-	-	-	-
New exposure	-	-	-	-
Exposure derecognised or matured/lapsed (excluding write-offs)	-	-	-	-
Interest income during the period	-	-	-	-
Transfers to 12 Month ECL (Stage 1)	-	-	-	-
Transfers to lifetime ECL (Stage 2)	-	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	-	-	-	-
Closing balance of outstanding exposure	-	-	-	-

Particulars	2024-2025			
	12 Month ECL (Stage 1) Individual	Lifetime ECL Not Credit Impaired (Stage 2) Individual	Lifetime ECL Credit Impaired (Stage 3)	Total
Opening balance of outstanding exposure	-	-	-	-
New exposure	-	-	-	-
Exposure derecognised or matured/lapsed (excluding write-offs)	-	-	-	-
Interest income during the period	-	-	-	-
Transfers to 12 Month ECL (Stage 1)	-	-	-	-
Transfers to lifetime ECL (Stage 2)	-	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	-	-	-	-
Closing balance of outstanding exposure	-	-	-	-



Edelweiss Asset Reconstruction Company Limited

Notes to the Consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

6 Investments

Particulars	As at March 31, 2026	As at March 31, 2025
Investment in Security receipts (At fair value through Profit & Loss)	3,978.75	13,090.15
Investment in Commercial Papers (At amortised cost)	1,977.40	-
Investments outside India	-	-
Investments within India	5,956.15	13,090.15
Total Investments	5,956.15	13,090.15
Less: Allowance for impairment loss	(7.70)	-
Total Net Investments	5,948.45	13,090.15

6.1 Details of Pledged Investment

Nature of Pledge	As at March 31, 2026	As at March 31, 2025
Pledged with Banks against bank overdraft *	1,219.29	623.44
Pledged with banks against term loan **	-	912.67
Pledged against secured non convertible debentures	1.90	6,042.63
Total	1,221.19	7,578.73

* Minimum security cover of 2 times with rating of RR2 or 1.5 times with rating of RR1 to be maintained

** Minimum security cover of 1.5 times with rating of RR2 or 1.33 times with rating of RR1 to be maintained

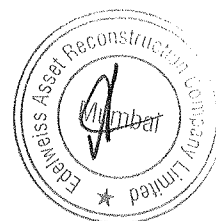
6.2 During the year, the company has written-off investment in security receipts amounting to INR 1211.99 millions (previous year : INR 7096.09 millions) on account of lower/no recovery projections in those investments.

7 Other financial assets

Security deposits	51.00	50.92
Deposits placed with/ for exchange/ depositories	2.50	2.50
Total	53.50	53.42

8 Current tax assets (net)

Advance income taxes (net of taxes)	1,274.96	1,618.22
(Net of Provision for income tax INR 4196.76 millions (previous year : INR 2474.33 millions)		
Total	1,274.96	1,618.22



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)
(Currency: Indian rupees in millions)

9 (A) Property, Plant and Equipment

Description of Assets	Gross Block			Accumulated Depreciation and Impairment			Net Block
	As at April 01, 2025	Additions during the year	Disposals during the year	As at March 31, 2025	Charge for the year	Disposals during the year	As at March 31, 2025
Property, Plant and Equipment							
Building *	1.49	-	-	1.49	0.45	0.07	0.97
Vehicles	-	-	-	-	-	-	-
Office equipment	0.51	0.56	-	1.07	0.40	0.21	0.46
Computers	26.70	2.64	2.39	26.95	22.11	3.85	3.33
Total	28.70	3.20	2.39	29.51	22.96	4.13	4.76

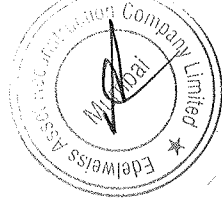
9 (B) Other Intangible Assets

Description of Assets	Gross Block			Accumulated Amortisation and Impairment			Net Block
	As at April 01, 2025	Additions during the year	Disposals during the year	As at March 31, 2025	Charge for the year	Disposals during the year	As at March 31, 2025
Software	24.77	2.98	-	27.75	14.69	6.95	6.11
Total	24.77	2.98	-	27.75	14.69	6.95	6.11

Description of Assets	Gross Block			Accumulated Amortisation and Impairment			Net Block
	As at April 01, 2024	Additions during the year	Disposals during the year	As at March 31, 2025	Charge for the year	Disposals during the year	As at March 31, 2025
Software	56.52	7.78	39.53	24.77	46.54	7.68	10.08
Total	56.52	7.78	39.53	24.77	46.54	7.68	10.08

- 1) No assets have been revalued during the year.
- 2) No adjustments on account of borrowing costs.

* Charge against Secured Redeemable Non-convertible Debentures.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

10 Intangible assets under development

Particulars	Gross Block			
	As at April 01, 2025	Additions	Capitalization	As at March 31, 2026
Capital WIP - Software	1.81	2.80	1.81	2.80
Total	1.81	2.80	1.81	2.80

Particulars	Gross Block			
	As at April 01, 2024	Additions	Capitalization	As at March 31, 2025
Capital WIP - Software	3.80	4.93	6.92	1.81
Total	3.80	4.93	6.92	1.81

10 (A) Intangible assets under development aging schedule

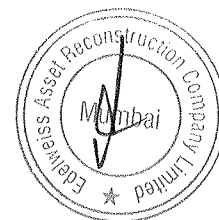
As at March 31, 2026

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	2.80	-	-	-	2.80
Projects temporarily suspended	-	-	-	-	-
Total	2.80	-	-	-	2.80

As at March 31, 2025

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	0.90	0.91	-	-	1.81
Projects temporarily suspended	-	-	-	-	-
Total	0.90	0.91	-	-	1.81

The Company does not have any intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

	As at March 31, 2026	As at March 31, 2025
11 Other non-financial assets		
(Unsecured Considered good, unless stated otherwise)		
Prepaid expenses	130.92	175.93
Vendor Advances	13.09	1.16
Advance to employees	0.28	0.08
Advances recoverable in cash or in kind or for value to be received	71.35	117.74
Others	18.12	24.41
Total	233.76	319.32

12 Trade Payables

Total outstanding dues of micro enterprises and small enterprises

Total outstanding dues to creditors other than micro enterprises and small enterprises

Total

-	-
153.72	123.10
153.72	123.10

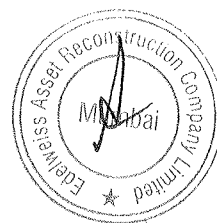
12.1 Trade Payables ageing

As at March 31, 2026	Outstanding for following periods from due date of payment				Total
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Payable - MSME	-	-	-	-	-
(ii) Undisputed Trade Payable - Others	153.72	-	-	-	153.72
Total	153.72	-	-	-	153.72

As at March 31, 2025	Outstanding for following periods from due date of payment				Total
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Payable - MSME	-	-	-	-	-
(ii) Undisputed Trade Payable - Others	123.10	-	-	-	123.10
Total	123.10	-	-	-	123.10

There are no disputed trade payables, hence the same is not disclosed in the ageing schedule.

Trade Payable includes NIL (Previous Year: NIL) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the company during the year to "Suppliers" registered under this Act. The aforementioned is based on the responses received by the company to its inquiries with suppliers with regard to applicability under the said Act.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

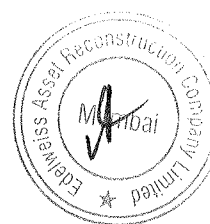
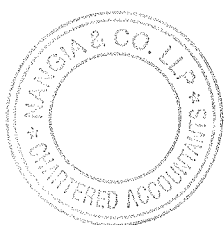
(Currency: Indian rupees in millions)

13. Debt securities

Particulars	As at March 31, 2026			
	At Amortised cost (1)	At Fair Value through Profit & Loss (2)	Designated at fair value through Profit and loss (3) *	Total 4 = (1+2+3)
Secured				
Non Convertible Debenture	3,728.56	-	69.85	3,798.41
Total (A)	3,728.56	-	69.85	3,798.41
(i) Debt securities in India	3,728.56	-	69.85	3,798.41
(ii) Debt securities outside India	-	-	-	-
Total (B)	3,728.56	-	69.85	3,798.41

Particulars	As at March 31, 2025			
	At Amortised cost (1)	At Fair Value through Profit & Loss (2)	Designated at fair value through Profit and loss (3) *	Total 4 = (1+2+3)
Secured				
Non Convertible Debenture	4,908.51	-	6,351.73	11,260.24
Total (A)	4,908.51	-	6,351.73	11,260.24
(i) Debt securities in India	4,908.51	-	6,351.73	11,260.24
(ii) Debt securities outside India	-	-	-	-
Total (B)	4,908.51	-	6,351.73	11,260.24

* The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring liabilities or recognising gains or losses on them on a different basis.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

13.1 Repayment terms of Debt Securities

As at March 31, 2026

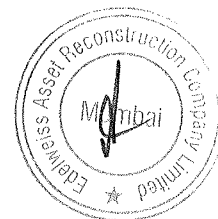
Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
2% (Refer Note 1 and 2)	4.10	12.34	0.16	16.60
Various (Benchmark Linked) (Refer Note 3)	1,071.80	1,172.50	53.30	2,297.60
Accrued Interest, Fair Value and EIR (Refer Notes 1 to 3)	1,428.52	10.50	45.19	1,484.21
Total	2,504.42	1,195.34	98.65	3,798.41

As at March 31, 2025

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
2% (Refer Note 1 and 2)	198.82	3,471.41	1,034.33	4,704.56
Various (Benchmark Linked) (Refer Note 3)	-	1,695.40	1,225.80	2,921.20
Accrued Interest, Fair Value and EIR (Refer Notes 1 to 3)	892.11	2,436.11	306.26	3,634.48
Total	1,090.93	7,602.92	2,566.39	11,260.24

Notes:

1. Coupon rate is 2% p.a. and additionally, conditional Interest being positive difference between the interest payment funds lying in the earmarked Escrow account from the recoveries in specified acquisitions and Coupon rate.
2. Secured by pari passu ranking charge on immovable property and pledge of Security Receipts.
3. Secured by pari-passu charge on immovable property, hypothecation of Security Receipts and unconditional & irrevocable guarantee by Edelweiss Financial Services Limited.



Edelweiss Asset Reconstruction Company Limited

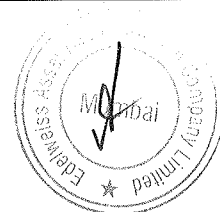
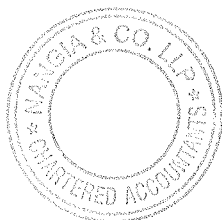
Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

14. Borrowings (other than Debt securities)

Particulars	As at March 31, 2026			
	At Amortised cost (1)	Fair value		Total 4 = (1+2+3)
		At Fair Value through Profit & Loss (2)	Designated at fair value through Profit and loss (3)	
Secured				
(a) Term loans from banks	130.51	-	-	130.51
(b) Cash credit from banks	300.00	-	-	300.00
Total (A)	430.51	-	-	430.51
(i) Borrowings in India	430.51	-	-	430.51
(ii) Borrowings outside India	-	-	-	-
Total (B)	430.51	-	-	430.51

Particulars	As at March 31, 2025			
	At Amortised cost (1)	Fair value		Total 4 = (1+2+3)
		At Fair Value through Profit & Loss (2)	Designated at fair value through Profit and loss (3)	
Secured				
(a) Term loans from banks	1,103.60	-	-	1,103.60
(b) Cash credit from banks	-	-	-	-
Total (A)	1,103.60	-	-	1,103.60
(i) Borrowings in India	1,103.60	-	-	1,103.60
(ii) Borrowings outside India	-	-	-	-
Total (B)	1,103.60	-	-	1,103.60



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

14.1 Repayment terms of term loans: Term loans from Banks - Secured

As at March 31, 2026

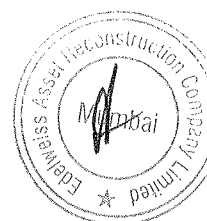
Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
9% - 9.99%(Refer Note 2)	66.60	66.60	-	133.20
10% - 10.99%(Refer Note 2)	300.00	-	-	300.00
11% - 11.99%(Refer Note 1)	-	-	-	-
12% - 12.99%(Refer Note 1)	-	-	-	-
Accrued Interest and EIR (Refer Note 1 and 2)	-	(2.69)	-	(2.69)
Total	366.60	63.91	-	430.51

As at March 31, 2025

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
9% - 9.99%(Refer Note 2)	-	-	-	-
10% - 10.99%(Refer Note 2)	-	-	-	-
11% - 11.99%(Refer Note 1)	831.25	75.00	-	906.25
12% - 12.99%(Refer Note 1)	66.67	133.33	-	200.00
Accrued Interest and EIR (Refer Note 1 and 2)	(1.20)	(1.45)	-	(2.65)
Total	896.72	206.88	-	1,103.60

Notes:

1. Secured by pledge of security receipts.
2. Secured by Hypothecation of security receipts.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)
(Currency: Indian rupees in millions)

	As at March 31, 2026	As at March 31, 2025
15. Other financial liabilities		
Accrued salaries and benefits	193.26	305.44
Security receipts held by outsiders*	3,045.12	5,903.34
Total	3,238.38	6,208.78

* Includes security receipts issued by the trusts and are payable only upon collections from the financial assets acquired by the trusts.

16. Provisions

Provision for employee benefits		
Gratuity (Refer Note 32)	62.65	40.56
Compensated leave absences	33.57	6.40
Other provisions	1.38	-
Total	97.60	46.96

17. Deferred tax liabilities (net) (Refer Note 30.1)

Deferred tax assets

Provision for expected credit losses	182.21	162.46
Fair valuation loss of investments	873.06	632.79
Employee benefit obligations	49.83	50.66
ESOP Perquisite	4.01	4.01
Unused tax losses/credits	-	124.75
Others	78.83	86.22
Total Deferred tax assets (A)	1,187.94	1,060.89

Deferred tax liabilities

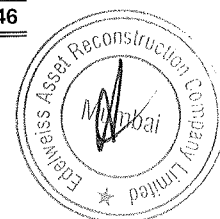
Fair valuation gain of investments	-	-
Share of Loss in Securitisation Trusts	1,560.33	1,947.74
Total Deferred tax liabilities (B)	1,560.33	1,947.74

Deferred tax (assets) / liabilities (net) (A-B)

372.39	886.85
---------------	---------------

18. Other non-financial liabilities

Unearned revenue	139.71	189.64
Taxes payable	97.93	434.90
Statutory dues payable on behalf of trust	146.75	91.84
Others	150.56	1,159.08
Total	534.95	1,875.46



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

	As at March 31, 2026	As at March 31, 2025
19. Equity share capital		
Authorised:		
500,000,000 (Previous year: 500,000,000) Equity Shares of Rs. 10 each	5,000.00	5,000.00
	5,000.00	5,000.00

Issued, Subscribed and Paid up:

257,989,737 (Previous year: 263,252,895) Equity Shares of Re. 10 each, fully paid-up	2,579.90	2,632.53
	2,579.90	2,632.53

a. Movement in share capital:

	March 31, 2026		March 31, 2025	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	26,32,52,895	2,632.53	26,32,52,895	2,632.53
Shares issued / (Bought back) during the year	(52,63,158)	(52.63)	-	-
Outstanding at the end of the year	25,79,89,737	2,579.90	26,32,52,895	2,632.53

Pursuant to the approval received from the Reserve Bank of India, Edel Finance Company Limited (EFCL) acquired, on April 7, 2026, the entire shareholding of CDPQ Private Equity Asia Pte. Ltd. (CDPQ), one of the sponsors of the Company, representing 20.40% of the Company's equity share capital. Following this transfer, CDPQ ceased to be a sponsor of the Company and EFCL became one of the sponsors of the Company (EFCL's shareholding increased from 8.07% to 28.47%). As a result, the Edelweiss Group's aggregate shareholding increased from 63.12% to 83.52%.

During the previous year ended March 31, 2025, the company has approved the buy-back of 26,325,289 fully paid-up equity shares ("Offer Shares") of the face value of Rs. 10/- each from its existing shareholders, as on record date, on proportionate basis aggregating to 10% of the total paid-up equity share capital of the Company. The Company has accepted 5,263,158 equity shares tendered under the buy-back process which concluded during the period ended March 31, 2026, i.e. on April 16, 2025.

b. Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of Re 10/-. Each holder of equity shares is entitled to one vote per share held. 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 of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	As at March 31, 2026		As at March 31, 2025	
	No of shares	% holding	No of shares	% holding
Holding company				
Edelweiss Financial Services Limited	2,09,64,082	8.13	2,09,64,082	7.96
Fellow subsidiaries				
Edelweiss Securities and Investments Private Limited	10,51,27,780	40.75	10,51,27,780	39.93
Edelcap Securities Limited	1,05,64,536	4.09	1,05,64,536	4.01
Ecap Equities Limited	53,57,058	2.08	-	-
Edel Finance Company Limited	2,08,17,286	8.07	2,08,17,286	7.91
	16,28,30,742	63.12	15,74,73,684	59.82

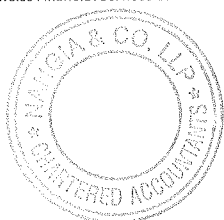
d. Details of shares held by promoters in the Company

	As at March 31, 2026		
Promoter name	No. of Shares	% of total shares	% Change during the year
Ecap Securities & Investments Limited	-	-	-
Edel Finance Company Limited	2,08,17,286	8.07	0.16
Edelcap Securities Limited	1,05,64,536	4.09	0.08
Ecap Equities Limited	53,57,058	2.08	2.08
Edelweiss Securities and Investments Private Limited	10,51,27,780	40.75	0.82
Edelweiss Financial Services Limited	2,09,64,082	8.13	0.16
	16,28,30,742	63.12	3.30

	As at March 31, 2025		
Promoter name	No. of Shares	% of total shares	% Change during the year
Ecap Securities & Investments Limited	-	-	(7.91)
Edel Finance Company Limited	2,08,17,286	7.91	7.91
Edelcap Securities Limited	1,05,64,536	4.01	-
Edelweiss Securities and Investment Private Limited	10,51,27,780	39.93	-
Edelweiss Financial Services Limited	2,09,64,082	7.96	7.96
	15,74,73,684	59.82	-

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

	As at March 31, 2026		As at March 31, 2025	
Equity shareholders	No of shares	% holding	No of shares	% holding
CDPQ Private Equity Asia PTE Ltd.	5,26,31,579	20.40	5,26,31,579	19.99
Edelweiss Securities and Investments Private Limited	10,51,27,780	40.75	10,51,27,780	39.93
Reeta Kuhad	2,12,00,000	8.22	2,12,00,000	8.05
Edel Finance Company Limited	2,08,17,286	8.07	2,08,17,286	7.91
Edelweiss Financial Services Limited	2,09,64,082	8.13	2,09,64,082	7.96
	22,07,40,727	85.57	22,07,40,727	83.84



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

	As at March 31, 2026	As at March 31, 2025
20. Instruments entirely equity in nature		
Authorised :		
250,000,000 (Previous year: 250,000,000) Preference Shares of Rs. 10 each	2,500.00	2,500.00
Issued, Subscribed and Paid up:		
NIL (Previous year: NIL)	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
21. Other Equity	As at March 31, 2026	As at March 31, 2025
Capital redemption reserve		
Opening Balance	-	-
Add : Transfer to Capital redemption reserve during the year	52.63	-
Closing Balance	<u>52.63</u>	<u>-</u>
Securities premium account		
Opening Balance	5,777.93	5,777.93
Add : Additions / (Deletions)	(294.74)	-
Closing Balance	<u>5,483.19</u>	<u>5,777.93</u>
Debenture redemption reserve		
Opening Balance	280.83	369.45
Less : Transfer to Retained Earnings during the year	(231.29)	(88.62)
Closing Balance	<u>49.54</u>	<u>280.83</u>
Impairment reserve (refer note 44(d))		
Opening Balance	2,562.85	2,184.59
Add : Additions/ (Reduction) during the year	-	378.26
Closing Balance	<u>2,562.85</u>	<u>2,562.85</u>
Deemed capital contribution - ESOP		
Opening Balance	15.93	15.93
Add : Additions during the year	-	-
Closing Balance	<u>15.93</u>	<u>15.93</u>
Retained earnings		
Opening Balance	24,172.31	20,586.43
Add: Reversal on ESOP/SAR on cancellation/lapses post vesting	0.74	2.47
Add: Profit for the year	3,266.32	3,875.88
Add: Other comprehensive loss for the year	0.14	(2.83)
Amount available for appropriation	27,439.51	24,461.95
Appropriations:		
Transfer from Capital redemption reserve	52.63	-
Transfer from Debenture redemption reserve	(231.29)	(88.62)
Transfer to/ (from) Impairment reserve	-	378.26
Dividend to equity shareholder	8,642.66	-
Closing Balance	<u>18,975.51</u>	<u>24,172.31</u>
Total	<u>27,139.65</u>	<u>32,809.85</u>

Securities premium account

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Debenture redemption reserve

The Companies Act 2013 requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. The Company is required to transfer a specified percentage (as provided in the Companies Act, 2013) of the outstanding redeemable debentures to debenture redemption reserve. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings. Company has transferred back INR 231.29 million from DRR to retained earnings on account of repayment of debentures during the year. According to the provisions of Rule (18) (7) (iii) of the Companies (Share Capital and Debentures) Rules, 2014, requirements of creation of Debenture Redemption Reserve are not applicable to listed companies.

Impairment Reserve

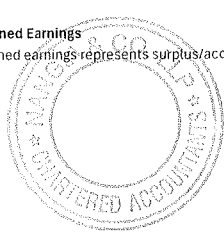
Pursuant to RBI circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020, Reserve Bank of India (RBI) requires every Asset Reconstruction Company to create an Impairment Reserve by appropriating the difference between impairment allowance under Ind AS 109 and the provisioning required under earlier applicable Income Recognition, Asset Classification and Provisioning (IRACP) guidelines (including standard asset provisioning) from their net profit or loss after tax to the said Impairment Reserve. The balance in the 'Impairment Reserve' shall not be reckoned for regulatory capital. Further, no withdrawals are permitted from this reserve without prior permission from RBI.

Capital redemption reserve

The company has recognised capital redemption reserve on buy back of equity share capital.

Retained Earnings

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



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

	For the period ended March 31, 2026	For the year ended March 31, 2025
22 Interest Income (at amortised cost)		
Interest on Loans	5,829.44	8,408.40
Interest on Investments	52.91	-
Interest on deposits with bank	518.15	434.40
Total	6,400.50	8,842.80

23 Fee and commission income (net of impairment)		
Management and other fees	2,010.42	2,771.53
Total	2,010.42	2,771.53

Revenue from contract with customers

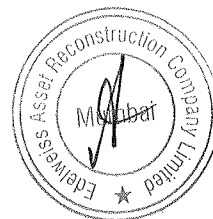
Disaggregation of the revenue from contracts with customers and its reconciliation to amounts reported in statement of profit and loss:

Particulars	Fees and commission income	Fees and commission income
Service transferred at a point in time	-	-
Service transferred over time		
Management Fees	699.33	1,992.03
Performance Fees	1,311.09	779.50
Total revenue from contract with customers	2,010.42	2,771.53

24 Net gain/(loss) on fair value changes		
(A) Net loss on financial instruments at fair value through profit or loss		
- Investments	(2,958.34)	(1,541.80)
Fair value loss*	(2,958.34)	(1,541.80)
(B) Others	6,395.46	1,602.58
Profit from Investment in security receipts	6,395.46	1,602.58
Total Net gain/(loss) on fair value changes (C) = (A+B)	3,437.12	60.78
Fair value changes:		
- Realised	2,644.84	397.88
- Unrealised	792.28	(337.10)
Total Net gain/loss on fair value changes (D)	3,437.12	60.78

* During the year, the company has written-off investment in security receipts amounting to INR 1211.99 millions (previous year : INR 7096.09 millions) on account of lower/no recovery projections in those investments.

25 Other income		
Interest on Income Tax Refund	-	68.61
Miscellaneous income	0.29	0.14
Total	0.29	68.75



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

26. Finance Costs

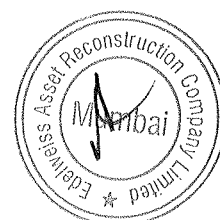
Particulars	For the period ended March 31, 2026		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total
Interest on debt securities	2,638.90	499.52	3,138.42
Interest on borrowings	-	141.30	141.30
Other Finance charges	-	105.85	105.85
Total	2,638.90	746.67	3,385.57

Particulars	For the year ended March 31, 2025		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total
Interest on debt securities	1,072.10	1,090.30	2,162.40
Interest on borrowings	-	152.60	152.60
Other Finance charges	-	(512.84)	(512.84)
Total	1,072.10	730.06	1,802.16

27. Impairment on financial instruments

Particulars	For the year ended March 31, 2026		
	On Financial instruments measured at fair value through OCI	On Financial instruments measured at Amortised Cost	Total
Loans	-	2,458.05	2,458.05
Commercial Papers	-	7.70	7.70
Loan write off	-	-	-
Total	-	2,465.75	2,465.75

Particulars	For the year ended March 31, 2025		
	On Financial instruments measured at fair value through OCI	On Financial instruments measured at Amortised Cost	Total
Loans	-	1,171.59	1,171.59
Commercial Papers	-	-	-
Loan write off	-	1,917.94	1,917.94
Total	-	3,089.53	3,089.53



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

	For the period ended March 31, 2026	For the year ended March 31, 2025
28. Employee benefit expenses		
Salaries and wages	577.67	586.73
Contribution to provident and other funds (refer note 32)	37.04	34.00
Expense on Employee Stock Option Scheme (ESOP)	-	0.07
Staff welfare expenses	18.97	25.66
Employee Stock Appreciation Rights	-	0.43
Total	633.68	646.89

The Ultimate Holding Company (Edelweiss Financial Services Limited ("EFSL")) has Employee Stock Option Plans (ESOP) in force. Based on such ESOP schemes, parent entity has granted an ESOP option to acquire equity shares of EFSL that would vest in a graded manner to company's employees. Based on group policy / arrangement, EFSL has charged the fair value of such stock options, Company has accepted such cross charge and recognised the same under the employee cost.

29. Other expenses

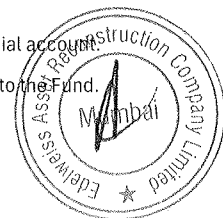
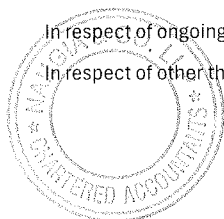
Advertisement and business promotion	13.38	19.19
Auditors' remuneration	14.18	14.23
Directors' sitting fees	6.50	6.20
Insurance	1.40	2.11
Legal Fees	255.16	241.58
Printing and stationery	3.19	2.33
Rates and taxes	101.83	145.33
Rent	78.68	76.71
Repairs and maintenance	1.36	0.89
Electricity charges	2.72	3.49
Corporate social responsibility -Donation (refer note (a) below)	118.00	103.00
Rating support fees	10.38	12.36
Office expenses	104.72	93.34
ROC Expenses	0.00	0.01
Stamp duty	3.59	1.92
Travelling and conveyance	29.58	27.06
Miscellaneous expenses	118.58	144.49
Total	863.25	894.24

Note (a):

Details of CSR Expenditure			For the period ended March 31, 2026	For the year ended March 31, 2025
a)	Gross amount required to be spent by the company during the year		118.00	103.00
Sr. No.	Amount spent during the year ended March 31, 2026	Paid	Yet to be paid	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	118.00	-	118.00
Sr. No.	Amount spent during the year ended March 31, 2025	Paid	Yet to be paid	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	103.00	-	103.00

In respect of ongoing projects, there are no unspent amount. Accordingly, no amount is required to be transferred to the special account.

In respect of other than ongoing projects, there are no unspent amount. Accordingly, no amount is required to be transferred to the Fund.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

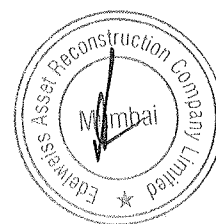
30.1 Components of deferred tax

The following table shows deferred tax recorded in the Balance sheet and changes recorded in the income tax expense:

March 31, 2026	Opening deferred tax asset/(liability)	Recognised in profit or loss	Recognised in other comprehensive income	Total Movement	Closing deferred tax asset/(liability)
Deferred taxes in relation to:					
Investments in Security Receipts	632.79	240.27	-	240.27	873.06
Trade Receivables	86.83	(6.48)	-	(6.48)	80.35
Unused tax losses/credits	124.75	(124.75)	-	(124.75)	-
Share of Loss in Securitisation Trusts	(1,947.74)	387.41	-	387.41	(1,560.33)
ECL on Loans	162.46	19.75	-	19.75	182.21
ESOP cost	4.01	-	-	-	4.01
Others	50.05	(1.70)	(0.05)	(1.75)	48.30
Total	(886.85)	514.50	(0.05)	514.46	(372.40)

March 31, 2025	Opening deferred tax asset/(liability)	Recognised in profit or loss	Recognised in other comprehensive income	Total Movement	Closing deferred tax asset/(liability)
Deferred taxes in relation to:					
Investments in Security Receipts	2,045.76	(1,412.97)	-	(1,412.97)	632.79
Trade Receivables	105.40	(18.57)	-	(18.57)	86.83
Unused tax losses/credits	-	124.75	-	124.75	124.75
Share of Loss in Securitisation Trusts	(1,855.30)	(92.44)	-	(92.44)	(1,947.74)
ECL on Loans	183.34	(20.88)	-	(20.88)	162.46
ESOP cost	4.01	-	-	-	4.01
Others	49.91	(0.82)	0.96	0.14	50.05
Total	533.12	(1,420.93)	0.96	(1,419.97)	(886.85)

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

30. Income Tax expense

The components of income tax expense recognised in profit or loss for the years ended March,31 2026 and March,31 2025 are:

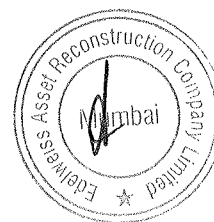
Particulars	2025-26	2024-25
Current tax	1,722.43	-
Adjustment in respect of current income tax of prior years	-	2.32
Deferred tax relating to origination and reversal of temporary differences	(514.51)	1,420.92
Total tax expense	1,207.92	1,423.24
Total Current Tax	1,722.43	2.32
Total Deferred Tax	(514.51)	1,420.92

Break-up of Recognition of Current Tax	2025-26	2024-25
In P&L	1,722.43	2.32
in OCI	-	-

Reconciliation of the total tax expense

The tax expense shown in the statement of profit and loss differs from the tax expense that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2026 and March,31 2025 is, as follows:

Particulars	2025-26	2024-25
Profit before tax	4,474.24	5,299.12
Tax rate	25.17%	25.17%
Income tax expense calculated based on above tax rate	1,126.17	1,333.79
Adjustment in respect of income tax of prior years	-	2.32
Adjustment in respect of deferred tax of prior years	-	(2.32)
Effect of non-deductible expenses	0.02	0.03
CSR Expenditure disallowance	29.70	25.93
Others	52.03	63.49
Tax expense recognised in profit or loss	1,207.92	1,423.24
Effective Income Tax Rate	27.00%	26.86%



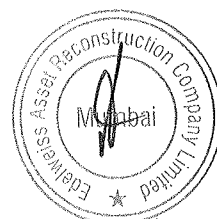
Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

31. Basic and Diluted Earnings per share

Particulars	March 31, 2026	March 31, 2025
(a) Shareholders earnings (as per statement of profit and loss)	3,266.32	3,875.88
(b) Calculation of weighted average number of equity shares of Rs 10 each:		
- Number of shares at the beginning of the year	26,32,52,895	26,32,52,895
- Shares issued during the year	-	-
- Shares bought back during the year	52,63,158	-
Total number of equity shares outstanding at the end of the year	25,79,89,737	26,32,52,895
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	25,82,06,031	26,32,52,895
Number of dilutive potential equity shares	-	-
Weighted average number of diluted equity shares outstanding during the year (based on the date of issue of shares)	25,82,06,031	26,32,52,895
(c)Basic earnings per share of face value of Rs.10 (in rupees)	12.65	14.72
(d) Diluted earnings per share of face value of Rs.10 (in rupees)	12.65	14.72



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

32. Retirement Benefit Plan

A) Defined contribution plan (Provident fund and National Pension Scheme):

Amount of ₹ 25.82 million (Previous year: ₹ 26.14 million) is recognised as expenses and included in "Employee benefit expense" – Note 28 in the statement of Profit and loss.

B) Defined benefit plan (Gratuity):

The following tables summarize the components of the net benefit expenses recognised in the statement of profit and loss and the funded and unfunded status and amount recognised in the balance sheet for the gratuity benefit plan.

1: Reconciliation of Defined Benefit Obligation (DBO)

	March 31, 2026	March 31, 2025
Present value of DBO at the start of the year	40.56	44.19
Service Cost		
a. Current Service Cost	8.65	5.75
b. Past Service Cost	14.76	-
c. Loss/ (Gain) from Settlement	-	-
Interest Cost	2.56	2.09
Benefits Paid	(3.69)	(0.98)
Re-measurements		
a. Actuarial Loss/ (Gain) from changes in demographic assumptions	-	-
b. Actuarial Loss/ (Gain) from changes in financial assumptions	-	1.39
c. Actuarial Loss/ (Gain) from experience over the past year	(0.19)	2.40
Effect of acquisition/ (divestiture)	-	-
Changes in foreign exchange rates	-	-
Transfer In/ (Out)	-	(14.28)
Present value of DBO at the end of the year	62.65	40.56

2: Reconciliation of Fair Value of Plan Assets

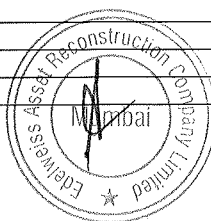
	March 31, 2026	March 31, 2025
Fair Value of Plan Assets at the start of the year	-	-
Contributions by Employer	3.69	0.98
Benefits Paid	(3.69)	(0.98)
Interest Income on Plan Assets	-	-
Re-measurements		
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/ (asset)	-	-
Effect of acquisition/ (divestiture)	-	-
Changes in foreign exchange rates	-	-
Transfer In/ (Out)	-	-
Fair Value of Plan Assets at the end of the year	-	-
Actual Return on Plan Assets	-	-
Expected Employer Contributions for the next year	-	-

3: Expenses recognised in the Profit and Loss Account

	March 31, 2026	March 31, 2025
Service Cost		
a. Current Service Cost	8.65	5.75
b. Past Service Cost	14.76	-
c. Loss/ (Gain) from Settlement	-	-
Net Interest on net defined benefit liability/ (asset)	2.56	2.09
Changes in foreign exchange rates	-	-
Employer Expenses	25.96	7.84

4: Net Liability/ (Asset) recognised in the Balance Sheet

	March 31, 2026	March 31, 2025
Present Value of DBO	62.65	40.56
Fair Value of Plan Assets	-	-
Liability/ (Asset) recognised in the Balance Sheet	62.65	40.56
Of Which, Short term Liability	8.87	6.01
Funded Status [Surplus/ (Deficit)]	(62.65)	(40.56)
Experience Adjustment on Plan Liabilities: (Gain)/ Loss	(0.19)	2.40



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

5: Actuarial Assumptions

	March 31, 2026	March 31, 2025
Salary Growth Rate (% p.a.)	7.00%	7.00%
Discount Rate (% p.a.)	6.30%	6.30%
Interest Rate for interest on Net DBO	6.30%	7.00%
Withdrawal Rate (% p.a.)	16.00%	16.00%
Mortality	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)
Weighted average duration of the obligation	3.00	3.50

6: Movement in Other Comprehensive Income

	March 31, 2026	March 31, 2025
Balance at the start of year (Loss)/ Gain	(14.90)	(11.11)
Re-measurements on DBO		
a. Actuarial (Loss)/ Gain from changes in demographic assumptions	-	-
b. Actuarial (Loss)/ Gain from changes in financial assumptions	-	(1.39)
c. Actuarial (Loss)/ Gain from experience over the past year	0.19	(2.40)
Re-measurements on Plan Assets		
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/ (asset)	-	-
Balance at the end of the year (Loss)/ Gain	(14.71)	(14.90)

7: Sensitivity Analysis

DBO increases/ (decreases) by	March 31, 2026	March 31, 2025
1% Increase in Salary Growth Rate	2.72	1.98
1% Decrease in Salary Growth Rate	(2.62)	(1.85)
1% Increase in Discount Rate	(2.62)	(1.85)
1% Decrease in Discount Rate	2.77	2.01
1% Increase in Withdrawal Rate	(0.09)	(0.06)
1% Decrease in Withdrawal Rate	0.10	0.07
Mortality (increase in expected lifetime by 1 year)	2	1
Mortality (increase in expected lifetime by 3 years)	5	4

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses.

8: Movement in Surplus/ (Deficit)

	March 31, 2026	March 31, 2025
Surplus/ (Deficit) at the start of year	(40.56)	(44.19)
Net Transfer (In)/ Out	-	14.28
Movement during the year		
Current Service Cost	(8.65)	(5.75)
Past Service Cost	(14.76)	-
Net Interest on net DBO	(2.56)	(2.09)
Re-measurements Gains/ (Losses)	0.19	(3.79)
Benefits paid	3.69	0.98
Surplus/ (Deficit) at the end of the year	(62.65)	(40.56)

9: Other Disclosures

Description of ALM Policy

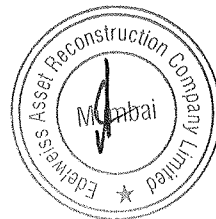
As the plan is unfunded, an ALM policy is not applicable.

Description of funding arrangements and funding policy that affect future contributions

The plan is unfunded and the status is unlikely to change over the next few years.

Maturity profile

The weighted average duration of the obligation is 3 years (March 31, 2025: 3.5 years) as at the date of valuation.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

33. 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. With regard to loans and advances to customers, the company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

Particulars	March 31, 2026			March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	5,492.62	-	5,492.62	13,646.34	-	13,646.34
Other bank balances	1,625.14	410.48	2,035.62	13.54	399.90	413.44
Trade receivables	255.73	181.14	436.87	38.59	263.58	302.17
Loans	1,146.82	21,709.24	22,856.06	10,714.52	16,772.16	27,486.68
Investments	3,820.15	2,128.30	5,948.45	6,242.16	6,847.99	13,090.15
Other financial assets	-	53.50	53.50	50.00	3.42	53.42
	12,340.46	24,482.66	36,823.12	31,104.81	23,887.39	54,992.20
Non-financial assets						
Current tax assets (net)	-	1,274.96	1,274.96	-	1,618.22	1,618.22
Deferred tax assets (net)	-	-	-	-	-	-
Property, plant and equipment	-	4.76	4.76	-	5.74	5.74
Other intangible assets	-	8.91	8.91	-	11.89	11.89
Other non-financial assets	233.06	0.71	233.76	317.67	1.65	319.32
	233.06	1,289.33	1,522.39	317.67	1,637.50	1,955.17
Total assets	12,573.52	25,772.00	38,345.51	31,422.48	25,524.89	56,947.37

Particulars	March 31, 2026			March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Trade payables	153.72	-	153.72	123.10	-	123.10
Debt securities	2,504.42	1,293.98	3,798.41	1,090.93	10,169.31	11,260.24
Borrowing (other than debt securities)	366.60	63.91	430.51	896.72	206.88	1,103.60
Other financial liabilities	193.26	3,045.12	3,238.38	882.37	5,326.41	6,208.78
	3,218.00	4,403.01	7,621.02	2,993.12	15,702.60	18,695.72
Non-financial liabilities						
Provisions	10.25	87.35	97.60	7.26	39.70	46.96
Deferred tax liabilities (net)	-	372.39	372.39	-	886.85	886.85
Other non-financial liabilities	534.95	-	534.95	1,875.46	-	1,875.46
	545.20	459.75	1,004.95	1,882.72	926.55	2,809.27
Total liabilities	3,763.20	4,862.77	8,625.97	4,875.84	16,629.15	21,504.99

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



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

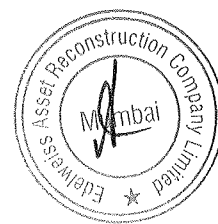
34. Change in liabilities arising from financing activities

Particulars	April 01, 2025	Cash flows	Changes in fair values	Exchange differences	Others*	March 31, 2026
Debt securities	11,260.24	(5,311.56)	(1,538.91)	-	(611.36)	3,798.41
Borrowings other than debt securities	1,103.60	(673.05)	-	-	(0.04)	430.51
Deposits	-	-	-	-	-	-
Subordinated liabilities	-	-	-	-	-	-
Other financial liabilities	6,208.78	(2,970.40)	-	-	-	3,238.38
Total liabilities from financing activities	18,572.62	(8,955.01)	(1,538.91)	-	(611.40)	7,467.30

* Includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees etc.

Particulars	April 01, 2024	Cash flows	Changes in fair values	Exchange differences	Others*	March 31, 2025
Debt securities	18,137.73	(7,127.35)	100.13	-	149.73	11,260.24
Borrowings other than debt securities	1,605.88	(494.52)	-	-	(7.76)	1,103.60
Deposits	-	-	-	-	-	-
Subordinated liabilities	-	-	-	-	-	-
Other financial liabilities	11,219.02	(5,010.24)	-	-	-	6,208.78
Total liabilities from financing activities	30,962.63	(12,632.11)	100.13	-	141.97	18,572.62

* Includes the effect of interest accrued but not due on borrowing, amortisation of processing fees etc.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

35. Contingent liabilities, commitments and lease arrangements

35.1. Legal claims

There are no legal claims against the company as on March 31, 2026 and as on March 31, 2025.

35.2. Contingent liabilities

Particulars	March 31, 2026	March 31, 2025
Claims against the Company not acknowledged as debt	-	-

35.3 The Company has obligation to acquire non-fund based facilities (Investment of security receipts) of the borrowers upto INR 3.48 millions (previous year : INR 3.48 millions) in case of crysatallisation of liability of the selling bank.

35.4 Lease commitments - Company as a lessee

The company has entered into commercial leases for premises and equipment. Future minimum lease payments under non-cancellable leases as at 31 March are, as follows:

Particulars	March 31, 2026	March 31, 2025
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
Total	-	-

This note provides information for leases where the company is a lessee.

Right-of-use assets

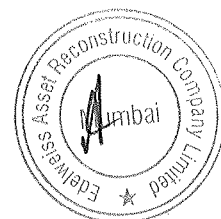
Particulars	March 31, 2026	March 31, 2025
Opening	-	-
Addition	-	-
Deletion	-	-
Depreciation expense	-	-
Closing	-	-

Lease liability

Particulars	March 31, 2026	March 31, 2025
Opening	-	-
Addition (net)	-	-
Accretion of interest	-	-
Payments	-	-
Closing	-	-

The statement of profit or loss shows the following amounts relating to leases

	2025-2026	2024-2025
Depreciation expense on right of use assets	-	-
Interest expense on lease liability	-	-
Expenses related to short term lease (Refer note 29 "Other expenses")	63.89	66.44
Total amount recognised in profit and loss	63.89	66.44



Edelweiss Asset Reconstruction Company Limited
Notes to the consolidated financial statements (Continued)

36. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure"

List of Related Parties

A) Where control exists:

Holding Company : Edelweiss Financial Services Limited (w.e.f. 16th September 2016)

B) Other Related Parties:

Fellow subsidiaries

Name of Entity

ECL Finance Limited
Edelcap Securities Limited
ECap Securities and Investments Limited
EAAA India Alternatives Limited
Ecap Equities Limited
Edel Investments Limited
Edelweiss Life Insurance Company Limited
Edelweiss Trusteeship Company Limited
Edelweiss Asset Management Limited
Edelweiss Investment Adviser Limited
EC International Limited
Edelgive Foundation
Edelweiss Alternative Asset Advisors Pte. Limited
Edelweiss International (Singapore) Pte. Limited
Edelweiss Retail Finance Limited (Merged with ECL Finance Limited w.e.f. September 30, 2025)
NIDO Home Finance Limited
Edelweiss Rural & Corporation Services Limited
Comtrade Commodities Services Limited
Edel Finance Company Limited
Edelweiss Multi Strategy Fund Advisors LLP
ZUNO General Insurance Limited
Edelweiss Private Equity Tech Fund
Edelweiss Value and Growth Fund
Edelweiss Securities and Investments Private Limited
Allium Corporate Services Private Limited
Edelweiss Real Asset Managers Limited
Sekura India Management Limited
Edelweiss Global Wealth Management Limited
Nuvama Custodial Services Limited
EAAA Trans Infra Managers Limited

Name of Entity

EARC TRUST SC - 6
EARC TRUST SC - 9
EARC TRUST SC - 229
EARC TRUST SC - 238
EARC TRUST SC - 251
EARC TRUST SC - 298 (upto 31 December 2025)
EARC TRUST SC - 361 (upto 30 September 2025)
EARC TRUST SC - 372
EARC TRUST SC - 373
EARC TRUST SC - 374
EARC TRUST SC - 377
EARC TRUST SC - 378
EARC TRUST SC - 384
EARC TRUST SC - 385
EARC TRUST SC - 393
EARC TRUST SC - 401
EARC TRUST SC - 413
EARC TRUST SC - 416
EARC TRUST SC - 417
EARC TRUST SC - 418
EARC TRUST SC - 447
EARC TRUST SC - 452
EARC TRUST SC - 453
EARC TRUST SC - 459

Fellow Associates : NIL

C) Key Management Personnel

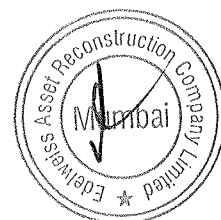
Ms. Mythili Balasubramanian (up to September 30, 2025)
Mr. Raj Kumar Bansal (upto May 29, 2024)

Mr. Mohan Vasant Tanksale
Mr. Manish Sanghi
Mr. Deepak Nautiyal
Mr. Ashwani Kumar



D) Independent Directors

Mr. Mohan Vasant Tanksale
Mr. Manish Sanghi
Mr. Pudugramam Narayanaswamy Venkatachalam (upto June 20, 2025)
Mr. Shiva Kumar
Mr. Sameer Kaji (from October 04, 2024)
Mr. Gurumani Suresh (w.e.f. February 18, 2026)



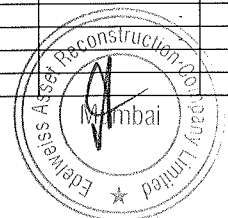
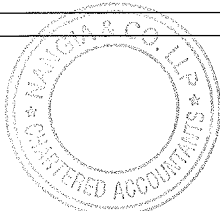
Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

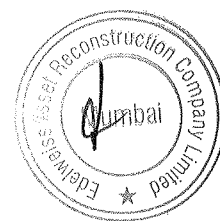
36. Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure"

Sr. No.	Nature of Transaction	Related Party Name	From April 01, 2025 to March 31, 2026	From April 01, 2024 to March 31, 2025
E)	Transactions with related parties as stated above			
1	Non-convertible debentures Redeemed to	Edelweiss Investment Adviser Limited	-	131.49
		ECap Equities Limited	966.07	26.24
		Edelweiss Life Insurance Company Limited (Formerly known as Edelweiss Tokio Insurance Company Limited)	331.34	59.42
2	KMP remuneration	Ms. Mythili Balasubramanian*	34.87	0.80
		Mr. Raj Kumar Bansal*	-	34.83
		Mr. Ashwani Kumar*	15.20	13.10
		Mr. Deepak Nautiyal*	15.30	12.82
		Mr. Pudugramam Narayanaswamy Venkatachalam	-	1.69
		Mr. Mohan Vasant Tanksale	3.33	3.33
		Mr. Manish Sanghi	4.33	4.00
		Mr. Shiva Kumar	4.73	4.35
		Mr. Sameer A. Kaji	2.88	0.53
3	Income received from	ECL Finance Limited	254.25	210.65
		Edelweiss Retail Finance Limited) (Merged with ECL Finance Limited w.e.f. September 30, 2025)	60.84	176.45
		Nido Home Finance Limited	1.41	-
		Edelweiss Financial Services Limited	-	-
		India Credit Investment Fund II	-	3.44
		India Credit Investment Fund III	-	49.96
		India Credit Investment Fund V	-	3.86
4	Rating & Corporate Guarantee support fees	Edelweiss Financial Services Limited	28.04	44.64
5	Advisory Fees	Edelweiss Financial Services Limited	-	6.26
6	Interest expense on debentures	Edelweiss Investment Adviser Limited	-	270.13
		ECap Equities Limited	651.98	27.10
		Edelweiss Life Insurance Company Limited (Formerly known as Edelweiss Tokio Insurance Company Limited)	160.49	57.82
7	Shared Premises Cost	Edelweiss Rural & Corporate Services Limited	63.86	61.33
8	Cost reimbursements	Edelweiss Rural & Corporate Services Limited	42.47	43.93
		Edelweiss Financial Services Limited	0.18	0.84
		EAAA India Alternatives Limited (Formerly known as Edelweiss Alternative Asset Advisors Limited)	-	2.54
9	Contribution towards corporate social responsibility	Edelgive Foundation	118.00	103.00
10	Transfer of gratuity liability on account of employee transfer from	Edelweiss Rural & Corporate Services Limited	-	-
		EAAA India Alternatives Limited (Formerly known as Edelweiss Alternative Asset Advisors Limited)	-	-
11	Transfer of gratuity liability on account of employee transfer to	EAAA India Alternatives Limited (Formerly known as Edelweiss Alternative Asset Advisors Limited)	-	12.51
		Edelweiss Financial Services Limited	-	1.77
		Sekura India Management Limited	-	-
12	Management fees & other fees	Asset Reconstruction trusts - managed by the Company as trustee	254.70	361.67
13	Profit from investments in security receipts	Asset Reconstruction trusts - managed by the Company as trustee	143.95	209.03
14	Interest Income	Asset Reconstruction trusts - managed by the Company as trustee	1.34	2.16
15	Investment in Security Receipts	Asset Reconstruction trusts - managed by the Company as trustee	-	-
16	Redemption of Security Receipts	Asset Reconstruction trusts - managed by the Company as trustee	511.65	674.08
17	Loans and advances given/(repaid) (Net)	Asset Reconstruction trusts - managed by the Company as trustee	(11.58)	(4.02)
18	Purchase of Security Receipts	ECL Finance Limited	-	-
		Nido Home Finance Limited	-	-
		India Credit Investment Fund II	-	-
		Allium Finance Private Limited	-	-
		India Credit Investment Fund III	-	-
		India Credit Investment Fund V	-	-



Sr. No.	Nature of Transaction	Related Party Name	From April 01, 2025 to March 31, 2026	From April 01, 2024 to March 31, 2025
19	Purchase of Fixed Asset from	EAAA India Alternatives Limited (Formerly known as Edelweiss Alternative Asset Advisors Limited)	-	-
20	Sale of Fixed Asset to	Edelweiss Financial Services Limited	-	0.04
21	Insurance Premium	Edelweiss Life Insurance Company Limited (Formerly known as Edelweiss Tokio Insurance Company Limited)	(0.22)	2.48
		Zuno General Insurance Limited	8.48	7.33
F)	Balances with related parties as stated above			
22	Interest expense accrued and not due on borrowings from	Edelweiss Investment Adviser Limited	-	-
		ECap Equities Limited	30.90	35.31
		Edelweiss Life Insurance Company Limited (Formerly known as Edelweiss Tokio Insurance Company Limited)	-	13.52
23	Receivable from	ECL Finance Limited	7.05	-
		Edelweiss Financial Services Limited	-	-
		Edelweiss Retail Finance Limited) (Merged with ECL Finance Limited w.e.f. September 30, 2025)	-	-
		Zuno General Insurance Limited	-	1.15
		Edelweiss Life Insurance Company Limited (Formerly known as Edelweiss Tokio Insurance Company Limited)	-	0.22
24	Payable to	EAAA India Alternatives Limited (Formerly known as Edelweiss Alternative Asset Advisors Limited)	-	14.07
		Edelweiss Rural & Corporate Services Limited	9.75	9.61
		Edelweiss Financial Services Limited	7.25	11.56
		Sekura India Management Limited	-	-
		ECL Finance Limited	-	0.57
25	Non-convertible debentures held by	Edel Finance Company Limited	-	-
		Edelweiss Investment Adviser Limited	-	-
		ECap Equities Limited	3.91	969.98
		Edelweiss Life Insurance Company Limited (Formerly known as Edelweiss Tokio Insurance Company Limited)	0.68	332.02
26	Security Deposits	Edelweiss Rural & Corporate Services Limited	50.00	50.00
27	Management & other fees receivable	Asset Reconstruction trusts - managed by the Company as trustee	366.04	284.71
28	Investment in Security Receipts	Asset Reconstruction trusts - managed by the Company as trustee	1,649.11	2,226.73
29	Loans and advances given/(repaid)	Asset Reconstruction trusts - managed by the Company as trustee	31.63	43.21
30	Corporate Guarantee issued by	Edelweiss Financial Services Limited	3,147.70	3,827.40

* Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment and deferred bonus which are provided for group of employees on an overall basis. These are included on cash basis. The variable compensation included herein is on cash basis.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

F. Compensation of key management personnel of the Company

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Group and its employees. The Company considers the members of the Board of Directors which include independent directors (and its sub-committees) and Executive Committee to be key management personnel for the purposes of Ind AS 24 Related Party Disclosures.

Particulars	March 31, 2026	March 31, 2025
Short-term employee benefits	65.36	61.54
Post-employment pension (defined contribution)	-	-
Termination benefits	-	-
Total	65.36	61.54

G. Transactions with key management personnel of the Company

The Company enters into transactions, arrangements and agreements involving directors, senior management and their business associates, or close family members, in the ordinary course of business under the same commercial and market terms, interest and commission rates that apply to non-related parties.

The following table provides the total amount of transactions, which have been entered into with key management personnel for the relevant financial year:

Particulars	March 31, 2026	March 31, 2025
Key management personnel of the Company	65.36	61.54

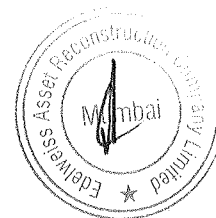
37. Capital management

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 in order to support its business and to maximise shareholder value.

The company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Regulatory capital

Particulars	March 31, 2026	March 31, 2025
Common Equity Tier1 (CET1) capital	19,588.36	28,536.15
Other Tier 2 capital instruments	-	-
Total capital	19,588.36	28,536.15
Risk weighted assets	27,507.49	31,545.36
CET1 capital ratio	71.21%	90.46%
Total capital ratio	71.21%	90.46%



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

38. Fair value measurement

38.1 Valuation Principles

The company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

38.2 Valuation framework

The company has an established control framework for the measurement of fair values. This framework includes a Control function, which is independent of front office management and reports to the Chief Financial Officer, and which has overall responsibility for independently verifying the results of investment operations and all significant fair value measurements. Specific controls include:

- Verification of observable pricing;
- Re-performance of model valuations;
- A review and approval process for new models and changes to models;
- Quarterly calibration and back-testing of models against observed market transactions;
- Analysis and investigation of significant daily valuation movements; and
- Review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments compared with the previous month, by senior member of management.

38.3 Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

Particulars	March 31, 2026			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Investments				
Security receipts	-	-	3,978.75	3,978.75
Total financial assets measured at fair value on a recurring basis	-	-	3,978.75	3,978.75

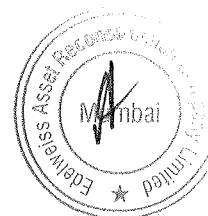
Particulars	March 31, 2026			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis -				
Non Convertible Debentures (designated at FVTPL)	-	-	69.85	69.85
Total financial liabilities measured at fair value on a recurring basis	-	-	69.85	69.85

Particulars	March 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Investments				
Security receipts	-	-	13,090.15	13,090.15
Total financial assets measured at fair value on a recurring basis	-	-	13,090.15	13,090.15

Particulars	March 31, 2025			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis -				
Non Convertible Debentures (designated at FVTPL)	-	-	6,351.73	6,351.73
Total financial liabilities measured at fair value on a recurring basis	-	-	6,351.73	6,351.73

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade and other payables as on March 31, 2026 approximate the fair value because of their short term nature. Difference between carrying amounts and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

38.4 Movement in level 3 financial instruments measured at fair value

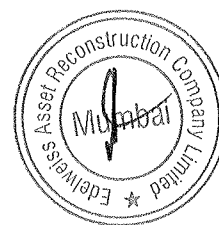
The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements in Level 3 of the fair value hierarchy.

Financial assets	Investments in security receipts
At April 1, 2025	13,090.15
Purchase of Investments	0.07
Redemption/Write-offs	(6,429.57)
Gains / (losses) for the year recognised in profit or loss	(2,681.90)
At March 31, 2026	3,978.75
Unrealised gains related to balances held at the end of year	(3,471.65)

Financial liabilities	Debt Securities
At April 1, 2025	6,351.73
Issuances	-
Settlements	(4,687.96)
Interest Accrued/ losses for the year recognised in profit or loss	(1,593.92)
At March 31, 2026	69.85
Unrealised gains related to balances held at the end of the year	(3.00)

Financial assets	Investments in security receipts
At April 1, 2024	17,536.09
Purchase of Investments	62.90
Redemption/Write-offs	(10,163.26)
Gains / (losses) for the year recognised in profit or loss	5,654.42
At March 31, 2025	13,090.15
Unrealised loss related to balances held at the end of the year	(978.16)

Financial liabilities	Debt Securities
At April 1, 2024	7,010.23
Issuances	-
Settlements	(713.80)
Interest Accrued/ losses for the year recognised in profit or loss	55.30
At March 31, 2025	6,351.73
Unrealised gains related to balances held at the end of the year	1,535.92



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)
(Currency: Indian rupees in millions)

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

Type of Financial Instruments	Fair value of asset as on March 31, 2026	Fair value of liability as on March 31, 2026	Valuation Techniques	Significant Unobservable Input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Investments in security receipts	3,978.75		Discounted projected cash flow	Expected Gross Recoveries *	1,80,101.11	8,162.27	1,006.34	(8,162.27)	(1,007.39)
				Discount rates	14.0%-24.0%	0.50%	(133.23)	-0.50%	135.37
Non - Convertible Debentures		69.85	Discounted projected cash flow	Expected Gross Recoveries *	63,383.06	3,169.15	463.65	(3,169.15)	(463.65)
				Discount rates	14.85%	0.50%	(51.54)	-0.50%	52.31
Total	3,978.75	69.85							

Type of Financial Instruments	Fair value of asset as on March 31, 2025	Fair value of liability as on March 31, 2025	Valuation Techniques	Significant Unobservable Input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Investments in security receipts	13,090.15	-	Discounted projected cash flow	Expected Gross Recoveries *	1,84,726.33	8,450.80	995.31	(8,450.80)	(996.36)
				Discount rates	13.8%-14.9%	0.50%	(129.64)	-0.50%	131.70
Non - Convertible Debentures	-	6,351.73	Discounted projected cash flow	Expected Gross Recoveries *	66,782.75	3,339.14	463.65	(3,339.14)	(463.65)
				Discount rates	14.85%	0.50%	(51.54)	-0.50%	52.31
Total	13,090.15	6,351.73							

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

38.6 Quantitative analysis of significant unobservable inputs

Discount margin/spreads

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

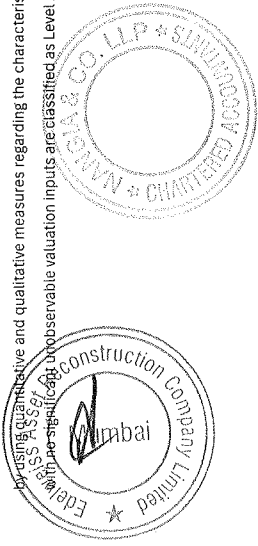
Cash Flow

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, nature and value of collaterals, manner of resolution and other economic drivers. The timing of expected cash flows is influenced by the nature of collateral and the expected use of the same by the market participants. The manner of resolution is determined based on financial position and negotiations with the counterparty.

38.7 Quantitative analysis of significant unobservable inputs

Asset backed securities

These instruments include residential mortgage backed securities (RMBS), commercial mortgage backed securities (CMBS) and other asset-backed securities. The market for these securities is not active. Therefore, the Group uses a variety of valuation techniques to measure their fair values. For certain more liquid instruments, the Group uses trade and price data updated for movements in market levels between the observed and the valuation dates. Less liquid instruments are valued by discounted cash flow models. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Securities with no comparable instruments or valuation inputs are classified as Level 3.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

39. Analysis of risk concentration

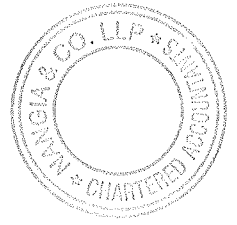
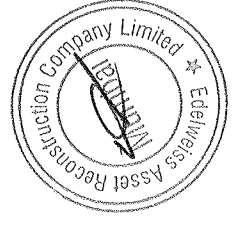
The following table shows the risk concentration by industry for the components of the balance sheet. The concentrations of risk are determined based on client/counterparty's industry sector. Additional disclosures for credit quality and year-end stage classification are further disclosed in Note 5.

Industry analysis - Risk concentration for March 31, 2026

Particulars	Infrastructure	Metal	Cement	Paper and Paper Products	Real Estate	EPC	Chemical	Beverages and Food Processing	Shipping and Ship Building	Textile	Auto	Engineering	Others	Financial Services	Total
Financial assets															
Cash and cash equivalent and other bank balances	-	-	-	-	-	-	-	-	-	-	-	-	-	7,528.24	7,528.24
Financial assets carried at fair value through profit and loss	10.17	4.42	0.13	11.50	2,953.25	54.31	1.16	78.08	-	0.29	-	3.29	842.67	19.48	3,978.75
Fair value gain/(loss) included above	(476.55)	(64.67)	(1.57)	(1.95)	(402.06)	(363.52)	(20.13)	(17.32)	(28.95)	(102.23)	(131.85)	(104.15)	(1,726.77)	(9.86)	(3,471.56)
Investment in Commercial Papers (At amortised cost)	-	-	-	-	-	-	-	-	-	-	-	-	-	1,977.40	1,977.40
ECL on Commercial Papers	-	-	-	-	-	-	-	-	-	-	-	-	-	(7.70)	(7.70)
Trade and other receivables	215.94	2.18	0.10	0.13	315.96	18.83	0.04	0.12	21.46	31.52	66.83	3.35	6.22	0.57	663.26
ECL on Trade receivable	(34.43)	(1.12)	(0.10)	(0.08)	(122.36)	(17.45)	(0.03)	(0.07)	(21.39)	(9.52)	(35.46)	(1.83)	(2.39)	(0.06)	(246.28)
Loans	2,031.69	0.85	0.00	0.00	25,310.34	541.55	(0.00)	653.21	0.01	2,073.67	215.28	0.00	12,485.08	589.97	43,901.65
ECL on loans	(796.96)	(3.64)	(0.00)	(0.00)	(13,412.12)	(28.04)	0.00	(503.92)	-	(1,033.14)	(162.77)	0.00	(4,963.90)	(141.10)	(21,045.59)
Other Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	53.50	53.50
Total	1,426.41	2.69	0.13	11.55	15,045.07	569.20	1.17	227.42	0.08	1,062.82	83.88	4.81	8,367.68	10,020.31	36,823.24

Industry analysis - Risk concentration for March 31, 2025

Particulars	Infrastructure	Metal	Cement	Paper and Paper Products	Real Estate	EPC	Chemical	Beverages and Food Processing	Shipping and Ship Building	Textile	Auto	Engineering	Others	Financial Services	Total
Financial assets															
Cash and cash equivalent and other bank balances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets carried at fair value through profit and loss	2,038.50	9.65	0.23	3,210.96	2,634.49	0.54	2.07	185.01	-	0.53	-	8.65	4,964.70	34.82	13,980.15
Fair value gain/(loss) included above	111.51	(134.42)	(2.51)	1,739.78	(1,125.15)	(365.60)	(21.28)	58.47	-	(159.33)	(134.63)	(148.89)	(789.40)	(6.71)	(978.16)
Investment in Commercial Papers (At amortised cost)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ECL on Commercial Papers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other receivables	181.87	2.67	0.18	0.00	245.58	17.38	0.05	0.08	21.34	36.73	62.74	-	7.41	0.28	576.31
ECL on Trade receivable	(49.01)	(1.63)	(0.18)	(0.00)	(146.99)	(7.99)	(0.03)	(0.05)	(21.34)	(5.24)	(39.32)	-	(2.34)	(0.03)	(274.14)
Loans	2,000.25	-	-	-	29,880.00	634.68	(0.00)	321.72	-	1,428.33	-	-	11,218.36	404.29	45,867.63
ECL on loans	(786.79)	-	-	-	(10,633.99)	(254.55)	-	(186.57)	-	(1,015.55)	-	-	(5,423.90)	(99.30)	(18,980.95)
Other Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	53.42	53.42
Total	3,404.62	10.69	0.23	3,210.96	21,959.09	390.07	2.09	319.89	-	444.80	23.42	8.65	10,764.23	14,453.26	54,992.20



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)
(Currency: Indian rupees in millions)

40. Collateral held and other credit enhancements

The below tables show the maximum exposure to credit risk by class of financial asset. They also show the total fair value of collateral and the net exposure to credit risk.

March 31, 2026	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
Financial assets		
Loans:		
Wholesale loans - Secured	43,260.04	Tangible Assets
Wholesale loans - Unsecured	641.61	
Trade receivables	683.15	Tangible Assets
Commercial Papers	1,969.70	
Total financial assets at amortised cost	46,554.49	
Financial assets at FVTPL (except equity)*	3,978.75	Tangible Assets
Total financial instruments at fair value through profit or loss	3,978.75	
	50,533.24	
Loan commitments -Secured	-	
Loan commitments -Unsecured	-	
Other commitments (max exposure)	3.48	
Total	50,536.72	

March 31, 2025	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
Financial assets		
Loans:		
Wholesale loans - Secured	45,453.25	Tangible Assets
Wholesale loans - Unsecured	414.38	
Trade receivables	576.31	Tangible Assets
Commercial Papers	-	
Total financial assets at amortised cost	46,443.94	
Financial assets at FVTPL (except equity)*	13,090.15	Tangible Assets
Total financial instruments at fair value through profit or loss	13,090.15	
	59,534.09	
Loan commitments -Secured	-	
Loan commitments -Unsecured	-	
Other commitments (max exposure)	3.48	
Total	59,537.57	

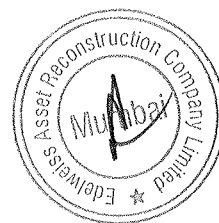
*Financial assets at FVTPL (except equity) and trade receivables comprises of Investment in Security Receipts and fees receivables respectively. Investments in security receipts are made into the security receipts issued by the Trusts and Trusts in turn have used these proceeds to acquire financial assets from banks/Financial Institutions which are secured by collateral, such as Land & Building, Plant & Machinery, Book debts, Inventory and other working capital items, Shares and Others.

Loans including commitments are secured by way of tangible assets such as Land & Building, Plant & Machinery, Book debts, Inventory and other working capital items, Shares and Others.

The below tables provide an analysis of the current fair values of collateral held and credit enhancements for stage 3 assets. Dependent on the level of collateral, some Stage 3 exposures may not have individual ECLs when the expected value of the collateral is greater than the LGD, even in if the future value of collateral is forecast using multiple economic scenarios.

March 31, 2026	Maximum exposure to credit risk (carrying amount before ECL) (A)	Associated ECL (B)	Carrying amount (A-B)	Fair value of collateral
Financial assets				
Loans:				
Wholesale loans	43,809.60	21,028.93	22,780.67	25,805.08
Total financial assets at amortised cost	43,809.60	21,028.93	22,780.67	25,805.08
Loan and other commitments	3.48	-	3.48	-
Total	43,813.08	21,028.93	22,784.15	25,805.08

March 31, 2025	Maximum exposure to credit risk (carrying amount before ECL) (A)	Associated ECL (B)	Carrying amount (A-B)	Fair value of collateral
Financial assets				
Loans:				
Wholesale loans	45,838.88	18,375.54	27,463.34	30,865.06
Total financial assets at amortised cost	45,838.88	18,375.54	27,463.34	30,865.06
Loan and other commitments	3.48	-	3.48	-
Total	45,842.36	18,375.54	27,466.82	30,865.06



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

41. Liquidity risk and funding management

Liquidity risk emanates from the mismatches existing on the balance sheet due to differences in maturity and repayment profile of assets and liabilities. These mismatches could either be forced in nature due to market conditions or created with an interest rate view. Such risk can lead to a possibility of unavailability of funds to meet upcoming obligations arising from liability maturities. To avoid such a scenario, Edelweiss has ensured maintenance of a Liquidity Cushion in the form of Fixed Deposits, Cash, Credit Lines etc. These assets carry minimal credit risk and can be liquidated in a very short period of time. A liquidity cushion amounting to 10-12% of the borrowings is sought to be maintained through such assets. These would be to take care of immediate obligations while continuing to honour our commitments as a going concern. There are available lines of credit from banks which are drawable on notice which further augment the available sources of funds.

41. 1. Analysis of non-derivative financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's non-derivative financial liabilities as at 31 March.

Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that the counterparties will not request repayment on the earliest date it could be required to pay.

As at March 31, 2026	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	Greater than 3 Years	Total
Trade payables	153.72	-	-	-	-	153.72
Debt securities	599.35	2,074.62	347.55	1,937.41	142.72	5,101.65
Borrowings (other than debt securities)	321.63	19.28	37.28	69.64	-	447.84
Other financial liabilities	197.69	25.30	169.81	3,581.28	343.11	4,317.19
Total undiscounted non-derivative financial liabilities	1,272.39	2,119.20	554.64	5,588.33	485.83	10,020.40

As at March 31, 2025	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	Greater than 3 Years	Total
Trade payables	123.10	-	-	-	-	123.10
Debt securities	2,899.67	152.66	389.74	9,381.85	3,286.20	16,110.12
Borrowings (other than debt securities)	780.14	63.77	104.22	228.64	-	1,176.77
Other financial liabilities	1,349.38	11.41	132.89	5,400.53	2,359.69	9,253.90
Total undiscounted non-derivative financial liabilities	5,152.29	227.84	626.85	15,011.02	5,645.89	26,663.89

41. 2. Analysis of non-derivative financial assets by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's non-derivative financial assets as at 31 March.

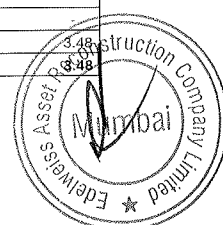
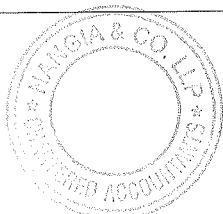
As at March 31, 2026	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	Greater than 3 Years	Total
Cash and cash equivalent and other bank balances	5,492.62	1,361.12	264.02	410.25	0.23	7,528.24
Trade receivables	206.59	5.06	90.04	485.66	-	787.35
Loans	2,039.59	1,929.37	8,992.86	19,127.98	3,094.68	35,184.47
Investments at fair value through profit or loss	1,052.51	697.14	1,482.33	2,997.59	488.19	6,717.76
Investments at fair value through profit or loss pledged as collateral	627.95	181.18	421.97	1,170.96	64.65	2,466.71
Investments at amortised cost	1,969.70	-	-	-	-	1,969.70
Other financial assets	-	-	-	-	53.50	53.50
Total	11,388.95	4,173.88	11,251.22	24,192.45	3,701.24	54,707.74

As at March 31, 2025	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	Greater than 3 Years	Total
Cash and cash equivalent and other bank balances	13,646.34	0.65	12.89	399.67	0.23	14,059.78
Trade receivables	7.30	6.02	34.74	650.52	-	698.58
Loans	3,738.55	2,129.39	5,948.59	23,997.66	5,571.26	41,385.45
Investments at fair value through profit or loss	764.60	584.36	1,918.41	5,110.95	2,437.79	10,816.11
Investments at fair value through profit or loss pledged as collateral	3,450.26	354.93	620.84	5,880.49	2,564.14	12,870.66
Investments at amortised cost	-	-	-	-	-	-
Other financial assets	-	-	50.00	-	3.42	53.42
Total	21,607.05	3,074.70	8,985.78	35,639.86	10,576.61	79,884.00

41.3. The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments.

As at March 31, 2026	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	Greater than 3 Years	Total
Undrawn loan commitments	-	-	-	-	-	-
Other commitments	3.48	-	-	-	-	3.48
Total	3.48	-	-	-	-	3.48

As at March 31, 2025	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	Greater than 3 Years	Total
Undrawn loan commitments	-	-	-	-	-	-
Other commitments	3.48	-	-	-	-	3.48
Total	3.48	-	-	-	-	3.48



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)
(Currency: Indian rupees in millions)

41.4. Financial assets available to support future funding

March 31, 2026	Pledged as collateral	Hypothecation	Available as collateral	Unavailable as collateral*	Total carrying amount
Cash and cash equivalent including bank balance (Refer Note 1)	430.13	-	7,096.61	1.50	7,528.24
Trade receivables	63.03	-	373.84	-	436.87
Loans	-	-	22,856.06	-	22,856.06
Investments	1,221.19	3,728.60	998.66	-	5,948.45
Other financial assets	-	-	53.50	-	53.50
Property, plant and equipment	-	0.97	-	3.79	4.76
Other Intangible assets	-	-	-	8.91	8.91
Other non financial assets	-	-	-	233.76	233.76
Total assets	1,714.35	3,729.57	31,378.67	247.96	37,070.55

March 31, 2025	Pledged as collateral	Hypothecation	Available as collateral	Unavailable as collateral*	Total carrying amount
Cash and cash equivalent including bank balance (Refer Note 1)	1,498.62	-	12,559.66	1.50	14,059.78
Trade receivables	43.87	-	671.74	-	302.17
Loans	-	-	27,486.68	-	27,486.68
Investments	7,578.73	-	5,511.42	-	13,090.15
Other financial assets	-	-	53.42	-	53.42
Property, plant and equipment	-	1.04	-	4.70	5.74
Other Intangible assets	-	-	-	11.89	11.89
Other non financial assets	-	-	-	319.32	319.32
Total assets	7,880.26	-	45,896.27	1,552.62	55,329.15

1. The assets pledged as collateral represents assets available for specific purpose which are not available as collateral for additional borrowings.

* Represents assets which are not pledged, however the asset has been created for specific purpose and hence it is restricted from using to secure funding for legal or other reason.

Refer terms of pledge mentioned in Note 6.1

42. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Board has established limits on the non-trading interest rate gaps for stipulated periods.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the consolidated financial statement of profit and loss and equity. The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non-trading financial assets and financial liabilities held at 31 March 2026, including the effect of hedging instruments. The sensitivity of equity is calculated by revaluing the fixed rate FVOCI, including the effect of any associated hedges and swaps designated as cash flow hedges, at 31 March for the effects of the assumed changes in interest rates. The total sensitivity of equity is based on the assumption that there are parallel shifts in the yield curve.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the consolidated financial statement of profit and loss and equity.

Currency of borrowing / advances	2025-26					
	Increase in basis points	Effect on profit before tax	Effect on Equity	Decrease in basis points	Effect on profit before tax	Effect on Equity
INR	25	(1.91)	-	25	1.91	-

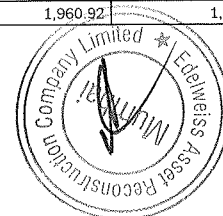
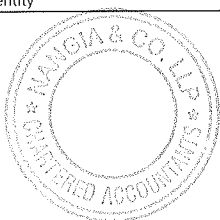
Currency of borrowing / advances	2024-25					
	Increase in basis points	Effect on profit before tax	Effect on Equity	Decrease in basis points	Effect on profit before tax	Effect on Equity
INR	25	(2.59)	-	25	2.59	-

43. Unconsolidated Structured Entities

An entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

The following tables show the carrying amount of the company's recorded interest in its balance sheet as well as the maximum exposure to risk (as defined in below) due to these exposures in the unconsolidated structured entities.

Particulars	March 31, 2026		March 31, 2025	
	Securitisation trusts	Maximum exposure	Securitisation trusts	Maximum exposure
Loans	584.78	584.78	404.28	404.28
Trade Receivables	683.26	683.26	576.31	576.31
Investment in Security Receipts	3,978.75	3,978.75	13,090.15	13,090.15
Total Assets	5,246.78	5,246.78	14,070.75	14,070.75
Off-balance sheet exposure	3.48	3.48	3.48	3.48
Size of the structured entity	68,063.13	68,063.13	1,18,217.85	1,18,217.85
Income from the structured entity	5,099.42	5,099.42	1,960.92	1,960.92



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)
(Currency: Indian rupees in millions)

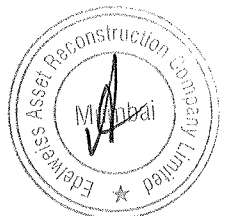
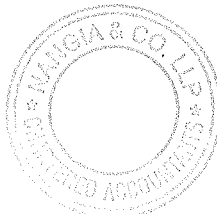
44. Additional Disclosures

The following disclosures have been made taking into account RBI guidelines.

a) Names and addresses of the banks / financial institutions from whom financial assets were acquired and the values at which such assets were acquired from each such bank/financial institution:

Name	Address	As at March 31, 2026 Acquisition Price	As at March 31, 2025 Acquisition Price
Sponsors			
None		Nil	Nil
Sub Total (A)		Nil	Nil

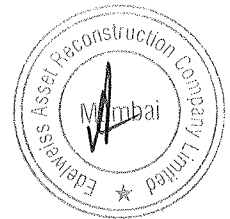
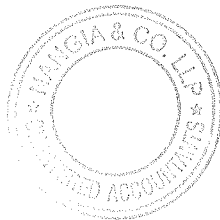
Name	Address	As at March 31, 2026 Acquisition Price	As at March 31, 2025 Acquisition Price
Non-sponsors			
Abhyudaya Co-Operative Bank Limited	K.K.Tower, Abhyudaya Bank Lane, Off. G.D. Ambekar Marg, Parel Village, Mumbai - 400012.	4,000.00	4,000.00
Alchemist Asset Reconstruction Company Limited	A-270, 1st & 2nd Floor, Defence Colony, New Delhi - 110024	758.32	-
Aptus Finance India Private Limited	Aptus Finance India Private Limited, No.8B, 8th Floor, Doshi Towers, 205, Poonamallee High Road, Kilpauk, Chennai - 600010	109.00	-
Aptus Value Housing Finance India Limited	8 B, Doshi Towers, 8th Floor No.205, Poonamallee High Road, Kilpauk, Chennai 600010	394.70	-
Asirvad Micro Finance Limited	9th Floor, No. 9, Club House Road, Anna Salai, Chennai - 600002, Tamil Nadu, India	314.50	314.50
Asset Reconstruction Company (India) Limited	10th Floor, The Ruby, Senapati Bapat Marg, Dadar (West), Mumbai - 400028	2,921.42	2,921.42
Assets Care and Reconstruction Enterprise Limited	14th Floor, Eros Corporate Tower, Nehru Place South East Delhi, New Delhi, Delhi, India, 110019	9,370.10	9,370.10
Au Small Finance Bank Limited	19-A, Ajmer Road, Dhuleshwar Garden, Jaipur, Rajasthan-302001	308.90	308.90
Axis Bank Limited	Corporate Office, 7th Floor, Axis House, C-2, Wadia International Centre, P.B.Marg, Worli, Mumbai-400 025	25,926.49	25,926.49
Axis Finance Limited	Axis House, Ground Floor, Pandurang Budhkar Marg, Worli, Mumbai-400025	164.80	-
Bajaj Finance Limited	6th Floor, Bajaj Finserv Corporate Office, Off Pune-Ahmednagar Road, Viman Nagar, Pune - 411014, And Akurdi, Pune-411035	1,090.95	1,090.95
Bajaj Housing Finance Limited	Bajaj Auto Limited Complex, Mumbai-Pune Road, Akurdi Pune Mh In 411035.	272.74	272.74
Bank Muscat Saog	205-206 Regent Chambers, 2nd Floor, Jammalal Bajaj Road, 208 Nariman Point, Mumbai 400021	336.14	336.14
Bank of Baroda	Bank Of Baroda, Specialized Integrated Treasury Br.Bst, 4th And 5th Floor, C-34 G-Block Bandra Kurla Complex, Mumbai-400051	22,491.03	22,491.03
Bank of India	Treasury Branch, 7th Floor, Star House I, C-5, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051.	31,265.05	31,265.05
Bank of Maharashtra	Treasury & International Banking Division, Apeejay House, 1st Floor, 130 V B Gandhi Marg, Fort, Mumbai	3,002.80	3,002.80
Barclays Bank	801-808 Ceejay House, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400018	40.00	40.00
Canara Bank	Non Slr & Asset Follow-Up Section, Integrated Treasury Wing, 5th Floor, Canara Bank Building, C-14, G Block, Bandra Kurla Complex, Bandra East, Mumbai- 400051	21,425.40	21,425.40
Central Bank of India	Central Bank Of India Treasury Department, Chandramukhi Building, Nariman Point, Mumbai-400021	31,902.12	31,902.12
Centrum Housing Finance Limited	Centrum House C.S.T. Road, Vidyanagari Marg, Kalina Santacruz (East), Mumbai - 400 098	173.50	68.80
CFM Asset Reconstruction Private Limited	1st Floor, Wakefield House, Sprott Road, Ballard Estate, Mumbai-400038	6,510.00	6,510.00
Cholamandalam Investments & Finance Company Limited	Dare House No. 2 N S C Bose Road, Parrys Chennai In In 600001.	56.20	56.20
Credit Agricole Corporate and Investment Bank	Hoechst House 11th Floor, Nariman Point Mumbai Mh 400021	540.00	540.00
CSB Bank Limited	Integrated Treasury, 1st Floor, Siroya Centre, Sahar Airport Road, Andheri East, Mumbai - 400099	100.00	100.00
DBS Bank India Limited	Express Towers, DBS Bank India Limited, Ground Floor, Nariman Point, Mumbai, Maharashtra 400021	2,004.76	2,004.76
DBS Bank Limited	Level 19, Express Tower, Nariman Point, Mumbai - 400 021	1,900.00	1,900.00
ECL Finance Limited	Edelweiss House Off, CST Road Kalina, Mumbai, Maharashtra, India, 400098	66,081.70	66,081.70
Edel Finance Company Limited	Edelweiss House, Off CST Road, Kalina, Mumbai, Maharashtra, India, 400098	3,080.32	3,080.32
Edelweiss Retail Finance Limited	Tower 3, Wing B, Kohinoor City Mall, Kohinoor City, Kiroli Road, Kurla (West), Mumbai - 400 070	775.29	775.29
Export Import Bank of India	Centre One Building, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai - 400005	18,591.93	18,591.93
Fincare Small Finance Bank Limited	5th Floor, Bren Mercury, Kalkondanahalli, Sarjapur Main Rd Bangalore, Kalkondanahalli-560035	403.90	403.90
Goldman Sachs (India) Finance Private Limited	Rational House, A, 951, Appasaheb Marathe Marg, Prabhadevi, Mumbai, Maharashtra 400025	5,500.00	5,500.00
Griham Housing Finance Limited (Formerly Poonawalla Housing Finance Ltd & Magma Housing Finance Ltd	Griham Housing Finance Limited, 6th Floor, B Building, Ganga Trueno, Lohegaon, Pune, Maharashtra 411014	1,067.38	709.48
HDB Financial Services Limited	Zenith House, Ground Floor K K Marg, Opp Mahalaxmi Race Course Mahalaxmi, Mumbai, Maharashtra, India, 400034	4,922.32	4,788.32
HDFC Bank Limited	Treasury Operations, Lodha - I Think Techno Campus, Building - Alpha, 4th Floor, Near Kanjurmarg Railway Station, Kanjurmarg (E), Mumbai - 400042	16,645.30	16,289.80
HSBC Limited	52, 60, Mahatma Gandhi Road, Kala Gorda, Fort, Mumbai, Maharashtra 400001	2,152.00	2,152.00
ICICI Bank Limited	ICICI Bank Towers, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	29,653.22	29,253.12
ICICI Home Finance Company Limited	ICICI Bank Towers, G-Block, Bandra Kurla Complex, Mumbai - 400 051	179.39	179.39
IDBI Bank Limited	Nmg Department & Treasury Department, 7th Floor, Idbi Tower, Wtc Complex Cuffe Parade, Mumbai, Maharashtra, India, 400005	4,607.75	4,607.75
IDFC First Bank Limited	Treasury Operations 9th Floor, C-62, G-Block, Vibgyor Towers Bandra Kurla Complex, Bandra (East) Mumbai - 400 051	30,983.90	30,983.90
IIFL Home Finance Limited	Registered Office- IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Midc, Thane Industrial Area, Wagale Estate, Thane - 400604	474.20	-
India Infrastructure Finance Company Limited	5th Floor, Block 2, Plate A & B, Nbcc Tower, East Kidwai Nagar, New Delhi-110023	5,711.50	5,711.50
Indiabulls Commercial Credit Limited	One International Centre, Tower 1, 18th Floor Senapati Bapat Marg, Fitwala Rd, W, Mumbai, Maharashtra 400013	960.37	960.37
Indian Bank	Indian Bank, Treasury Branch 1st Floor, Altabad Bank Building, Near By Bombay Stock Exchange, 37, Mumbai Samachar Marg, Fort, Mumbai - 400023	22,104.22	22,104.22
Indian Overseas Bank	Treasury Department, Central Office, 4th Floor, Annexure Building No.763, Anna Salai, Chennai - 600 002	32,154.66	32,154.66
IndusInd Bank Limited	11Th Floor, Tower 1, One World Centre 841, S.B. Marg Elphinstone Road, Mumbai - 400 013	34,525.77	34,525.77
Industrial Finance Corporation of India	Ifci Tower, 61 Nehru Place, New Delhi 110019	13,237.50	13,237.50
Industrial Investment Bank of India	19 Netaji Subhas Road 2Nd Floor Kolkata Wb 700001	257.60	257.60
Irep Credit Capital Pvt Limited	22nd Floor, Sunshinetower, S B Road, Dadar (West), Mumbai-400013	195.00	-
J.C. Flowers Asset Reconstruction Private Limited	12th Floor, Crompton Greaves House, Dr Annie Besant Rd, Century Bazaar, Worli, Mumbai, Maharashtra 400030	365.05	365.05



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)
(Currency: Indian rupees in millions)

Name	Address	As at March 31, 2026	As at March 31, 2025
		Acquisition Price	Acquisition Price
Jammu & Kashmir Bank Limited	National Business Centre, Treasury Operations, 3rd & 4th Floor, Bandra Kurla Complex, Bandra East Mumbai-400051.	10,750.00	10,750.00
JP Morgan Chase Bank	Prism Towers, Level Nos. 9 To 11, Link Road, Mindspace, Goregaon (West), Mumbai Mh In 400104.	194.00	194.00
Kotak Mahindra Bank Limited	Treasury Operations, 7th Floor, 12 Bkc, C-12, G Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra, India, 400051	345.31	345.31
L&T Finance Limited	Brindavan Plot No 177, Cst Road, Kalina Santacruz East, Mumbai, Maharashtra, India, 400098	19,963.43	19,963.43
Nido Home Finance Limited (Edelweiss Housing Finance Limited)	Edelweiss Housing Finance Ltd, Edelweiss House Off Cst Road, Kalina, Mumbai, Maharashtra, India, 400098	3,268.96	3,268.96
Omkara Assets Reconstruction Private Limited	47 Floor, Kohinoor Square, N.C Kelkar Road, Ram Ganesh Gadkari Chowk, Opp. Shiv Sena Bhavan, Dadar West, Mumbai, Maharashtra 400028	2,300.00	2,300.00
Piramal Finance Limited	Unit No 601 6th Floor Amity Bldg, Agastya Corporate Park, Kamani Junction Opp Fire Station, Mumbai, Maharashtra, India, 400070	1,481.98	1,481.98
PNB Housing Finance Limited	9th Floor, Antriksh Bhavan, 22 Kasturba Gandhi Marg, Near Connaught Place, New Delhi-110001	127.00	127.00
Poonawalla Fincorp Limited	Near Raga Lawns, 201 And 202 2nd Floor, Ap81 Koregaon Park Annex, Pune, Maharashtra, India, 411036	869.10	869.10
Pridivi Asset Reconstruction And Securitisation Company Limited	Raja Praasadamu, 4th Floor, Wing No. 1, Plot No. 6, 6A, 6B, Masjid Banda Road, Kondapur Hyderabad Tg In 500084	3,301.60	3,301.60
PTC Financial Services Limited	7th Floor, Telephone Exchange Building, 8 Bhikaji Cama Place, New Delhi, Delhi-110066	346.20	346.20
Punjab and Sind Bank	H.O. Funds Management Dept 1st Floor, Bank House 21, Rajendra Palace, New Delhi-110008	1,103.50	1,103.50
Punjab National Bank	Ho: Treasury Division, C-29, G Block, Pnb Bld Tower, Opposite Jio Garden Gate No. 9, Bandra Kurla	37,635.89	37,635.89
Rabobank International (CCHB)	Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013	299.20	299.20
Rare Asset Reconstruction Limited	203 Gala Argos, Beside Hanikpura Tower, Near Ellisbridge Gymkhana Gujarat College Road Ahmedabad Ahmedabad GJ 380007	7,100.10	7,100.10
Reliance Commercial Finance Limited	The Ruby, 11th Floor, North West Wing, Plot No. 29, Jk Sawant Marg, Dadar West, Dadar, Mumbai, Maharashtra 400028	300.00	300.00
Religare Housing Development Finance Corporation Limited	1407, 14th Floor, Chiranjiv Tower, 43, Nehru Place New Delhi South Delhi DI 110019	116.90	116.90
Sammaan Capital Limited	4th Floor, Augusta Point, Golf Course Road, Dlf Phase 3, Sector-53 Dlf Qe, Gurgaon, Haryana, India, 122002	25,439.63	25,439.63
SBFC Finance Limited	Unit 103, C&B Square, Sangam Carnival Cinemas, Chakala, Andheri East, Mumbai, Maharashtra 400059	360.10	158.00
State Industrial and Investment Corporation of Maharashtra Limited (SICOM)	Soitaire Corporate Park, Building No. 4, Guru Hargovindji Road, Mumbai, Maharashtra 400093	724.70	724.70
Small Industries Development Bank of India (SIDBI)	Sidbi Tower, 15, Ashok Marg, Lucknow ; Postcode: 226001 ; City/Parish: Lucknow	276.58	276.58
Slace Small Finance Bank Limited	G.S. Point, G.S. Road, Vlt- Sarumataria, Opp. Dispur Fire Station, Sachivalaya, Dispur, Guwahati, 781006	1,498.60	1,498.60
SMFG India Credit Company Limited	10th Floor, Office No.101, 102, & 103, 2 North Avenue, Maker Maxity, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	37.80	-
Standard Chartered Bank	Crescenzo C-38/39, G Block Bkc, Bandra East, Mumbai, Maharashtra-400051	459.50	459.50
State Bank of India	Securities Services Branch, Global Markets, 2nd Floor, 'Synergy' Sbi Lho Building Opposite National Stock Exchange C-6, G Block, Bandra - Kurla Complex,	1,23,983.13	1,23,829.13
Stressed Assets Stabilization Fund	3rd Floor, 'D' Wing, Idbi Tower, Wtc Complex, Cuffe Parade, Mumbai - 400 005	160.00	160.00
Suryoday Small Finance Bank Limited	Hdfc Bank Limited, Custody Operation, Sempire Plaza Twr-1, 4th Floor, Cha, Ndan Nagarlbs Marg, Vikhroli West, Mumbai, Maharashtra, India, 400083	1,662.52	1,665.30
Tata Capital Financial Services Limited	11th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013	213.50	213.50
The Federal Bank Limited	Treasury Department, C-8 1st Floor Laxmi Towers, Bandra -Kurla Complex, Mumbai, Maharashtra, India, 400051	3,859.29	3,859.29
The Karnataka Bank Limited	P B No 599, Regd And Head Office, Mahaveera Circle Kankanady, Mangalore, Karnataka, India, 575002	618.30	618.30
The Karur Vysya Bank Limited	Treasury Department, 954, 2nd Floor, Gayathri Towers, Appasaheb Marathe Marg, Mumbai, Maharashtra, India, 400025	967.00	967.00
The Royal Bank of Scotland Plc	2, Senapati Bapat Marg, Railway Colony, Lower Parel, Mumbai, Maharashtra 400013	290.30	290.30
The South Indian Bank Limited	Crescenzo 804 8th Floor B Wing, G Block Behind Mca Ground, Bandra Kurla Complex Bandra E, Mumbai, Maharashtra, India, 400051	1,887.50	1,887.50
Tourism Finance Corporation of India	607 Lodha Supremus, Senapati Bapat Marg, Opp. Kamala Mills Compound, Lower Parel, Mumbai, Maharashtra 400013	145.00	145.00
Truhome Finance Limited	Truhome Finance Limited, Level 3, Wockhardt Towers, East Wing C-2, G - Block, Bandra Kurla Complex, Mumbai - 400051	186.20	-
Tyger Capital Private Limited (Formerly Adani Capital Private Limited)	Adani House, 56 Shrimati Society, Navrangpura, Ahmedabad, Gujarat, India, 380009	344.35	241.95
U GRO Capital Limited	4Th Floor, Tower-3 West Wing, Equinox Business Park, Off Bkc, Lbs Road, Kurla (W), Mumbai-400070, Maharashtra	237.50	237.50
UCO Bank	Treasury Branch, 3rd Flr, Uco Bank Bldg, 359, D. N. Road, Fort, Mumbai-400001	11,119.50	11,119.50
Union Bank of India	239, 3rd Floor Union Bank Bhavan, Vidhan, Bhavan Marg, Nariman Point, Mumbai - 400021	12,670.73	12,670.73
Unity Small Finance Bank Limited	Unity Small Finance Bank Limited (Unity), 1st Floor, Vinay Bhavya Complex, Cst Road, Kalina, Mumbai 400098	285.40	285.40
Varthana Finance Private Limited	Varasiddhi, 3rd Floor, No. 58c-110 Service Road, 3rd Block, Hrbr Layout, Bangalore-560043	985.30	985.30
Vistaar Financial Services Private Limited	Office At Plot No. 59 & 60 - 23, 22Nd Cross, 29Th Main, 8Th Layout, 2nd Stage, Bengaluru - 560076	220.80	-
Yes Bank Limited	Resolution And Recoveries Unit, Yes Bank House, 6Th Floor, North Wing, Off Western Express Highway, Santacruz - East, Mumbai - 400055	5,412.30	4,839.00
Sub Total (B)		7,45,557.88	7,40,635.81
Grand Total (A+B)		7,45,557.88	7,40,635.81

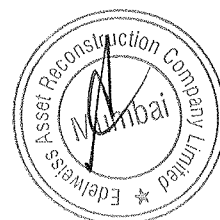


Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)
(Currency: Indian rupees in millions)

b) Dispersion of various financial assets industry-wise and sponsor-wise:

Industry	As at March 31, 2026		As at March 31, 2025	
	Acquisition Price	Percentage to total acquisition price	Acquisition Price	Percentage to total acquisition price
Sponsors				
None	-	-	-	-
Sub Total (A)	-	-	-	-
Non Sponsors				
Agro, Food & Food Processing	18,562.36	2.49%	18,562.36	2.51%
Agro, Food & Food Processing - Others	6,283.71	0.85%	6,283.71	0.85%
Consumer Foods, Beverages & Tobacco	6,755.80	0.91%	6,755.80	0.91%
Dairy & Milk Products	608.03	0.08%	608.03	0.08%
Ethanol & Sugar	4,914.83	0.66%	4,914.83	0.66%
Allied Services - Infra and Others	311.00	0.04%	311.00	0.04%
Services providers to Infrastructure projects viz. Airport, SEZ, Telecom, Renewable power	311.00	0.04%	311.00	0.04%
Auto & Auto Ancillary	13,753.40	1.84%	13,753.40	1.86%
Vehicles, Vehicle Parts, & Transport Equipment	13,753.40	1.84%	13,753.40	1.86%
Chemical & Chemical Products	24,465.21	3.28%	24,465.21	3.30%
Chemicals & Chemical Products - Others	1,399.00	0.19%	1,399.00	0.19%
Drugs & Pharmaceuticals	21,007.61	2.84%	21,007.61	2.84%
Fertilizers, Pesticides & other agrochemicals	140.00	0.02%	140.00	0.02%
Petrochemicals	1,918.60	0.26%	1,918.60	0.26%
Construction Material & Allied Products	38,277.99	5.13%	38,277.99	5.17%
Cement & Cement Products	38,277.99	5.13%	38,277.99	5.17%
Education	5,274.90	0.71%	5,274.90	0.71%
Educational institutions & Educational Technology Company	5,274.90	0.71%	5,274.90	0.71%
Engineering	12,880.50	1.73%	12,880.50	1.74%
Engineering - Electronics & Electricals	8,520.80	1.15%	8,520.80	1.15%
Engineering - Machinery & Equipment	4,359.70	0.59%	4,359.70	0.59%
Engineering Procurement Construction (EPC)	18,835.55	2.53%	18,835.55	2.54%
EPC	18,835.55	2.53%	18,835.55	2.54%
Financial Institutions (FI)	3,442.40	0.46%	3,442.40	0.46%
Banking, Financial Services, & Insurance	3,442.40	0.46%	3,442.40	0.46%
Gems & Jewellery	2,745.50	0.37%	2,745.50	0.37%
Gems & Jewellery	2,745.50	0.37%	2,745.50	0.37%
Glass & Glassware	3,471.75	0.47%	3,471.75	0.47%
Glass & Glassware	3,471.75	0.47%	3,471.75	0.47%
Healthcare	1,348.80	0.18%	1,348.80	0.18%
Hospitals & Diagnostic center	1,348.80	0.18%	1,348.80	0.18%
Hospitality & Entertainment	27,963.40	3.75%	27,963.40	3.78%
Entertainment - Theme Parks, Cinemas, Media Houses	3,911.90	0.53%	3,911.90	0.53%
Hospitality - Hotels, Motels, Resorts, & Restaurants	24,051.50	3.25%	24,051.50	3.25%
Information & Technology	5,700.90	0.76%	5,700.90	0.77%
Information Technology & Information Technology Enabled Services (ITES)	5,700.90	0.76%	5,700.90	0.77%
Infrastructure - Others	6,686.30	0.90%	6,686.30	0.90%
Infrastructure - Others	150.00	0.02%	150.00	0.02%
Social & Commercial Infrastructure	6,057.00	0.82%	6,057.00	0.82%
Solid Waste Management	469.30	0.06%	469.30	0.06%
Water & Sanitation	10.00	0.00%	10.00	0.00%
Infrastructure - Ports	18,706.80	2.51%	18,706.80	2.53%
Port and Airport	18,706.80	2.51%	18,706.80	2.53%
Infrastructure - Road	4,438.30	0.60%	4,438.30	0.60%
Roads, Highways, & Bridges	4,438.30	0.60%	4,438.30	0.60%
Infrastructure - SEZ	17,504.80	2.35%	17,504.80	2.36%
SEZ, Warehouse, Cold Storage	17,504.80	2.35%	17,504.80	2.36%
Infrastructure - Telecom	30,948.79	4.15%	30,948.79	4.18%
Telecom Infrastructure	30,948.79	4.15%	30,948.79	4.18%
Metal & Metal Products	1,20,171.55	16.12%	1,20,171.55	16.23%
Iron & Steel	1,09,837.32	14.83%	1,09,837.32	14.83%
Metal & Metal Products - Others	10,334.23	1.40%	10,334.23	1.40%
Mining	3,238.10	0.43%	3,238.10	0.44%
Mining & Quarrying	3,238.10	0.43%	3,238.10	0.44%
Others*	5,404.54	0.72%	5,404.54	0.73%
Others	5,404.54	0.72%	5,404.54	0.73%
Paper & Paper Products	39,053.94	5.24%	39,053.94	5.27%
Paper & Paper Products	39,053.94	5.24%	39,053.94	5.27%
Power	68,169.47	9.14%	68,169.47	9.20%
Power Generation - Renewable (Hydro, Solar, Wind)	12,742.89	1.72%	12,742.89	1.72%
Power Generation - Thermal Power	44,389.30	5.99%	44,389.30	5.99%
Power Transmission & Distribution	11,037.28	1.49%	11,037.28	1.49%
Real Estate- Others	51,085.67	6.85%	51,085.67	6.90%
Real Estate - Completed	101.20	0.01%	101.20	0.01%
Real Estate - Land	3,000.00	0.41%	3,000.00	0.41%
Real Estate - Others	47,984.47	6.48%	47,984.47	6.48%
Real Estate- Under Construction	85,306.02	11.44%	85,306.02	11.52%
Real Estate - Under Construction	85,306.02	11.44%	85,306.02	11.52%
Retail	58,965.66	7.91%	54,801.94	7.40%
Retail Portfolio	58,965.66	7.91%	54,801.94	7.40%
Rubber & Plastic Products	3,932.50	0.53%	3,932.50	0.53%
Rubber & Plastic Products	3,932.50	0.53%	3,932.50	0.53%
Shipping & Ship Building	20,386.04	2.73%	20,386.04	2.75%
Shipping & Ship Building	20,386.04	2.73%	20,386.04	2.75%
Textiles	32,424.71	4.35%	31,666.39	4.28%
Apparel & Accessories - Leather & their Products	452.90	0.06%	452.90	0.06%
Cotton, Silk, Wool, Jute, & Yarns	29,282.03	3.95%	29,282.03	3.95%
Fabric & Garment Manufacturing	2,566.82	0.24%	1,808.50	0.24%
Textiles - Others	122.96	0.02%	122.96	0.02%
Trading & Distribution	2,017.23	0.27%	2,017.23	0.27%
Wholesale & Retail - Traders & Distributors	2,017.23	0.27%	2,017.23	0.27%
Wood & Wood Products	83.80	0.01%	83.80	0.01%
Wood & Wood Products	83.80	0.01%	83.80	0.01%
Sub Total (B)	7,45,557.86	100.00%	7,40,635.81	100.00%
Grand Total (B)	7,45,557.86	100.00%	7,40,635.81	100.00%



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

c) Other additional disclosures:

Particulars	March 31, 2026	March 31, 2025
Value of financial assets acquired during the year	4,924.82	1,842.30
Value of financial assets realised during the year	85,833.76	56,696.61
Value of financial assets outstanding for realisation at end of year	79,072.50	1,23,766.20
Value of Security Receipts redeemed partially during the year	30,365.61	34,776.38
Value of Security Receipts redeemed fully during the year	18,938.79	4,970.78
Value of Security Receipts pending for redemption at end of year	90,467.61	1,45,398.27
Value of SRs which could not be redeemed as a result of non-realisation of the financial asset as per the policy formulated under paragraph 10.2 or 10.3 as per Master direction dated April 24, 2024	2,44,358.70	2,79,470.02
Value of land and/or building acquired in ordinary course of business of reconstruction of assets	-	-
Expected cashflows against the financial assets outstanding	1,24,134.53	2,24,485.97

-Restructuring Loan disbursed to 4 borrowers/ borrower groups (Previous Year: 3) amounting to Rs. 1,053 millions (Previous Year: Rs. 1,048 millions) has been classified as Non-Performing asset as at March 31, 2026.

- Details of assets where acquisition value is more than book value.

For the year ended March 31, 2026: Nil

For the year ended March 31, 2025: Nil

- Details of physical assets disposed off by the Company during the year at a discount of more than 20% of valuation as on previous year end are as follows:

Name of the account	Modified Disclosure reason	Distress Sale Value as per valuation report	Sale Price
Mukesh Madhukar Magare - EARC Trust SC 371	The 1 BHK flat at Revdanda, Raigad, located in a 10-year-old building with no modern amenities and poor access, was initially valued at ₹14.09 lakh but failed to attract bidders in two auctions. Considering market benchmarks and locational constraints, the reserve was reduced, and in April 2025 the property was successfully sold at ₹9.2 lakh	1.17	0.92
Ramnarayan Das - EARC Trust SC 370	Possession of the 1 BHK flat in Virar, Palghar was taken in January 2025. Despite a valuation of ₹9.99 lakh RSV and ₹8.81 lakh DSV, the first auction at ₹7.25 lakh failed due to poor condition, society dues of ₹2.26 lakh, and locational disadvantages. A second auction in May 2025 with a reserve of ₹6.25 lakh was successful, and the property was sold at ₹6.35 lakh	0.88	0.64
Gopal Dairy - EARC Trust SC 410	The shop property at Kadodra, Surat, taken into possession in December 2022, faced multiple failed auctions despite valuations between ₹8.71 lakh and ₹6.58 lakh, owing to poor maintenance, low occupancy, and lack of surrounding development. Based on market feedback, the reserve was reduced, and in August 2025 the property was successfully sold at ₹5.10 lakh	0.66	0.51
Mohammed Imran Qureshi - EARC Trust SC 477	The 1 BHK flat at Neral, Raigad, taken into possession in November 2024, faced weak demand due to poor occupancy, incomplete project status, and maintenance issues, despite a valuation of ₹15.89 lakh RSV and ₹14.01 lakh DSV. After the first auction at ₹13 lakh failed, the reserve was reduced, and in September 2025 the property was successfully sold at ₹11.10 lakh	1.40	1.11
Naineshkumar Ashwinkumar Pandya - EARC Trust SC 482	Possession of the 1 BHK flat in the old city area of Vadodara was taken in March 2024. Despite valuations of ₹10.28 lakh RSV and ₹9.07 lakh DSV, three auction attempts failed due to poor maintenance, migration-led demand slump, and low marketability. Based on market feedback, the fourth auction in November 2025 with a reserve of ₹5.5 lakh was successful, and the property was sold at ₹5.6 lakh	0.75	0.56

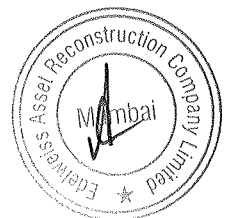
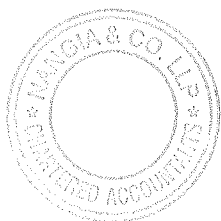


Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

Name of the account	Modified Disclosure reason	Distress Sale Value as per valuation report	Sale Price
Sanjay G Lathiya - EARC Trust SC 477	Possession of the 12-year-old row house in Kosamba, Surat was taken in March 2025. Despite valuations of ₹17.41 lakh RSV and ₹15.36 lakh DSV, auctions in June and November 2025 failed due to very low occupancy and weak demand. Considering market feedback, the reserve was reduced, and in December 2025 the property was successfully sold at ₹10.10 lakh	1.54	1.01
Ajitsinh Mangaji Thakor - EARC Trust SC 422	Possession of the residential property in Vadod village, about 10 km from Anand city, was taken in June 2024. Despite valuations of ₹13.47 lakh RSV and ₹11.22 lakh DSV, four auction attempts failed due to weak demand and locational disadvantages. Based on market feedback, the reserve was reduced, and in December 2025 the property was successfully sold at ₹8.10 lakh	1.08	0.81
Sanjay G Lathiya - EARC Trust SC 477	Possession of the row house in Kosamba, Surat was taken in March 2025. Despite valuations of ₹16.91 lakh RSV and ₹14.92 lakh DSV, auctions in June and November 2025 failed due to very low occupancy and weak demand. Considering market feedback, the reserve was reduced, and in December 2025 the property was successfully sold at ₹10.10 lakh	1.49	1.01
Hiren Sharadbhai Mistry - EARC Trust SC 481	Possession of the residential flat in Vatva, Vinzol, Ahmedabad was taken in June 2024. Despite valuations of ₹15.8 lakh RSV and ₹13.19 lakh DSV, three auction attempts between September 2024 and November 2025 failed due to the industrial surroundings, weak demand, and limited buyer interest. Considering market feedback, the reserve was reduced, and in January 2026 the property was successfully sold at ₹10.10 lakh	1.29	1.01
Ghanshyam R Kunjadiya - EARC Trust SC 492	Possession of the residential flat in Bardoli, about 40 km from Surat, was taken in February 2025. Despite valuations of ₹7.70 lakh RSV and ₹6.80 lakh DSV, three auction attempts between May and November 2025 failed due to poor condition, lack of amenities, and weak demand in the locality. Based on market feedback, the reserve was reduced, and in January 2026 the property was successfully sold at ₹5.10 lakh	0.68	0.51
Sanjay Dnyandeo Bankar - EARC Trust SC 477	Possession of the 2 BHK flat near Baramati Railway Station was taken in March 2018. Despite valuations of ₹17.36 lakh RSV and ₹15.32 lakh DSV, three auction attempts between March and September 2025 failed due to the dilapidated condition, incomplete works, and weak demand in the locality. Considering market feedback, the reserve was reduced, and in October 2025 the property was successfully sold at ₹12.10 lakh	1.53	1.21
Subodh P Walavalkar - EARC Trust SC 371	Possession of the residential unit in Badlapur East was taken in May 2023. Despite valuations of ₹21.42 lakh RSV and ₹17.85 lakh DSV, auction attempts in May 2024 and February 2025 failed due to developer dues of ₹7.62 lakh and weak demand. Considering market feedback, the reserve was reduced, and in December 2025 the property was successfully sold at ₹13.10 lakh, with the buyer settling the developer's outstanding dues.	1.82	1.31
Chetan Mafattal Doshi - EARC Trust SC 371	Possession of the 2 BHK flat near Boisar Railway Station was taken in November 2022. Despite valuations of ₹20.18 lakh RSV and ₹16.82 lakh DSV, auction attempts in June and December 2024 failed due to poor accessibility, structural deficiencies, and weak demand in the locality. Considering market feedback and comparable sales, the reserve was reduced, and in December 2025 the property was successfully sold at ₹15.20 lakh	2.01	1.52
Veena Prashant Bhople - EARC Trust SC 424	Possession of the 2 BHK flat in a 23-year-old Gunthewari building at Baramati was taken in January 2024. Despite valuations of ₹22.47 lakh RSV and ₹18.73 lakh DSV, auction attempts in January and October 2025 failed due to property tax dues, poor condition, and weak demand in the locality. Considering market feedback, the reserve was reduced, and in December 2025 the property was successfully sold at ₹9.10 lakh	1.67	0.91

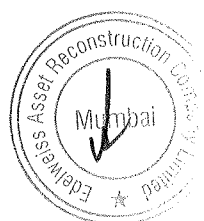
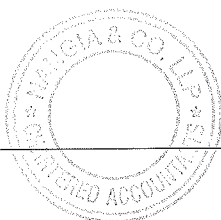


Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

Name of the account	Modified Disclosure reason	Distress Sale Value as per valuation report	Sale Price
Santosh Kashinath Chavan - EARC Trust SC 417	Possession of the 22-year-old residential flat near Pune was taken in January 2025. Despite valuations of ₹25.50 lakh RSV and ₹22.50 lakh DSV, auction attempts in April, July, and December 2025 failed due to restrictions on Gowthan property registration, floodline zoning, and weak demand. Considering market feedback, the reserve was reduced, and in January 2026 the property was successfully sold at ₹15.10 lakh	2.25	1.51
Anand Harikisan Dayama - EARC Trust SC 410	Possession was taken in September 2022 located at Singhgad Road, Pune. Due to significant encumbrances and lack of bidder interest, auctions at a reserve price of ₹22 lakh failed. Based on market feedback, the reserve price was reduced to ₹18 lakh in January 2026, and the property was sold for ₹18.10 lakh.	2.36	1.81
Daniel Peter Alhat - EARC Trust SC 371	Possession of the 1 BHK flat in a 12-year-old building at Shirgoan Village, about 3 km from Badlapur, was taken in October 2023. Despite valuations of ₹20.00 lakh RSV and ₹18.00 lakh DSV, multiple auction attempts between December 2023 and September 2025 failed due to society dues of ₹2.69 lakh and weak demand. Considering market feedback and encumbrances, the reserve was reduced, and in January 2026 the property was successfully sold at	1.65	1.32
Ishtiyaque Shaikh - EARC Trust SC 401	Possession of the 1 BHK flat on the ground floor at Lodha Palava, Dombivli was taken on 18 May 2023. Despite valuations of ₹39.17 lakh RSV and ₹34.56 lakh DSV, auction attempts in June and December 2024 failed due to substantial society dues of ₹2.30 lakh and weak demand. Considering market feedback and encumbrances, the reserve was reduced, and in January 2026 the property was successfully sold at ₹18.10 lakh.	2.82	1.81
Bhimrao Sakaru Pawar - EARC Trust SC 477	Possession of the residential flat on Agashi Road, about 6-7 km from Virar Railway Station, was taken in April 2025. Despite valuations of ₹14.55 lakh RSV and ₹12.84 lakh DSV, auction attempts in December 2025 failed due to encumbrances, absence of lift, registration complications, and weak demand. Considering market feedback and liabilities, the reserve was reduced, and in January 2026 the property was successfully sold at ₹9.10 lakh	1.28	0.91
Vishal Anant Gaikwad - EARC Trust SC 477	Possession of the residential flat on the 7th floor at Joveli Village, about 4 km from Badlapur Railway Station, was taken in April 2022. Despite valuations of ₹18.81 lakh RSV and ₹16.60 lakh DSV, auction attempts in June, September, and December 2025 failed due to low occupancy, multiple bank notices on the building, and poor accessibility. Considering market feedback, the reserve was reduced, and in January 2026 the property	1.40	1.11
Negandhi Jayesh Ranjit - EARC Trust SC 469	Possession of the 1 BHK flat at Lodha Palava, Dombivli was taken in October 2020. Despite valuations of ₹36.28 lakh RSV and ₹32.01 lakh DSV, auction attempts in November 2024 and December 2025 failed due to property tax arrears of ₹80,000, society dues of ₹4.10 lakh, and oversupply of comparable units. Considering market feedback and encumbrances, the reserve was reduced, and in January 2026 the property was	3.20	2.31
Sunny Babu Patel - EARC Trust SC 371	Possession of the 1 RK flat on the ground floor at Shirgaon, Badlapur was taken in July 2025. Despite valuations of ₹19.54 lakh RSV and ₹17.24 lakh DSV, auction attempts in November 2025 and January 2026 failed due to flooding issues, repair needs, and outstanding dues of ₹1.81 lakh. Considering market feedback and encumbrances, the reserve was reduced, and in March 2026 the property was successfully sold at ₹13.30 lakh, effectively realizing	1.72	1.33
Kashinath S Sahu - EARC Trust SC 482	Possession of the 2 BHK flat at Sachin, about 25 km from Surat city, was taken in September 2024. Despite valuations of ₹15.30 lakh RSV and ₹13.05 lakh DSV, auction attempts in July 2025, January 2026, and February 2026 failed due to poor building maintenance, average locality development, and weak demand. Considering market feedback, the reserve was reduced, and in March 2026 the property was successfully sold at ₹8.10 lakh.	1.09	0.81
Srikanth M M - EARC Trust SC 469	Possession of the 2 BHK flat at Marasur Village, Kasaba Hobli was taken in September 2024. Despite valuations of ₹19.65 lakh RSV and ₹17.34 lakh DSV, auction attempts in December 2025 and January 2026 failed due to poor building maintenance and prevailing negative market sentiment. Considering market feedback, the reserve was reduced, and in March 2026 the property was successfully sold at ₹12.10 lakh.	1.73	1.21

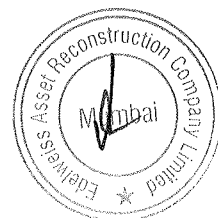
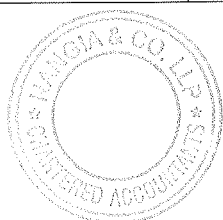


Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

Name of the account	Modified Disclosure reason	Distress Sale Value as per valuation report	Sale Price
Aarti Agrawal - EARC Trust SC 477	Possession of the 1 BHK flat, about 33 km from Indore city, was taken in March 2021. Despite valuations of ₹11.42 lakh RSV and ₹9.40 lakh DSV, six auction attempts between April 2024 and March 2025 failed due to poor maintenance, weak demand, and lack of bidder participation, even after over 40 site inspections. Considering market feedback, the reserve was reduced, and in March 2026 the property was successfully sold at	1.10	0.81
Sufi Export - EARC Trust SC 410	Possession of the 1 BHK studio apartment on the 4th floor at Jaipur was taken in August 2023. Despite valuations of ₹19.58 lakh RSV and ₹17.28 lakh DSV, auction attempts in October 2024 and February 2026 failed due to poor building maintenance, non-functional lift, vacancy-related repair needs, and weak buyer perception in the locality. Considering market feedback, the reserve was reduced, and in March 2026 the property was successfully sold at	2.02	1.51
Sattaadhar Hotel - EARC Trust SC 375	Possession of the ground-floor commercial shop at Sachin, Surat was taken in January 2023. Despite valuations of ₹62.13 lakh RSV and ₹54.82 lakh DSV, four auction attempts between March 2023 and April 2025 failed due to poor building condition, low occupancy, outstanding dues of about ₹15 lakh, and land-use complications. Considering market feedback and liabilities, the reserve was reduced, and in March 2026 the	4.54	3.01
Mamta Kumari Kishorkumar - EARC Trust SC 443	Possession of the MIG residential flat at Kamrej, Surat was taken in May 2024. Despite valuations of ₹10.96 lakh RSV and ₹9.67 lakh DSV, the auction attempt in November 2025 failed due to poor locality perception, adjoining drain, and weak demand. Considering market feedback and property condition, the reserve was reduced, and in March 2026 the property was successfully sold at ₹7.10 lakh.	0.97	0.71
Sawant Vijay Maruti - EARC Trust SC 469	Possession of the 1 BHK flat at Lodha Casa, Palava City was taken in September 2023. Despite valuations of ₹35.49 lakh RSV and ₹31.31 lakh DSV, auction attempts in December 2025 and January 2026 failed due to outstanding dues of about ₹4.58 lakh, weak buyer sentiment, and limited demand in the locality. Considering market feedback and liabilities, the reserve was reduced, and in March 2026 the property was successfully sold at	3.13	2.26
Ashok Photoframe House - EARC Trust SC 483	Possession of the G+1 row house in District Bhatinda was taken in January 2025. Despite valuations of ₹26.66 lakh RSV and ₹23.52 lakh DSV, auction attempts in April 2025 and February 2026 failed due to incomplete construction, poor locality development, and weak demand. Considering market feedback, the reserve was reduced, and in March 2026 the property was successfully sold at ₹22.60 lakh.	2.96	2.26
Ravindra Ramdasji Vilayatkar - EARC Trust SC 371	Possession of the G+1 row house at Hingna, District Nagpur was taken in April 2025. Despite valuations of ₹13.86 lakh RSV and ₹12.32 lakh DSV, auction attempts in July, October, and November 2025 failed due to incomplete construction, poor condition, absence of amenities, and ongoing litigation before the Consumer Court with the developer. Considering market feedback and challenges, the reserve was reduced, and in February	1.23	0.71
Tiwari Kamatesh R - EARC Trust SC 469	Possession of the 1 BHK flat at Lodha Palava City was taken in April 2024. Despite valuations of ₹27.20 lakh RSV and ₹24 lakh DSV, auction attempts in December 2025 and January 2026 failed due to outstanding dues of about ₹11.75 lakh and weak buyer sentiment in the locality. Considering market feedback and liabilities, the reserve was reduced, and in March 2026 the property was successfully sold at ₹15.10 lakh, effectively realizing	2.40	1.51
Shinde Dhanashree Pravinkumar - EARC Trust SC 469	Possession of the 2 BHK flat near Pimpri railway station, Pune District, was taken in September 2024. Despite valuations of ₹56.80 lakh RSV and ₹50.12 lakh DSV, auction attempts in January 2025 failed due to significant builder dues of about ₹32 lakh and weak buyer interest. Considering market feedback and liabilities, the reserve was reduced, and in February 2026 the property was successfully sold at ₹30.10 lakh, effectively realizing	5.01	3.01



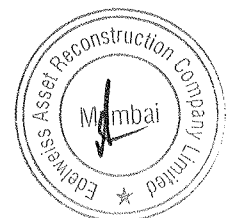
Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

Name of the account	Modified Disclosure reason	Distress Sale Value as per valuation report	Sale Price
Vijay Kumar - EARC Trust SC 371	Possession of the 1 BHK flat on the ground floor at Haridwar was taken in March 2022. Despite valuations of ₹12.75 lakh RSV and ₹11.25 lakh DSV, auction attempts in March 2025, July 2025, and January 2026 failed due to poor building maintenance, lack of electricity meter, and weak residential demand in the locality. Considering market feedback, the reserve was reduced, and in February 2026 the property was successfully sold at ₹7.10	1.05	0.71
Himachal Equipment - EARC Trust SC 410	Possession of the 1st-floor commercial shop in a 40-year-old shopping complex at Dehradun was taken in July 2023. Despite valuations of ₹12.57 lakh RSV and ₹11.09 lakh DSV, auction attempts in September 2023 and February 2025 failed due to poor maintenance, vacant surroundings, lack of electricity meter, and weak commercial activity. Considering market feedback, the reserve was reduced, and in February 2026 the property	0.66	0.51
Hind Picture Concern - EARC Trust SC 410	Possession of the ground-floor commercial shop at Howrah was taken in March 2025. Despite valuations of ₹60.54 lakh RSV and ₹53.41 lakh DSV, auction attempts in May, June, September, and November 2025 failed due to lack of statutory documents and weak bidder confidence. Considering market feedback, the reserve was reduced, and in February 2026 the property was successfully sold at ₹42.10 lakh.	5.34	4.21
Ramjee Sharma - EARC Trust SC 422	Possession of the 1 BHK row house near Surat was taken in September 2023. Despite valuations of ₹9.92 lakh RSV and ₹8.17 lakh DSV, auction attempts in March 2024, June 2024, and November 2025 failed due to poor infrastructure, prolonged vacancy, and weak buyer sentiment in a locality with multiple NPA-tagged properties. Considering market feedback, the reserve was reduced, and in February 2026 the property was	1.02	0.71
Amritsari Naan Shop Mohani Halwai And Catering - EARC Trust SC 449	Possession of the row house at Phagwara was taken in February 2025. Despite valuations of ₹26.54 lakh RSV and ₹23.41 lakh DSV, auction attempts in July and December 2025 failed due to dilapidated condition, structural issues, waterlogging at the rear portion, and weak buyer sentiment. Considering market feedback, the reserve was reduced, and in February 2026 the property was successfully sold at ₹21.10 lakh.	2.65	2.11
Aditya Bali - EARC Trust SC 371	Possession of the 2 BHK flat (Flat No. 503) was taken in May 2023. Despite valuations of ₹155.72 lakh RSV and ₹137.40 lakh DSV, auction attempts in June and August 2025 failed due to incomplete construction and substantial developer dues of about ₹9 crore across adjoining flats, which discouraged buyers. Considering market feedback and liabilities, the reserve was reduced, and in March 2026 the property was successfully sold at	13.91	9.02
Aditya Bali - EARC Trust SC 371	Possession of the 2 BHK flat (Flat No. 504, created by merging two adjoining units) was taken in May 2023. Despite valuations of ₹157.76 lakh RSV and ₹139.20 lakh DSV, auction attempts in June and August 2025 failed due to incomplete construction and substantial developer dues of about ₹9 crore across adjoining flats, which discouraged buyers. Considering market feedback and liabilities, the reserve was reduced, and in February 2026	12.91	9.82
Aditya Bali - EARC Trust SC 371	Possession of the 2 BHK flat (Flat No. 505, created by merging two adjoining units) was taken in May 2023. Despite valuations of ₹211.48 lakh RSV and ₹186.60 lakh DSV, auction attempts in June and August 2025 failed due to incomplete construction and substantial developer dues of about ₹9 crore across adjoining flats, which discouraged buyers. Considering market feedback and liabilities, the reserve was reduced, and in February 2026	17.30	11.22
Saiprasad Arvind Vaidya - EARC Trust SC 371	Possession of the 1 RK flat located on the 1st floor at Ambernath was taken in May 2023, and despite four auction attempts between February 2024 and July 2025, the property could not be sold due to poor bidder response arising from outstanding developer dues of ₹3.45 lakh and adverse market perception. After repeated auction failures and considering market feedback, the reserve price was reduced to ₹8.00 lakh.	1.32	0.81

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



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

-During the year Company has written off assets acquired after 5th August 2014, under below trusts on account of closure and lower recovery projections in the underlying assets:-

Trust Name	Value of Financial Assets before write off	Financial Assets written Off
EARC TRUST SC - 59	57.00	52.90
EARC TRUST SC - 105	2.00	2.00
EARC TRUST SC - 112	271.33	6.81
EARC TRUST SC - 125	39.22	0.03
EARC TRUST SC - 141	248.78	155.41
EARC TRUST SC - 144	261.76	176.33
EARC TRUST SC - 152	149.59	90.97
EARC TRUST SC - 162	50.00	40.00
EARC TRUST SC - 164	24.02	24.02
EARC TRUST SC - 171	36.09	36.09
EARC TRUST SC - 186	26.81	26.81
EARC TRUST SC - 193	28.99	28.99
EARC TRUST SC - 203	232.21	5.44
EARC TRUST SC - 212	20.46	20.46
EARC TRUST SC - 224	468.25	284.85
EARC TRUST SC - 226	27.52	27.52
EARC TRUST SC - 254	705.32	261.46
EARC TRUST SC - 256	200.00	80.00
EARC TRUST SC - 259	13.32	9.48
EARC TRUST SC - 265	20.39	20.39
EARC TRUST SC - 270	459.90	56.29
EARC TRUST SC - 291	322.40	75.27
EARC TRUST SC - 294	0.11	0.08
EARC TRUST SC - 295	15.72	12.70
EARC TRUST SC - 296	2.99	2.28
EARC TRUST SC - 298	2,448.09	2,448.09
EARC TRUST SC - 300	180.77	180.77
EARC TRUST SC - 303	3.46	2.84
EARC TRUST SC - 305	485.52	485.52
EARC TRUST SC - 315	603.69	603.69
EARC TRUST SC - 317	172.40	172.40
EARC TRUST SC - 329	340.49	290.49
EARC TRUST SC - 330	271.55	271.55
EARC TRUST SC - 331	488.60	438.60
EARC TRUST SC - 420	1,333.63	803.43
EARC TRUST SC - 462	1,510.39	1,510.39

-Information about outsourced agency, if owned/ controlled by a director of the Company

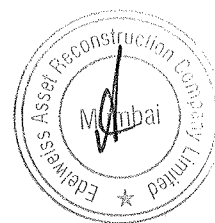
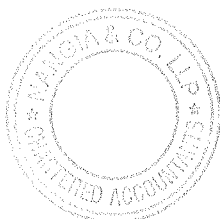
During the year, the Company has not entered into any transactions with outsourced agencies owned/controlled by directors of the Company.

-Information about assets acquired under IBC including the type and value of assets acquired, the sector-wise distribution based on business of the corporate debtor

Nil as the Company is not a Resolution Applicant under Insolvency and Bankruptcy Code, 2016 (IBC)

-Implementation status of the resolution plans approved by the Adjudicating Authority on a quarterly basis

Nil as the Company is not a Resolution Applicant under Insolvency and Bankruptcy Code, 2016 (IBC)



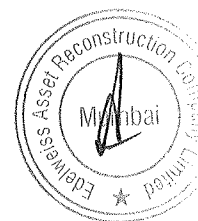
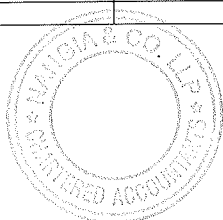
Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

- Details of assets where the value of SRs has declined more than 20% below the acquisition value:

Trust Name	Acquisition Value (Rs in Millions)	March 31, 2026	March 31, 2025
		NAV %	NAV %
EARC TRUST SC - 65	129.90	5%	5%
EARC TRUST SC - 59	59.20	NA	5%
EARC TRUST SC - 70	24.57	5%	5%
EARC TRUST SC - 243	2,690.20	NA	0%
EARC TRUST SC - 248	289.40	NA	0%
EARC TRUST SC - 254	2,440.00	NA	0%
EARC TRUST SC - 255	2.16	NA	0%
EARC TRUST SC - 256	1,900.00	NA	0%
EARC TRUST SC - 258	3,800.00	NA	0%
EARC TRUST SC - 259	17.72	NA	0%
EARC TRUST SC - 260	149.00	Exited	0%
EARC TRUST SC - 265	860.00	NA	0%
EARC TRUST SC - 270	460.00	NA	5%
EARC TRUST SC - 291	322.50	NA	5%
EARC TRUST SC - 294	0.14	NA	0%
EARC TRUST SC - 295	17.40	NA	0%
EARC TRUST SC - 296	3.82	0%	0%
EARC TRUST SC - 298	2,720.00	0%	0%
EARC TRUST SC - 300	360.00	Exited	0%
EARC TRUST SC - 303	3.80	NA	0%
EARC TRUST SC - 305	820.50	0%	1%
EARC TRUST SC - 315	975.00	0%	1%
EARC TRUST SC - 317	230.00	0%	5%
EARC TRUST SC - 323	6,850.00	0%	0%
EARC TRUST SC - 326	71.11	0%	0%
EARC TRUST SC - 327	756.30	0%	0%
EARC TRUST SC - 329	257.40	0%	5%
EARC TRUST SC - 330	451.00	0%	1%
EARC TRUST SC - 331	354.57	0%	5%
EARC TRUST SC - 334	500.00	0%	0%
EARC TRUST SC - 335	28.72	0%	0%
EARC TRUST SC - 364	4,000.00	10%	15%
EARC TRUST SC - 367	13,800.00	70%	75%
EARC TRUST SC - 379	308.90	65%	70%
EARC TRUST SC - 381	550.00	25%	25%
EARC TRUST SC - 385	211.51	60%	65%
EARC TRUST SC - 391	1,080.00	125%	125%
EARC TRUST SC - 392	1,584.65	10%	25%
EARC TRUST SC - 393	375.00	15%	50%
EARC TRUST SC - 400	0.74	0%	0%
EARC TRUST SC - 403	5,300.00	0%	0%
EARC TRUST SC - 407	7.14	0%	0%
EARC TRUST SC - 408	260.00	0%	0%
EARC TRUST SC - 411	2,576.92	5%	15%
EARC TRUST SC - 412	10.08	5%	10%
EARC TRUST SC - 413	278.14	50%	70%
EARC TRUST SC - 417	279.83	50%	70%
EARC TRUST SC - 420	7,400.00	25%	50%
EARC TRUST SC - 437	138.84	0%	0%
EARC TRUST SC - 444	851.50	15%	25%
EARC TRUST SC - 446	65.77	0%	0%
EARC TRUST SC - 447	366.41	50%	55%
EARC TRUST SC - 450	2,350.80	25%	50%
EARC TRUST SC - 451	138.56	100%	50%
EARC TRUST SC - 459	80.70	75%	50%
EARC TRUST SC - 462	1,260.00	0%	0%
EARC TRUST SC - 279	1,036.20	Exited	75%
EARC TRUST SC - 353	2,000.00	50%	50%
EARC TRUST SC - 373	265.00	75%	75%
EARC TRUST SC - 374	74.26	20%	60%
EARC TRUST SC - 383	200.00	70%	75%
EARC TRUST SC - 384	4,026.00	75%	75%
EARC TRUST SC - 401	693.00	50%	75%
EARC TRUST SC - 414	3,000.00	65%	75%
EARC TRUST SC - 418	160.70	75%	75%
EARC TRUST SC - 458	2,850.00	55%	60%
EARC TRUST SC - 452	7,929.43	60%	70%
EARC TRUST SC - 485	1,660.00	60%	75%
EARC TRUST SC - 445	1,200.00	25%	50%
EARC TRUST SC - 453	14,534.52	60%	75%



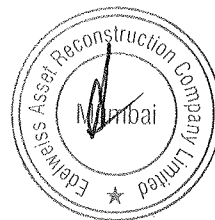
Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

Trust Name	Acquisition Value (Rs in Millions)	March 31, 2026	March 31, 2025
		NAV %	NAV %
EARC TRUST SC - 486	6,016.70	50%	75%
EARC TRUST SC - 487	314.50	50%	55%
EARC TRUST SC - 490	2,356.88	70%	75%
EARC TRUST SC - 491	1,498.60	65%	75%
EARC TRUST SC - 470	1,500.60	50%	75%
EARC TRUST SC - 308	283.00	0%	85%
EARC TRUST SC - 314	84.00	0%	100%
EARC TRUST SC - 322	3,246.00	0%	150%
EARC TRUST SC - 377	9,056.70	25%	150%
EARC TRUST SC - 416	116.29	75%	85%
EARC TRUST SC - 479	1,120.00	75%	100%
EARC TRUST SC - 488	242.34	75%	100%
EARC TRUST SC - 495	1,337.70	75%	100%

Note: NAV for the trusts which have completed 8 years are shown as NA



Edelweiss Asset Reconstruction Company Limited

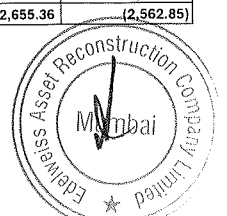
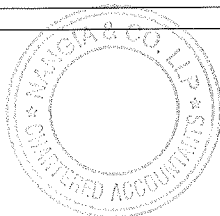
Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

(d) Comparison between provisions required under IRACP and impairment allowances made under Ind AS 109

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)
As at March 31, 2026						
Performing assets						
	Stage 1	52.86	9.34	43.53	17.26	(7.92)
Standard	Stage 2	42.40	7.95	34.45	3.66	4.29
	Stage 3	26.74	6.69	20.06	5.98	0.70
Sub total		122.00	23.97	98.03	26.90	(2.93)
Non - Performing assets (NPA)						
	Stage 3	191.32	47.83	143.49	89.34	(41.50)
Substandard	Stage 3	-	-	-	-	-
Doubtful -upto 1 year	Stage 3	138.28	34.57	103.71	138.28	(103.71)
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		138.28	34.57	103.71	138.28	(103.71)
Loss	Stage 3	2,613.28	660.51	1,952.77	2,613.28	(1,952.77)
Subtotal for NPA		2,942.89	742.91	2,199.98	2,840.90	(2,097.99)
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	-	-	-	-	-
Additional Reserve as directed by RBI		-	-	-	-	(461.10)
Subtotal		-	-	-	-	(461.10)
Total	Stage 1	52.86	9.34	43.53	17.26	(7.92)
	Stage 2	42.40	7.95	34.45	3.66	4.29
	Stage 3	2,969.63	749.60	2,220.03	2,846.88	(2,097.29)
	Others	-	-	-	-	(461.10)
	Total	3,064.89	766.88	2,298.01	2,867.80	(2,562.02)

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)
As at March 31, 2025						
Performing assets						
	Stage 1	37.06	6.95	30.11	7.69	(0.74)
Standard	Stage 2	3.69	0.69	3.00	3.30	(2.61)
	Stage 3	12.67	3.17	9.50	11.91	(8.74)
Sub total		53.42	10.81	42.61	22.90	(12.09)
Non - Performing assets (NPA)						
	Stage 3	65.58	16.40	49.19	58.56	(42.16)
Substandard	Stage 3	-	-	-	-	-
Doubtful -upto 1 year	Stage 3	154.18	38.55	115.64	154.18	(115.64)
1 to 3 years	Stage 3	14.65	3.66	10.99	14.65	(10.99)
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		168.84	42.21	126.63	168.84	(126.63)
Loss	Stage 3	2,405.06	608.46	1,796.61	2,405.06	(1,796.61)
Subtotal for NPA		2,639.49	667.06	1,972.43	2,632.46	(1,965.40)
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	-	-	-	-	-
Provision as per RBI's (Asset Reconstruction Companies) Master Direction	Others	-	-	-	-	(585.36)
Subtotal		-	-	-	-	(585.36)
Total	Stage 1	37.06	6.95	30.11	7.69	(0.74)
	Stage 2	3.69	0.69	3.00	3.30	(2.61)
	Stage 3	2,652.15	670.23	1,981.92	2,644.37	(1,974.14)
	Others	-	-	-	-	(585.36)
	Total	2,692.90	677.87	2,015.03	2,655.36	(2,562.85)



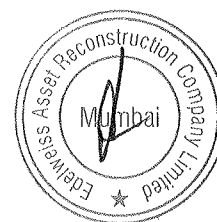
Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

(e) In terms of the requirements of RBI circular no. DOR.ACC.REC.No.104/21.07.001/2022-23, w.e.f. 20 February 2023,

Particulars	As at the end of March 31, 2026	As at the end of March 31, 2025
Outstanding amount of unrealised management fee	919.81	856.84
1. Out of the above, amount outstanding for:		
(a) Amounts where the net asset value of the security receipts has fallen below 50 per cent of the face value	460.90	414.58
(b) Other amounts unrealised for:		
(i) More than 180 days but upto 1 year	101.85	102.91
(ii) More than 1 year but upto 3 years	224.93	151.70
(iii) More than 3 years	0.35	1.02
Allowances held for unrealised management fee	364.87	406.79
Net unrealised management fee receivable	554.93	450.05



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

45. Other disclosure

The Reserve Bank of India ("RBI") had imposed the restrictions on the Company in May 2024. The restrictions imposed by RBI were regarding cessation of acquisition of financial assets, including security receipts ("SRs"), and reorganisation of existing SRs into senior and subordinated tranches. The RBI lifted these restrictions in December 2024.

Further, the Company received the RBI inspection report and Risk Mitigation plan ("RMP") for FY 2023-24 and implemented the action points submitted and approved by the RBI. Accordingly, during the year ended March 31, 2025, the Company has made a provision of ₹ 265.35 Millions.

46. Impact of new labour code

The Government of India, vide notification dated November 21, 2025, has notified the new Labour Code, basis which the Company has reassessed its employee benefit obligations based on the revised definition of wages and expanded eligibility criteria. Accordingly, based on actuarial valuation and management estimates, the Company has recognized an incremental expense of ₹ 1.47 crore for the year ended March 31, 2026 on account of past service cost in accordance with Ind AS 19 – Employee Benefits and disclosed as an exceptional item. The Company continues to monitor developments relating to the implementation of the New Labour Codes and will review its estimates and assumptions as further clarifications and Rules are notified.

47. Segment Information

The Company is in the business of acquisition and resolution of non - performing assets. All other activities of the Company revolve around the main business. Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment.

48. Foreign Currency Expenses

The foreign exchange outgo during the year was ₹ 0.05 millions (Previous year: ₹ 1.54 millions).

49. Events after Reporting Date

Pursuant to the approval received from the Reserve Bank of India, Edel Finance Company Limited (EFCL) acquired, on April 7, 2026, the entire shareholding of CDPQ Private Equity Asia Pte. Ltd. (CDPQ), one of the sponsors of the Company, representing 20.40% of the Company's equity share capital. Following this transfer, CDPQ ceased to be a sponsor of the Company and EFCL became one of the sponsors of the Company (EFCL's shareholding increased from 8.07% to 28.47%). As a result, the Edelweiss Group's aggregate shareholding increased from 63.12% to 83.52%.

The Board of Directors at their meeting held on April 23, 2026, have recommended a final dividend of Rs. 11.75 per equity share (on face value of Rs. 10 per equity share), subject to the approval of the members at the ensuing Annual General Meeting.

50. Other Additional Regulatory Information

50.1. Title deeds of Immovable Properties not held in name of the Company

The Company do not have any immovable properties where title deeds are not held in the name of the company.

50.2. Loans and Advances

There are no loans or advances in the nature of loans which are 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:

- (a) repayable on demand or
- (b) without specifying any terms or period of repayment

50.3. Details of Benami Property held

The Company do not have any benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

50.4 Security of current assets against borrowings

The Company has no borrowings from banks or financial institutions on the basis of security of current assets.

50.5. Wilful Defaulter

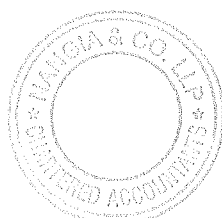
The Company is not declared as wilful defaulter by any bank or financial institution or other lender.

50.6. Relationship with Struck off Companies

The Company do not have any transactions with companies struck off.

50.7. Registration of charges or satisfaction of charges with Registrar of Companies (ROC)

The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

50.8. Ratios

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Liquidity Coverage Ratio ¹	1176.89%	1230.74%
Debt Equity Ratio ²	0.14	0.35
Debt Service Coverage Ratio ³	1.63	2.45
CRAR ⁴	71.21%	90.46%

¹Liquidity Coverage Ratio = (High Quality Liquid Assets/ Short-term obligations for next 30 days)

²Debt-equity Ratio = (Debt securities + Borrowings (other than debt securities)) / Net Worth

³DSCR = Profit before interest and tax / (Interest expense + Principal Repayment in next 12 months)

⁴CRAR = Total Capital / Risk Weighted assets

50.9. Utilisation of Borrowed funds and share premium:

(A) During the year, the company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (i) 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
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(B) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (i) 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
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

50.10. Undisclosed Income

The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

50.11. Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the current financial year and any of the previous financial years.

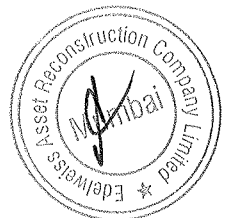
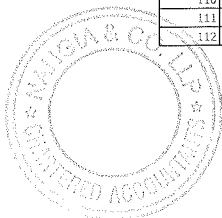


Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)

51.1 Composition of the Group

Sr.	Name of the Entity	Country of Incorporation	Proportion of ownership interest as at 31-Mar-2026	Proportion of ownership interest as at 31-Mar-2025
Controlled Trusts				
1	EARC SAF-2 TRUST	India	84.62%	84.62%
2	EARC TRUST SC - 102	India	100.00%	100.00%
3	EARC TRUST SC - 130	India	100.00%	100.00%
4	EARC TRUST SC - 245	India	36.91%	36.91%
6	EARC TRUST SC - 308	India	100.00%	100.00%
7	EARC TRUST SC - 314	India	100.00%	100.00%
8	EARC TRUST SC - 325	India	100.00%	100.00%
10	EARC TRUST SC - 334	India	100.00%	100.00%
12	EARC TRUST SC - 348	India	100.00%	100.00%
13	EARC TRUST SC - 352	India	100.00%	100.00%
15	EARC TRUST SC 347 (upto 31 March 2026)	India	0.00%	100.00%
19	EARC TRUST SC 344 (upto 31 March 2026)	India	0.00%	100.00%
20	EARC TRUST SC - 370	India	100.00%	100.00%
21	EARC TRUST SC - 383	India	100.00%	100.00%
22	EARC TRUST SC - 386	India	100.00%	100.00%
24	EARC TRUST SC 380 (upto 31 March 2026)	India	0.00%	100.00%
25	EARC TRUST SC - 387	India	100.00%	100.00%
27	EARC TRUST SC - 375	India	100.00%	100.00%
28	EARC TRUST SC - 402	India	100.00%	100.00%
29	EARC TRUST SC - 376	India	100.00%	100.00%
30	EARC TRUST SC - 396	India	100.00%	100.00%
31	EARC TRUST SC - 410	India	100.00%	100.00%
32	EARC TRUST SC - 405 (upto 31 December 2025)	India	0.00%	100.00%
33	EARC TRUST SC - 428	India	100.00%	100.00%
35	EARC TRUST SC - 412	India	100.00%	100.00%
36	EARC TRUST SC - 415	India	100.00%	100.00%
37	EARC TRUST SC - 430 (upto 31 December 2025)	India	0.00%	100.00%
42	EARC TRUST SC - 436 (upto 31 December 2025)	India	0.00%	100.00%
43	EARC TRUST SC - 421	India	100.00%	100.00%
44	EARC TRUST SC - 422	India	100.00%	100.00%
45	EARC TRUST SC - 423	India	100.00%	100.00%
46	EARC TRUST SC - 424	India	100.00%	100.00%
47	EARC TRUST SC - 425	India	100.00%	100.00%
48	EARC TRUST SC - 448	India	100.00%	100.00%
49	EARC TRUST SC - 449	India	100.00%	100.00%
50	EARC TRUST SC - 434	India	100.00%	100.00%
51	EARC TRUST SC - 444	India	91.06%	91.57%
53	EARC TRUST SC - 462	India	100.00%	40.53%
54	EARC TRUST SC - 443	India	100.00%	100.00%
55	EARC TRUST SC - 477	India	100.00%	100.00%
56	EARC TRUST SC - 481	India	100.00%	100.00%
57	EARC TRUST SC - 482	India	100.00%	100.00%
58	EARC TRUST SC - 442 (upto 31 December 2025)	India	0.00%	100.00%
59	EARC TRUST SC - 483	India	100.00%	100.00%
60	EARC TRUST SC - 484	India	100.00%	100.00%
61	EARC TRUST SC - 394	India	90.01%	90.01%
62	EARC TRUST SC - 112	India	100.00%	100.00%
63	EARC TRUST SC - 329	India	100.00%	42.80%
64	EARC TRUST SC - 331	India	42.80%	42.80%
65	EARC TRUST SC 263 (upto 30 September 2025)	India	0.00%	100.00%
66	EARC TRUST SC - 381	India	100.00%	100.00%
67	EARC TRUST SC - 391	India	100.00%	100.00%
68	EARC TRUST SC - 392	India	100.00%	100.00%
69	EARC TRUST SC - 406	India	100.00%	100.00%
72	EARC TRUST SC - 433	India	100.00%	100.00%
73	EARC TRUST SC - 445	India	100.00%	100.00%
74	EARC TRUST SC - 451	India	15.18%	42.13%
76	EARC TRUST SC - 397	India	100.00%	100.00%
77	EARC TRUST SC - 486	India	72.63%	72.63%
78	EARC TRUST SC - 492	India	100.00%	100.00%
79	EARC TRUST SC - 489	India	100.00%	100.00%
81	EARC TRUST SC - 464 (Upto 31st December 2025)	India	0.00%	41.23%
82	EARC TRUST SC - 493	India	100.00%	100.00%
83	EARC TRUST SC - 455	India	40.50%	40.50%
84	EARC TRUST SC - 470	India	15.00%	48.83%
85	EARC TRUST SC - 456	India	100.00%	100.00%
86	EARC TRUST SC - 457	India	100.00%	100.00%
87	EARC TRUST SC - 468	India	100.00%	100.00%
88	EARC TRUST SC - 469	India	100.00%	100.00%
89	EARC TRUST SC - 494	India	1.00	100.00%
90	EARC TRUST SC - 497	India	1.00	0.00%
91	EARC TRUST SC - 498	India	100.00%	0.00%
92	EARC TRUST SC - 499	India	100.00%	0.00%
93	EARC TRUST SC - 500	India	100.00%	0.00%
94	EARC TRUST SC - 501	India	1.00	0.00%
95	EARC TRUST SC - 471	India	100.00%	0.00%
96	EARC TRUST SC - 472	India	100.00%	0.00%
97	EARC TRUST SC - 473	India	100.00%	0.00%
98	EARC TRUST SC - 474	India	100.00%	0.00%
99	EARC TRUST SC - 502	India	100.00%	0.00%
100	EARC TRUST SC - 503	India	100.00%	0.00%
101	EARC TRUST SC - 322	India	86.00%	0.00%
102	EARC TRUST SC - 327	India	74.50%	0.00%
103	EARC TRUST SC - 475	India	100.00%	0.00%
104	EARC TRUST SC - 504	India	100.00%	0.00%
105	EARC TRUST SC - 506	India	100.00%	0.00%
106	EARC TRUST SC - 507	India	100.00%	0.00%
107	EARC TRUST SC - 508	India	100.00%	0.00%
108	EARC TRUST SC - 509	India	100.00%	0.00%
109	EARC TRUST SC - 505	India	100.00%	0.00%
110	EARC TRUST SC - 510	India	50.23%	0.00%
111	EARC TRUST SC - 511	India	50.43%	0.00%
112	EARC TRUST SC - 512	India	100.00%	0.00%



Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)
(Currency: Indian rupees in millions)

51.2 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

As at March 31, 2026

Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilities			Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (₹ in Million)	As % of consolidated profit or loss	Amount (₹ in Million)	As % of consolidated other comprehensive income	Amount (₹ in Million)	As % of consolidated total comprehensive income	Amount (₹ in Million)	
Parent									
Edelweiss Asset Reconstruction Company Limited	100.46%	29,854.92	107.01%	3,495.28	106.00%	-	107.01%	3,495.43	
Subsidiaries									
EARC TRUST SC - 102	(0.00%)	(0.64)	(0.00%)	(0.21)	0.00%	-	(0.00%)	(0.21)	(0.21)
EARC TRUST SC - 112	0.00%	0.03	0.00%	-	0.00%	-	0.00%	0.00%	5.36
EARC TRUST SC - 130	(0.00%)	(0.10)	(0.00%)	(0.05)	0.00%	-	(0.00%)	(0.05)	(0.05)
EARC SAF-2 TRUST	0.00%	0.29	(0.00%)	(0.04)	0.00%	-	(0.00%)	(0.04)	(0.04)
EARC TRUST SC - 245	0.00%	1.60	(0.00%)	(0.14)	0.00%	-	(0.00%)	(0.14)	(0.14)
EARC TRUST SC - 308	(0.00%)	(1.72)	(0.00%)	(0.70)	0.00%	-	(0.00%)	(0.70)	(0.70)
EARC TRUST SC - 314	(0.00%)	(2.63)	(0.00%)	(1.05)	0.00%	-	(0.00%)	(1.05)	(1.05)
EARC TRUST SC - 322	0.00%	13.67	0.00%	0.70	0.00%	-	0.00%	0.70	0.70
EARC TRUST SC - 325	0.00%	1.79	0.00%	0.00	0.00%	-	0.00%	0.00	0.00
EARC TRUST SC - 327	0.00%	13.81	0.00%	1.04	0.00%	-	0.00%	1.04	1.04
EARC TRUST SC - 329	(0.00%)	(7.24)	0.01%	21.33	0.00%	-	0.01%	21.33	21.33
EARC TRUST SC - 331	(0.00%)	(26.12)	0.00%	0.00	0.00%	-	0.00%	0.00	10.24
EARC TRUST SC - 334	0.00%	0.44	(0.00%)	(0.04)	0.00%	-	(0.00%)	(0.04)	(0.04)
EARC TRUST SC - 344	0.00%	0.00	(0.00%)	(0.24)	0.00%	-	(0.00%)	(0.24)	(0.24)
EARC TRUST SC - 347	0.00%	0.00	(0.00%)	(0.31)	0.00%	-	(0.00%)	(0.31)	(0.31)
EARC TRUST SC - 348	0.00%	0.38	(0.00%)	(0.18)	0.00%	-	(0.00%)	(0.18)	(0.18)
EARC TRUST SC - 352	0.00%	4.28	0.00%	4.22	0.00%	-	0.00%	4.22	4.22
EARC TRUST SC - 370	0.00%	0.25	(0.00%)	(0.18)	0.00%	-	(0.00%)	(0.18)	(0.18)
EARC TRUST SC - 375	0.00%	0.40	0.00%	0.03	0.00%	-	0.00%	0.03	0.03
EARC TRUST SC - 376	0.00%	1.56	(0.00%)	(0.17)	0.00%	-	(0.00%)	(0.17)	(0.17)
EARC TRUST SC - 380	0.00%	0.01	0.00%	0.01	0.00%	-	0.00%	0.01	0.01
EARC TRUST SC - 381	(0.00%)	(5.99)	0.00%	3.99	0.00%	-	0.00%	3.99	3.99
EARC TRUST SC - 383	(0.00%)	(0.24)	0.00%	0.06	0.00%	-	0.00%	0.06	0.06
EARC TRUST SC - 386	0.00%	0.80	(0.00%)	(0.00)	0.00%	-	(0.00%)	(0.00)	(0.00)
EARC TRUST SC - 387	(0.00%)	(8.33)	(0.00%)	(0.00)	0.00%	-	(0.00%)	(0.00)	(0.00)
EARC TRUST SC - 391	0.00%	1.15	(0.00%)	(0.75)	0.00%	-	(0.00%)	(0.75)	(0.75)
EARC TRUST SC - 392	0.00%	0.11	(0.00%)	(0.14)	0.00%	-	(0.00%)	(0.14)	(0.14)
EARC TRUST SC - 394	0.00%	10.84	(0.00%)	(0.03)	0.00%	-	(0.00%)	(0.03)	(0.03)
EARC TRUST SC - 396	0.00%	0.75	(0.00%)	(0.00)	0.00%	-	(0.00%)	(0.00)	(0.00)
EARC TRUST SC - 397	0.00%	4.75	0.00%	3.95	0.00%	-	0.00%	3.95	3.95
EARC TRUST SC - 402	0.00%	1.52	0.00%	0.00	0.00%	-	0.00%	0.00	0.00
EARC TRUST SC - 405	0.00%	0.00	(0.00%)	(0.20)	0.00%	-	(0.00%)	(0.20)	(0.20)
EARC TRUST SC - 406	0.00%	1.15	(0.00%)	(0.12)	0.00%	-	(0.00%)	(0.12)	(0.12)
EARC TRUST SC - 410	0.00%	0.11	(0.00%)	(0.03)	0.00%	-	(0.00%)	(0.03)	(0.03)
EARC TRUST SC - 412	0.00%	0.05	(0.00%)	(0.04)	0.00%	-	(0.00%)	(0.04)	(0.04)
EARC TRUST SC - 415	0.00%	0.21	(0.00%)	(0.06)	0.00%	-	(0.00%)	(0.06)	(0.06)
EARC TRUST SC - 421	0.00%	0.36	0.00%	0.32	0.00%	-	0.00%	0.32	0.32
EARC TRUST SC - 422	0.00%	0.65	0.00%	0.95	0.00%	-	0.00%	0.95	0.95
EARC TRUST SC - 423	0.00%	0.05	0.00%	0.12	0.00%	-	0.00%	0.12	0.12
EARC TRUST SC - 424	0.00%	0.17	0.00%	0.33	0.00%	-	0.00%	0.33	0.33
EARC TRUST SC - 425	0.00%	0.07	0.00%	0.50	0.00%	-	0.00%	0.50	0.50
EARC TRUST SC - 428	0.00%	0.63	(0.00%)	(0.19)	0.00%	-	(0.00%)	(0.19)	(0.19)
EARC TRUST SC - 430	0.00%	0.00	(0.00%)	(0.30)	0.00%	-	(0.00%)	(0.30)	(0.30)
EARC TRUST SC - 433	(0.00%)	(7.66)	(0.00%)	(4.30)	0.00%	-	(0.00%)	(4.30)	(4.30)
EARC TRUST SC - 434	(0.00%)	(0.85)	0.00%	0.22	0.00%	-	0.00%	0.22	0.22
EARC TRUST SC - 436	(0.00%)	(0.00)	(0.00%)	(0.47)	0.00%	-	(0.00%)	(0.47)	(0.47)
EARC TRUST SC - 442	0.00%	0.00	(0.00%)	(0.38)	0.00%	-	(0.00%)	(0.38)	(0.38)
EARC TRUST SC - 443	0.00%	0.07	0.00%	0.08	0.00%	-	0.00%	0.08	0.08
EARC TRUST SC - 444	0.00%	0.55	(0.00%)	(0.54)	0.00%	-	(0.00%)	(0.54)	(0.54)
EARC TRUST SC - 445	(0.00%)	(137.39)	0.00%	8.13	0.00%	-	0.00%	8.13	8.13
EARC TRUST SC - 448	0.00%	0.38	0.00%	0.35	0.00%	-	0.00%	0.35	0.35
EARC TRUST SC - 449	0.00%	0.14	0.00%	0.02	0.00%	-	0.00%	0.02	0.02
EARC TRUST SC - 451	0.00%	-	0.00%	2.25	0.00%	-	0.00%	2.25	2.25



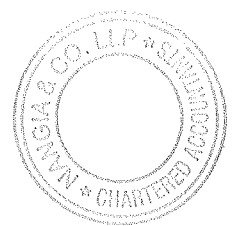
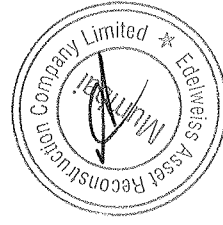
Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)
(Currency: Indian rupees in millions)

5.3.2 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

As at March 31, 2026

Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilities			Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (₹ in Million)	As % of consolidated profit or loss	Amount (₹ in Million)	As % of consolidated other comprehensive income	Amount (₹ in Million)	As % of consolidated total comprehensive income	Amount (₹ in Million)	
EARC TRUST SC - 455	(0.00%)	(69.81)	(0.03%)	(108.36)	0.00%	-	(0.03%)	(108.36)	
EARC TRUST SC - 456	(0.00%)	(3.30)	0.00%	1.17	0.00%	-	0.00%	1.17	
EARC TRUST SC - 457	0.00%	1.44	0.00%	1.64	0.00%	-	0.00%	1.64	
EARC TRUST SC - 462	(0.00%)	(34.19)	0.00%	3.32	0.00%	-	0.00%	3.32	
EARC TRUST SC - 464	(0.00%)	(0.00)	0.01%	38.25	0.00%	-	0.01%	38.25	
EARC TRUST SC - 468	0.00%	0.59	0.00%	0.79	0.00%	-	0.00%	0.79	
EARC TRUST SC - 469	0.00%	0.89	0.00%	0.96	0.00%	-	0.00%	0.96	
EARC TRUST SC - 470	0.00%	-	(0.00%)	(5.96)	0.00%	-	(0.00%)	(5.96)	
EARC TRUST SC - 471	0.00%	0.57	0.00%	0.60	0.00%	-	0.00%	0.60	
EARC TRUST SC - 472	0.00%	0.85	0.00%	0.88	0.00%	-	0.00%	0.88	
EARC TRUST SC - 473	0.00%	0.82	0.00%	0.84	0.00%	-	0.00%	0.84	
EARC TRUST SC - 474	0.00%	1.34	0.00%	1.37	0.00%	-	0.00%	1.37	
EARC TRUST SC - 475	0.00%	1.45	0.00%	1.48	0.00%	-	0.00%	1.48	
EARC TRUST SC - 477	0.00%	0.61	0.00%	0.66	0.00%	-	0.00%	0.66	
EARC TRUST SC - 481	0.00%	0.10	0.00%	0.48	0.00%	-	0.00%	0.48	
EARC TRUST SC - 482	0.00%	0.36	0.00%	0.28	0.00%	-	0.00%	0.28	
EARC TRUST SC - 483	0.00%	0.68	0.00%	1.69	0.00%	-	0.00%	1.69	
EARC TRUST SC - 484	0.00%	0.09	(0.00%)	(0.00)	0.00%	-	(0.00%)	(0.00)	
EARC TRUST SC - 486	(0.00%)	(67.86)	(0.05%)	(147.59)	0.00%	-	(0.05%)	(147.59)	
EARC TRUST SC - 489	0.00%	0.06	(0.00%)	(0.81)	0.00%	-	(0.00%)	(0.81)	
EARC TRUST SC - 492	0.00%	0.03	0.00%	0.14	0.00%	-	0.00%	0.14	
EARC TRUST SC - 493	(0.00%)	(0.18)	0.00%	0.10	0.00%	-	0.00%	0.10	
EARC TRUST SC - 494	0.00%	0.37	0.00%	0.42	0.00%	-	0.00%	0.42	
EARC TRUST SC - 497	0.00%	0.55	0.00%	0.56	0.00%	-	0.00%	0.56	
EARC TRUST SC - 498	0.00%	0.69	0.00%	0.70	0.00%	-	0.00%	0.70	
EARC TRUST SC - 499	0.00%	0.57	0.00%	0.58	0.00%	-	0.00%	0.58	
EARC TRUST SC - 500	0.00%	1.28	0.00%	1.29	0.00%	-	0.00%	1.29	
EARC TRUST SC - 501	0.00%	0.69	0.00%	0.70	0.00%	-	0.00%	0.70	
EARC TRUST SC - 502	0.00%	0.56	0.00%	0.56	0.00%	-	0.00%	0.56	
EARC TRUST SC - 503	0.00%	0.97	0.00%	0.97	0.00%	-	0.00%	0.97	
EARC TRUST SC - 504	0.00%	0.33	0.00%	0.33	0.00%	-	0.00%	0.33	
EARC TRUST SC - 505	(0.00%)	(0.99)	(0.00%)	(0.99)	0.00%	-	(0.00%)	(0.99)	
EARC TRUST SC - 506	(0.00%)	(0.25)	(0.00%)	(0.25)	0.00%	-	(0.00%)	(0.25)	
EARC TRUST SC - 507	(0.00%)	(0.37)	(0.00%)	(0.37)	0.00%	-	(0.00%)	(0.37)	
EARC TRUST SC - 508	(0.00%)	(0.27)	(0.00%)	(0.27)	0.00%	-	(0.00%)	(0.27)	
EARC TRUST SC - 509	(0.00%)	(0.28)	(0.00%)	(0.28)	0.00%	-	(0.00%)	(0.28)	
EARC TRUST SC - 510	(0.00%)	(0.06)	(0.00%)	(0.06)	0.00%	-	(0.00%)	(0.06)	
EARC TRUST SC - 511	(0.00%)	(0.06)	(0.00%)	(0.06)	0.00%	-	(0.00%)	(0.06)	
EARC TRUST SC - 512	(0.00%)	(0.02)	(0.00%)	(0.02)	0.00%	-	(0.00%)	(0.02)	
EARC TRUST SC - 263	0.00%	0.03	(0.00%)	(1.52)	0.00%	-	(0.00%)	(1.52)	
Consolidation Adjustments	0.02%	181.62	(0.02%)	(77.28)	0.00%	-	(0.02%)	(77.28)	
Total	100.00%	29,719.95	100.00%	3,266.34	100%	0.14	100%	3,266.48	



Edelweiss Asset Reconstruction Company Limited

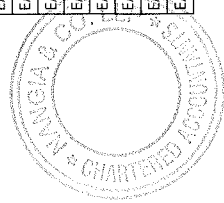
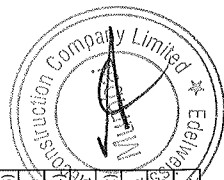
Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

51.3 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

As at March 31, 2025

Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (₹ in Million)	As % of consolidated profit or loss	Amount (₹ in Million)	As % of consolidated other comprehensive income	Amount (₹ in Million)	As % of consolidated total comprehensive income	Amount (₹ in Million)
Parent								
Edelweiss Asset Reconstruction Company Limited	99.78%	31,498.54	98.47%	3,551.94	100%	(0.81)	98.47%	3,551.13
Subsidiaries								
EARC SAF-2 TRUST	0.00%	0.37	0.00%	1.34	0.00%	0.00	0.00%	1.34
EARC TRUST SC - 7	(0.00%)	(0.00)	0.00%	0.39	0.00%	0.00	0.00%	0.39
EARC TRUST SC - 102	0.00%	0.19	(0.00%)	(0.61)	0.00%	0.00	(0.00%)	(0.61)
EARC TRUST SC - 130	(0.00%)	(0.06)	(0.00%)	(0.04)	0.00%	0.00	(0.00%)	(0.04)
EARC TRUST SC - 245	0.00%	0.40	(0.00%)	(0.29)	0.00%	0.00	(0.00%)	(0.29)
EARC TRUST SC - 266	0.00%	0.02	0.00%	0.06	0.00%	0.00	0.00%	0.06
EARC TRUST SC - 308	(0.00%)	(0.07)	0.00%	0.37	0.00%	0.00	0.00%	0.37
EARC TRUST SC - 314	(0.00%)	(0.25)	0.00%	1.75	0.00%	0.00	0.00%	1.75
EARC TRUST SC - 325	0.00%	1.78	(0.00%)	(0.02)	0.00%	0.00	(0.00%)	(0.02)
EARC TRUST SC - 306	0.00%	0.12	0.00%	0.07	0.00%	0.00	0.00%	0.07
EARC TRUST SC - 334	0.00%	0.50	(0.00%)	(0.08)	0.00%	0.00	(0.00%)	(0.08)
EARC TRUST SC - 332	0.00%	0.35	(0.00%)	(0.15)	0.00%	0.00	(0.00%)	(0.15)
EARC TRUST SC - 348	0.00%	0.02	(0.00%)	(1.39)	0.00%	0.00	(0.00%)	(1.39)
EARC TRUST SC - 352	0.00%	0.28	0.00%	0.00	0.00%	0.00	0.00%	0.00
EARC TRUST SC - 357	0.00%	0.17	(0.00%)	(0.07)	0.00%	0.00	(0.00%)	(0.07)
EARC TRUST SC - 347	0.00%	0.39	(0.00%)	(0.26)	0.00%	0.00	(0.00%)	(0.26)
EARC TRUST SC - 351	0.00%	0.79	0.00%	11.10	0.00%	0.00	0.00%	11.10
EARC TRUST SC - 360	0.00%	0.89	0.00%	0.30	0.00%	0.00	0.00%	0.30
EARC TRUST SC - 363	0.00%	0.11	(0.00%)	(0.12)	0.00%	0.00	(0.00%)	(0.12)
EARC TRUST SC - 344	0.00%	0.35	0.00%	0.37	0.00%	0.00	0.00%	0.37
EARC TRUST SC - 370	0.00%	0.17	(0.00%)	(2.65)	0.00%	0.00	(0.00%)	(2.65)
EARC TRUST SC - 383	(0.00%)	(0.28)	(0.00%)	(0.25)	0.00%	0.00	(0.00%)	(0.25)
EARC TRUST SC - 386	0.00%	6.50	0.00%	5.03	0.00%	0.00	0.00%	5.03
EARC TRUST SC - 395	(0.00%)	(0.11)	0.00%	0.11	0.00%	0.00	0.00%	0.11
EARC TRUST SC - 380	0.00%	0.05	(0.00%)	(0.08)	0.00%	0.00	(0.00%)	(0.08)
EARC TRUST SC - 387	0.00%	1.38	0.00%	12.26	0.00%	0.00	0.00%	12.26
EARC TRUST SC - 388	0.00%	0.93	0.00%	2.53	0.00%	0.00	0.00%	2.53
EARC TRUST SC - 375	0.00%	0.55	0.00%	0.15	0.00%	0.00	0.00%	0.15
EARC TRUST SC - 402	0.00%	1.51	0.00%	0.80	0.00%	0.00	0.00%	0.80
EARC TRUST SC - 376	0.00%	1.79	(0.00%)	(0.56)	0.00%	0.00	(0.00%)	(0.56)
EARC TRUST SC - 396	0.00%	0.57	0.00%	0.01	0.00%	0.00	0.00%	0.01
EARC TRUST SC - 410	0.00%	0.55	(0.00%)	(0.04)	0.00%	0.00	(0.00%)	(0.04)
EARC TRUST SC - 405	(0.00%)	(0.06)	0.00%	0.06	0.00%	0.00	0.00%	0.06
EARC TRUST SC - 428	0.00%	0.42	(0.00%)	(0.12)	0.00%	0.00	(0.00%)	(0.12)
EARC TRUST SC - 429	0.00%	0.64	0.00%	0.53	0.00%	0.00	0.00%	0.53
EARC TRUST SC - 412	0.00%	0.02	0.00%	0.15	0.00%	0.00	0.00%	0.15
EARC TRUST SC - 415	0.00%	0.26	0.00%	0.04	0.00%	0.00	0.00%	0.04



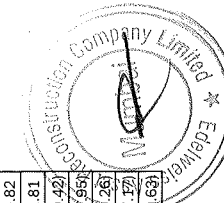
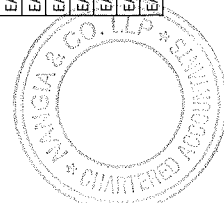
Edelweiss Asset Reconstruction Company Limited

Notes to the consolidated financial statements (Continued)
(Currency: Indian rupees in millions)

51.3 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

As at March 31, 2025

Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (₹ in Million)	As % of consolidated profit or loss	Amount (₹ in Million)	As % of consolidated other comprehensive income	Amount (₹ in Million)	As % of consolidated total comprehensive income	Amount (₹ in Million)
EARC TRUST SC - 430	0.00%	0.07	0.00%	0.02	0.00%	0.00	0.00%	0.02
EARC TRUST SC - 427	(0.00%)	(0.04)	0.00%	0.57	0.00%	0.00	0.00%	0.57
EARC TRUST SC - 227	0.00%	0.05	(0.00%)	(0.01)	0.00%	0.00	(0.00%)	(0.01)
EARC TRUST SC - 228	0.00%	0.48	0.00%	0.30	0.00%	0.00	0.00%	0.30
EARC TRUST SC - 431	0.00%	0.42	0.00%	0.06	0.00%	0.00	0.00%	0.06
EARC TRUST SC - 436	0.00%	0.04	0.00%	0.05	0.00%	0.00	0.00%	0.05
EARC TRUST SC - 421	0.00%	0.05	0.00%	0.03	0.00%	0.00	0.00%	0.03
EARC TRUST SC - 422	0.00%	0.26	(0.00%)	(0.34)	0.00%	0.00	(0.00%)	(0.34)
EARC TRUST SC - 423	(0.00%)	(0.07)	(0.00%)	(0.04)	0.00%	0.00	(0.00%)	(0.04)
EARC TRUST SC - 424	0.00%	5.39	0.00%	5.34	0.00%	0.00	0.00%	5.34
EARC TRUST SC - 440	0.00%	0.00	(0.00%)	(0.08)	0.00%	0.00	(0.00%)	(0.08)
EARC TRUST SC - 441	0.00%	0.00	(0.00%)	(0.16)	0.00%	0.00	(0.00%)	(0.16)
EARC TRUST SC - 425	(0.00%)	(0.02)	(0.00%)	(0.06)	0.00%	0.00	(0.00%)	(0.06)
EARC TRUST SC - 448	0.00%	0.40	0.00%	0.13	0.00%	0.00	0.00%	0.13
EARC TRUST SC - 449	0.00%	0.19	0.00%	0.03	0.00%	0.00	0.00%	0.03
EARC TRUST SC - 434	0.00%	4.93	0.00%	4.24	0.00%	0.00	0.00%	4.24
EARC TRUST SC - 444	0.00%	2.37	0.00%	0.42	0.00%	0.00	0.00%	0.42
EARC TRUST SC - 461	0.00%	17.34	0.00%	10.37	0.00%	0.00	0.00%	10.37
EARC TRUST SC - 462	(0.00%)	(21.76)	0.01%	27.86	0.00%	0.00	0.01%	27.86
EARC TRUST SC - 443	(0.00%)	(0.02)	(0.00%)	(0.05)	0.00%	0.00	(0.00%)	(0.05)
EARC TRUST SC - 477	0.00%	0.53	0.00%	0.20	0.00%	0.00	0.00%	0.20
EARC TRUST SC - 481	0.00%	0.18	0.00%	0.45	0.00%	0.00	0.00%	0.45
EARC TRUST SC - 482	0.00%	0.96	0.00%	1.29	0.00%	0.00	0.00%	1.29
EARC TRUST SC - 442	(0.00%)	(0.48)	(0.00%)	(0.26)	0.00%	0.00	(0.00%)	(0.26)
EARC TRUST SC - 483	0.00%	1.13	0.00%	1.33	0.00%	0.00	0.00%	1.33
EARC TRUST SC - 484	0.00%	0.17	0.00%	0.21	0.00%	0.00	0.00%	0.21
EARC TRUST SC - 394	0.00%	10.24	0.00%	0.17	0.00%	0.00	0.00%	0.17
EARC TRUST SC - 112	(0.00%)	(1.90)	0.00%	0.64	0.00%	0.00	0.00%	0.64
EARC TRUST SC - 329	(0.00%)	(24.32)	0.00%	0.40	0.00%	0.00	0.00%	0.40
EARC TRUST SC - 331	(0.00%)	(21.01)	0.00%	8.04	0.00%	0.00	0.00%	8.04
EARC TRUST SC - 263	(0.00%)	(0.25)	0.00%	0.27	0.00%	0.00	0.00%	0.27
EARC TRUST SC - 381	(0.00%)	(4.27)	(0.00%)	(4.48)	0.00%	0.00	(0.00%)	(4.48)
EARC TRUST SC - 391	0.00%	2.72	0.00%	1.00	0.00%	0.00	0.00%	1.00
EARC TRUST SC - 392	0.00%	2.86	0.00%	0.82	0.00%	0.00	0.00%	0.82
EARC TRUST SC - 406	0.00%	2.86	0.00%	1.81	0.00%	0.00	0.00%	1.81
EARC TRUST SC - 418	(0.00%)	(11.24)	(0.00%)	(10.42)	0.00%	0.00	(0.00%)	(10.42)
EARC TRUST SC - 447	(0.00%)	(35.75)	(0.01%)	(27.95)	0.00%	0.00	(0.01%)	(27.95)
EARC TRUST SC - 433	(0.00%)	(0.26)	(0.00%)	(0.26)	0.00%	0.00	(0.00%)	(0.26)
EARC TRUST SC - 445	(0.00%)	(57.17)	(0.02%)	(57.17)	0.00%	0.00	(0.02%)	(57.17)
EARC TRUST SC - 451	(0.00%)	(20.48)	(0.00%)	(10.63)	0.00%	0.00	(0.00%)	(10.63)



Edelweiss Asset Reconstruction Company Limited

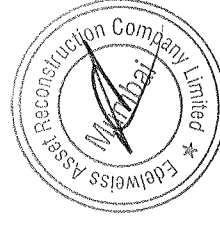
Notes to the consolidated financial statements (Continued)

(Currency: Indian rupees in millions)

51.3 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

As at March 31, 2025

Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (₹ in Million)	As % of consolidated profit or loss	Amount (₹ in Million)	As % of consolidated other comprehensive income	Amount (₹ in Million)	As % of consolidated total comprehensive income	Amount (₹ in Million)
EARC TRUST SC - 459	(0.00%)	(1.72)	(0.00%)	(2.00)	0.00%	0.00	(0.00%)	(2.00)
EARC TRUST SC - 397	0.00%	1.37	(0.00%)	(0.22)	0.00%	0.00	(0.00%)	(0.22)
EARC TRUST SC - 486	0.00%	102.52	0.03%	102.52	0.00%	0.00	0.03%	102.52
EARC TRUST SC - 492	(0.00%)	(0.13)	(0.00%)	(0.13)	0.00%	0.00	(0.00%)	(0.13)
EARC TRUST SC - 489	0.00%	0.93	0.00%	0.93	0.00%	0.00	0.00%	0.93
EARC TRUST SC - 488	0.00%	2.43	0.00%	2.43	0.00%	0.00	0.00%	2.43
EARC TRUST SC - 464	(0.00%)	(24.41)	(0.01%)	(24.41)	0.00%	0.00	(0.01%)	(24.41)
EARC TRUST SC - 493	(0.00%)	(0.53)	(0.00%)	(0.53)	0.00%	0.00	(0.00%)	(0.53)
EARC TRUST SC - 455	(0.00%)	(82.13)	(0.02%)	(82.13)	0.00%	0.00	(0.02%)	(82.13)
EARC TRUST SC - 470	(0.00%)	(1.44)	(0.00%)	(1.44)	0.00%	0.00	(0.00%)	(1.44)
EARC TRUST SC - 456	(0.00%)	(0.08)	(0.00%)	(0.08)	0.00%	0.00	(0.00%)	(0.08)
Consolidation Adjustments	0.01%	195.70	0.02%	75.44	0.00%	0.00	0.02%	75.44
Total	100.00%	31,566.89	100.00%	3,607.10	100.00%	(0.81)	100.00%	3,606.29



Edelweiss Asset Reconstruction Company Limited

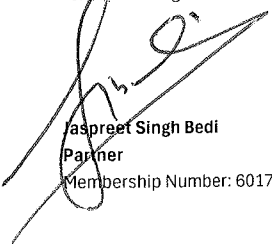
Notes to the consolidated financial statements (Continued)

52. Previous year figures have been regrouped and reclassified wherever necessary.

As per our report of even date attached

For Nangia & Co. LLP
Chartered Accountants

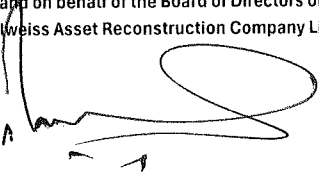
ICAI Firm's Registration No. 002391C / N500069



Jaspreet Singh Bedi
Partner
Membership Number: 601788

Mumbai
April 23, 2026

For and on behalf of the Board of Directors of
Edelweiss Asset Reconstruction Company Limited

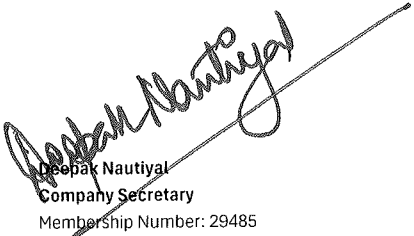


Mohan Vasant Tanksale
Chairman & Independent Director
DIN :02971181



Ashwani Kumar
Chief Financial Officer

Mumbai
April 23, 2026



Deepak Nautiyal
Company Secretary
Membership Number: 29485