



**ADITYA BIRLA
CAPITAL**

PROTECTING INVESTING FINANCING ADVISING

Ref: No. ABCL/SD/MUM/2022-23/AUGUST/06

3 August 2022

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal
Street,
Mumbai 400 001

Scrip Code: 540691, Scrip

ID: ABCAPITAL

National Stock Exchange of India Ltd

Exchange Plaza, 5th Floor,
Plot. C/1, G-Block,
Bandra-Kurla Complex,
Bandra (East),
Mumbai 400 051

Symbol: ABCAPITAL

Dear Sir/ Madam,

Sub: Intimation under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations") - Notice of 15th (Fifteenth) Annual General Meeting and Annual Report for the financial year ended 31st March 2022

In terms of Regulation 34(1) of the SEBI Listing Regulations, please find attached herewith the Notice of the 15th (Fifteenth) Annual General Meeting of the Members of Aditya Birla Capital Limited ("the Company") to be held on Friday, 26th August 2022 at 11:00 a.m. (Indian Standard Time) through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") and the Annual Report for the financial year ended 31st March 2022.

The aforesaid documents are being dispatched electronically to those Members whose email IDs are registered with the Company / KFin Technologies Limited, Registrar and Transfer Agents of the Company and the Depositories viz. the National Securities Depository Limited and Central Depository Services (India) Limited.

The Notice of the 15th Annual General Meeting and Annual Report have also been uploaded on the Company's website and can be accessed at <https://www.adityabirlacapital.com/investor-relations/financial-reports>.

The above is for your information, records and dissemination please.

Thanking you,

Yours sincerely,

For Aditya Birla Capital Limited


Amber Gupta
Company Secretary & Compliance Officer
Encl.: As above
Cc:

Luxembourg Stock Exchange
Market & Surveillance Dept.,
P.O. Box 165, L-2011 Luxembourg,
Grand Duchy of Luxembourg

Citi Bank N.A.
Depository Receipt Services
388 Greenwich Street
14th Floor, New York,
NY 10013

Citi Bank N.A.
Custodial Services
FIFC, 11th Floor, C-54 & 55, G Block
Bandra Kurla Complex
Bandra (East), Mumbai 400 051

Listing Agent
Banque Internationale à Luxembourg SA
69 route d'Esch
L - 2953 Luxembourg
Grand Duchy of Luxembourg

CIN: L67120GJ2007PLC058890

Registered Office: Indian Rayon Compound, Veraval - 362 266, Gujarat Tel: +91 2876 243257 Fax: +91 2876 243220

Corporate Office: One World Centre, Tower 1, 18th Floor, Jupiter Mill Compound, 841, Senapati Bapat Marg, Elphinstone Road, Mumbai 400 013

Tel: +91 22 4356 7000, Fax: +91 22 4356 7111 Email: abc.secretarial@adityabirlacapital.com Website: www.adityabirlacapital.com

NOTICE

Notice is hereby given that the 15th (Fifteenth) Annual General Meeting of the Members of Aditya Birla Capital Limited ("the Company" or "your Company") will be held on **Friday, 26th August 2022 at 11:00 a.m.** (Indian Standard Time) through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March 2022 and the Reports of the Board of Directors' and Auditors, thereon and in this regard, to consider and if thought fit, pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March 2022 and the Reports of the Board of Directors' and Auditors, thereon as circulated to the Members, be and are hereby considered and adopted."

2. To appoint Director in place of Mr. Kumar Mangalam Birla (DIN: 00012813) who retires by rotation and being eligible offers himself for re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Kumar Mangalam Birla (DIN: 00012813), who retires by rotation at this Annual General Meeting and, being eligible, has offered himself for re-appointment, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

Amber Gupta

Company Secretary
A14091

Date: 12th May 2022
Place: Mumbai

NOTES FOR MEMBERS' ATTENTION:

1. Considering the ongoing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA"), vide its General Circular Nos. 14/2020 dated 8th April 2020, 17/2020 dated 13th April 2020, 20/2020 dated 5th May 2020, the latest being 2/2022 dated 5th May 2022 and Securities Exchange Board of India ("SEBI") vide its circulars issued in this regard, (collectively referred to as "relevant Circulars"), have permitted convening the Annual General Meeting through VC or OAVM without physical presence of the Members at a common venue. In accordance with the relevant Circulars, applicable provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the 15th (Fifteenth) Annual General Meeting ("AGM" or "the Meeting") of the Company is being held through VC / OAVM.

The deemed venue for the AGM shall be the Registered Office of the Company i.e., Indian Rayon Compound, Veraval - 362 266, Gujarat.

2. The Company has appointed M/s KFin Technologies Limited (formerly known as KFin Technologies Private Limited) ("KFinTech"), Registrar and Transfer Agents ("RTA") of the Company, to provide the facility for voting through remote e-Voting, for participating in the AGM through VC / OAVM and e-Voting (Insta Poll) during the AGM.
3. Since this AGM is being held through VC / OAVM, pursuant to the MCA Circulars:
 - a. Members can attend the AGM through login credentials provided to them to connect to VC / OAVM. Physical attendance of the Members at the AGM venue is not required and accordingly attendance slip is not annexed to this Notice.
 - b. Appointment of proxy to attend and cast vote on behalf of the Member is not available and hence the Proxy Form is not annexed to this Notice.
 - c. Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-Voting.

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4. Since the AGM will be held through VC / OAVM, the route map of the venue of the AGM is not annexed hereto.
5. In this Notice, the term Member(s) or Shareholder(s) are used interchangeably.
6. In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and any amendments thereto, Secretarial Standard on General Meetings ("SS-2"), Regulation 44 of the SEBI Listing Regulations and applicable circulars, the Company is pleased to provide to its Members the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means ("e-Voting") and the business may be transacted through e-Voting services facilitated by KFinTech. Members shall have the option to vote electronically either before the AGM ("remote e-Voting") or during the AGM. More details are provided under the section "Procedure and instructions for remote e-Voting and e-Voting during the AGM" of this Notice.
7. In terms of the provisions of Section 152 of the Act, Mr. Kumar Mangalam Birla, Director is liable to retire by rotation at the Meeting. The Nomination, Remuneration and Compensation Committee and the Board of Directors of the Company recommend his re-appointment.
8. Additional information pursuant to Regulation 36(3) of the SEBI Listing Regulations and SS-2, with respect to the Director seeking re-appointment at the AGM is furnished as Annexure-I to this Notice.
9. Corporate / Institutional Members (i.e., other than individuals, HUFs, NRIs, etc.) are also required to send legible scanned certified true copy (in PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through e-Voting, to the Scrutinizer at e-mail id: scrutinizer.abcl@kfintech.com with a copy marked to evoting@kfintech.com with the subject line "Aditya Birla Capital Limited 15th AGM". They are also requested to upload the same in the e-Voting module in their login. The scanned image of the above-mentioned documents should be in the naming format **"Aditya Birla Capital Limited_ EVENT NO."**

DISPATCH OF NOTICE AND ANNUAL REPORT THROUGH ELECTRONIC MODE:

Pursuant to the relevant Circulars, Notice of the AGM along with the Annual Report for the financial year 2021-22 is being sent only through electronic mode to those Members whose email address is registered with the Company / National Securities Depository Limited ("NSDL") / Central Depository Services

(India) Limited ("CDSL"). Members may note that the Notice and Annual Report for the financial year 2021-22 is also available on the Company's website at <https://www.adityabirlacapital.com/investor-relations>, website of the Stock Exchanges, i.e., BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") at www.bseindia.com and www.nseindia.com respectively, and on the website of Company's RTA, KFinTech at <https://evoting.kfintech.com/>.

A. Procedure for joining the AGM through VC / OAVM:

1. Members will be able to attend the AGM through VC / OAVM at <https://emeetings.kfintech.com> by using their e-Voting login credentials.
2. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the AGM Notice.
3. Members may join the AGM through VC / OAVM facility by following the procedure as mentioned below which shall be kept open for the Members from 10:30 a.m. (Indian Standard Time) i.e., 30 minutes before the time scheduled for start of the AGM and shall be kept open throughout the proceedings of the AGM.
4. Members may note that the VC / OAVM Facility, provided by KFinTech, allows participation of at least 1,000 Members on a first-come-first-served basis. The large shareholders (i.e., shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination, Remuneration and Compensation Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the AGM without any restriction on account of first-come-first-served principle. Institutional Members are encouraged to participate at the AGM through VC / OAVM and vote thereat.
5. Attendance of the Members participating in the AGM through VC / OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Members are encouraged to join the Meeting through Laptops / Desktops with Google Chrome (preferred browser), Safari, Microsoft Edge, Mozilla Firefox 22.
7. Members are requested to use the Internet with good speed to avoid any disturbance during the meeting. Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended

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to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

8. Members will be required to grant access to camera and microphone to enable two-way video conferencing.
9. Members holding shares as on the **cut-off date i.e. Friday, 19th August 2022** and who would like to express their views or ask questions during the AGM may register themselves by logging on to <https://emeetings.kfintech.com> and clicking on the 'Speaker Registration' option available on the screen after log in. The Speaker Registration will be open from **Sunday, 21st August 2022 to Tuesday, 23 August 2022**. Only those Members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.
10. Alternatively, Members holding shares as on the cut-off date may also visit <https://emeetings.kfintech.com> and click on the tab 'Post Your Queries' and post their queries / views / questions in the window provided, by mentioning their name, demat account number / folio number, email id and mobile number. The window will close at **3.00 p.m. (Indian Standard Time) on Tuesday, 23rd August 2022**.
11. Members who need assistance before or during the AGM, can view the instructions at <https://emeetings.kfintech.com/video/howitworks.aspx> or contact KFinTech on emeetings@kfintech.com or call on toll free number 1800 309 4001. Kindly quote your name, DP ID-Client ID / Folio no. and E-Voting Event Number ("EVEN") in all your communications.
12. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
13. Members may note that pursuant to MCA Circulars, the Company has enabled a process for the limited purpose of receiving the Company's annual report and notice for the AGM (including remote e-Voting instructions) electronically, and Members may temporarily update their email address by accessing the link www.adityabirlacapital.com/investor-relations.
14. Any person holding shares in physical form and non-individual shareholders holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@kfintech.com. In case they are already registered with KFinTech for remote e-Voting, they can use their existing User ID and password for voting.

B. Procedure and instructions for remote e-Voting and e-Voting during the AGM:

1. The manner of voting remotely by Members holding shares in dematerialised mode, physical mode and for Members who have not registered their email address is provided in the instructions given below.
2. Voting rights of a Member / Beneficial Owner (in case of electronic shareholding) shall be in proportion to his share in the paid-up equity share capital of the Company as on the cut-off date.
3. The remote e-Voting facility will be available during the following period:

Commencement of remote e-Voting:	9:00 a.m. on Tuesday, 23 rd August 2022
End of remote e-Voting:	5:00 p.m. on Thursday, 25 th August 2022

4. The remote e-Voting will not be allowed beyond the aforesaid date and time and the remote e-Voting module shall be forthwith disabled by KFinTech upon expiry of the aforesaid period.
5. The Board of Directors of the Company has appointed Mr. B. Narasimhan (FCS No.:1303/ COP No.:10440), Proprietor, M/s. BN & Associates, Company Secretaries and / or failing him Mr. Dilip Bharadiya (FCS No.:7956/ COP No.:6740), M/s Dilip Bharadiya & Associates, Company Secretaries, as Scrutinizer to scrutinize the entire e-Voting during the AGM and remote e-Voting process in a fair and transparent manner.
6. Information and instructions for e-Voting during the AGM (Insta Poll): Facility to cast vote during the AGM will be made available on the Video Conferencing screen and will be activated once the voting is announced at the AGM.
7. A Member can opt for only single mode of voting per EVENT, i.e., through remote e-Voting or e-Voting during the AGM (Insta Poll). If a Member casts vote(s) by both modes, then voting done through remote e-Voting shall prevail and vote(s) cast during the AGM shall be treated as "INVALID".
8. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting as well as e-Voting during the AGM. A person who is not a member as on the cut-off date, should treat the Notice for information purpose only.

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9. As per circular on e-Voting Facility provided by Listed Entities, dated 9th December 2020, all “individual shareholders holding shares of the Company in demat mode” can cast their vote, by way of a single login credential, through their demat accounts / websites of Depositories / DPs without having to register again with the e-Voting service provider (“ESP”) i.e. KFinTech. The procedure to login and access remote e-Voting, as devised by the Depositories/ Depository Participant(s), is given below:

Login method and steps for remote e-Voting and to participating and e-Voting during the AGM:

Step 1: Access to Depositories e-Voting system in case of individual Members holding shares in demat mode.

Step 2: Access to KFinTech e-Voting system in case of Members holding shares in physical and non-individual Members in demat mode.

Step 3: Access to join the AGM through VC / OAVM on KFinTech system and to participate and casting vote during the meeting.

DETAILS ON STEP 1 ARE MENTIONED BELOW:

I) Login for remote e-Voting for individual shareholders holding equity shares in demat mode

Type of Member	Login Method
Individual Members holding equity shares in demat mode with NSDL	A) Existing Internet-based Demat Account Statement (“IDeAS”) facility Users:
	i) Visit the e-services website of NSDL, https://eservices.nsdl.com
	ii) Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section. Thereafter enter the existing user id and password.
	iii) After successful authentication, Members will be able to see e-Voting services under ‘Value Added Services’. Please click on “Access to e-Voting” under e-Voting services.
	iv) Click on Company name i.e., ‘Aditya Birla Capital Limited’ or e-Voting service provider i.e. KFinTech.
	v) Members will be re-directed to KFinTech’s website for casting their vote during the remote e-Voting period and e-Voting during the AGM.
	B. Users not registered under IDeAS e-Services:
	i) Visit https://eservices.nsdl.com for registering.
	ii) Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp .
	iii) After successful registration, please follow the steps given in point no. 1 above to cast your vote.
	C. By visiting the e-Voting website of NSDL:
	i) Visit the e-Voting website of NSDL, https://www.evoting.nsdl.com/ .
	ii) Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder / Member’ section.
	iii) Members will have to enter their User ID (i.e., the sixteen-digit demat account number held with NSDL), password / OTP and a Verification Code as shown on the screen.
	iv) After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-Voting page.
	v) Click on company name i.e., Aditya Birla Capital Limited or e-Voting service provider name i.e., KFinTech after which the Member will be redirected to e-Voting service provider website for casting their vote during the remote e-Voting period and e-Voting during the AGM.
	vi) Members can also download the NSDL Mobile App “NSDL Speed-e” facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



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Type of Member	Login Method
Individual Members holding equity shares in demat mode with CDSL	A. Existing user who has opted for electronic access to securities information (“Easi / Easiest”) facility: - Visit https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com. - Click on New System Myeasi. - Login to Myeasi option under quick login. - Login with the registered user ID and password. - Members will be able to view the e-Voting Menu. - The Menu will have links of KFinTech e-Voting portal and will be redirected to the e-Voting page of KFinTech to cast their vote without any further authentication.
	B. Users who have not opted for Easi / Easiest: - Visit https://web.cdslindia.com/myeasi/Registration/EasiRegistration for registering. - Proceed to complete registration using the DP ID, Client ID (BO ID), etc. - After successful registration, please follow the steps given in point no. 1 above to cast your vote.
	C. By visiting the e-Voting website of CDSL: - Visit www.cdslindia.com - Provide demat Account Number and PAN - System will authenticate user by sending OTP on registered mobile and email as recorded in the demat Account. - After successful authentication, please enter the e-Voting module of CDSL. Click on the e-Voting link available against the name of the Company, viz. ‘Aditya Birla Capital Limited’ or select KFinTech. - Members will be re-directed to the e-Voting page of KFinTech to cast their vote without any further authentication.
Individual Members (holding equity shares in demat mode) logging through their DPs	- Members can also login using the login credentials of their demat account through their DP registered with the Depositories for e-Voting facility. - Once logged-in, Members will be able to view e-Voting option. - Upon clicking on e-Voting option, Members will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-Voting feature. - Click on options available against Aditya Birla Capital Limited or KFinTech. - Members will be redirected to e-Voting website of KFinTech for casting their vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Members holding equity shares in demat mode for any technical issues related to login through NSDL / CDSL:

Members facing any technical issue - NSDL	Members facing any technical issue - CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call on toll free number: 1800 1020 990 and 1800 224 430	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact on 022-23058738 or 022-23058542-43

DETAILS ON STEP 2 ARE MENTIONED BELOW:

II) Login method for remote e-Voting for Members other than individuals holding shares in demat mode and Members holding equity shares in physical mode

(A) Members whose email IDs are registered with the Company / DPs, will receive an email from KFinTech which will include details of EVEN, User ID and Password.

They will have to follow the following process:

- i. Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>.
- ii. Enter the login credentials (i.e., User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if a member is registered with KFinTech for e-Voting, they can use their existing User ID and password for casting the vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. Members will now reach password change Menu wherein they are required to mandatorily change the password. The new password should comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt the Member to change their password and update their contact details viz. mobile number, email id etc. on first login. Members may also enter a secret question and answer of their choice to retrieve their password in case they forget it. It is strongly recommended that Members do not share their password with any other person and that they take utmost care to keep their password confidential.
- v. Members would need to login again with the new credentials.
- vi. On successful login, the system will prompt the Member to select the "EVEN" i.e., 'Aditya Birla Capital Limited - AGM' and click on "Submit"
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, a Member may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed the total shareholding of the Member as on the cut-off date. A Member may

also choose the option ABSTAIN. If a member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

- viii. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.
- ix. Voting has to be done for each item of the notice separately. In case a member does not desire to cast their vote on any specific item, it will be treated as abstained.
- x. A Member may then cast their vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once a member has voted on the resolution(s), they will not be allowed to modify their vote. During the voting period, Members can login any number of times till they have voted on the resolution(s).

(B) Members whose email IDs are not registered with the Company / DPs and consequently the Annual Report, Notice of AGM and e-Voting instructions cannot be serviced, will have to follow the following process:

- i. Members who have not registered their email address, thereby not being in receipt of the Annual Report, Notice of AGM and e-Voting instructions, may temporarily submit their email address and mobile number with KFinTech by following the below steps:
 - (a) Visit the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>.
 - (b) Select the company name i.e., Aditya Birla Capital Limited
 - (c) Select the Holding type from the drop down i.e. – NSDL / CDSL / Physical
 - (d) Enter DP ID – Client ID (in case shares are held in electronic form) / Physical Folio No. (in case shares are held in physical form) and PAN
 - (e) If PAN details are not available in the system, the system will prompt to upload a self-attested copy of the PAN card for updating records
 - (f) In case shares are held in physical form and PAN is not available in the records, please enter any one of the Share Certificate No. in respect of the shares held by you.

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- (g) Enter the email address and mobile number.
 - (h) System will validate DP ID – Client ID / Folio number and PAN / share certificate number, as the case may be, and send OTP at the registered mobile number as well as email address for validation.
 - (i) Enter the OTPs received by SMS and email to complete the validation process. OTP will be valid for 5 minutes only.
 - (j) The Notice and e-Voting instructions along with the User ID and Password will be sent on the email address updated by the Member.
 - (k) Please note that in case the shares are held in demat form, the above facility is only for temporary registration of email address for receipt of the Notice and the e-Voting instructions along with the User ID and Password. Such Members will have to register their email address with their DPs permanently, so that all communications are received by them in electronic form.
- ii. Members are requested to follow the process as guided to capture the email address and mobile number for receiving the soft copy of the AGM Notice and e-Voting instructions along with the User ID and Password. In case of any queries, Members may write to einward.ris@kfintech.com.
 - iii. Alternatively, Members may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the request letter, duly signed, providing their email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual Report, Notice of AGM and the e-Voting instructions.
 - iv. After receiving the e-Voting instructions, please follow all the above steps to cast your vote by electronic means.
- ii. After logging in, click on the Video Conference tab and select the EVEN of the Company.
 - iii. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that Members who do not have the User id and password for e-Voting or have forgotten the same may retrieve them by following the remote e-Voting instructions mentioned above.

E-VOTING DURING THE AGM:

- i. The 'Vote Now Thumb sign' on the left-hand corner of the video screen shall be activated upon instructions of the Chairperson during the AGM proceedings. Members shall click on the same to take them to the "Insta-poll" page and Members to click on the "Insta-poll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
- ii. Those Members who are present in the Meeting through VC / OAVM and have not cast their vote on resolutions through remote e-Voting, can vote through Insta-poll at the Meeting. Members who have already cast their votes by remote e-Voting are eligible to attend the Meeting. However, those Members are not entitled to cast their vote again at the Meeting.

In case of any queries / grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-Voting User Manual available at the 'download' section of <https://evoting.kfintech.com> or call KFinTech on 1800 309 4001 (toll free).

Contact details for addressing e-Voting grievances:

Mr. Rajesh Patro, Manager, M/s KFin Technologies Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032 Phone No.: + 91 40 6716 1630 Toll-free No.: 1800-309-4001 E-mail: einward.ris@kfintech.com.

Other Instructions:

- i. Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date may obtain the User ID and Password in the manner as mentioned below:
 - a. If the mobile number of the Member is registered against Folio No. / DP ID Client ID, the Member may send SMS: MYEPWD<space>E-Voting Event Number+ Folio No. or DP ID Client ID to +91 9212993399
- Example for NSDL: MYEPWD<SPAC E>
IN12345612345678

DETAILS ON STEP 3 ARE MENTIONED BELOW:

III) Instructions for Members for attending the AGM of the Company through VC / OAVM and e-Voting during the AGM:

- i. Members will be able to attend the AGM through VC / OAVM platform provided by KFinTech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-Voting login credentials provided in the email received from the Company / KFinTech.

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Example for CDSL: MYEPWD<SPAC E>
1402345612345678

Example for Physical: MYEPWD<SPACE>
XXX1234567890

- b. If email id of the Member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com>, the Member may click 'Forgot password' and enter Folio No. or DP ID Client ID and PAN to generate a password.
- c. Members may call KFinTech toll free number 1800 309 4001.
- d. Members may send an email request to: evoting@kfintech.com. If the Member is already registered with the KFinTech e-Voting platform, then such Member can use his / her existing User ID and password for casting the vote through remote e-Voting.

ii. KPRISM- Mobile service application by KFinTech:

Members are requested to note that, the RTA has launched a mobile application - KPRISM and a website <https://kprism.kfintech.com/> for the Members. Now Members can download the mobile app and avail host of services viz. consolidated portfolio view serviced by KFinTech, Dividends status and send requests for change of Address, updation of Mobile number, Email address. The Android mobile application can be downloaded from Play Store by searching for "KPRISM". Alternatively, Members can also scan the QR code given below and download the android application.

Website - <https://kprism.kfintech.com/>

(Android mobile application)



PROCEDURE FOR INSPECTION OF DOCUMENTS:

The following documents will be available for inspection by the Members electronically during the AGM.

- a) Certificate from the Secretarial Auditors relating to the Company's Employee Stock Option Scheme(s) as per Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- b) Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Act;

- c) Details as required under Section 197(12) of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, with respect to information of employees.

All documents referred to in the Notice will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to abc.secretarial@adityabirlacapital.com with the subject line "**Aditya Birla Capital Limited - 15th AGM**".

OTHER INFORMATION

- 1. Regulation 40 of the SEBI Listing Regulations, as amended, mandates that transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in demat mode. Further, SEBI, vide its circular dated 25th January 2022, has clarified that listed companies, with immediate effect, shall issue the securities only in demat mode while processing investor service requests pertaining to issuance of duplicate shares, exchange of shares, endorsement, sub-division/ consolidation of share certificates, etc. In view of this, Members holding shares in physical form are requested to submit duly filled Form ISR-4 for the above mentioned service requests, the format of which is available on the website of KFinTech at <https://ris.kfintech.com/clientservices/isc/>. Further, to eliminate all risks associated with physical shares and for ease of portfolio management and improved liquidity, Members holding equity shares in physical form are requested to consider converting their holdings to demat mode.
- 2. SEBI vide its circular dated 3rd November 2021 has mandated registration of PAN, KYC details and Nomination, by the holders of physical securities. Therefore, Members holding shares in physical form are requested to promptly notify in writing in Form ISR- 1 for any change in their address, e-mail address, change or updation of bank mandate, mobile number etc. alongwith the supporting documents to KFinTech physically or by email at the address mentioned below:

KFin Technologies Limited

Unit: Aditya Birla Capital Limited.

Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Serilingampally
Hyderabad – 500 032

Tel: +91 40 6716 1630

Toll Free no- 1800-309-4001

E-mail id - einward.ris@kfintech.com

Notice (Contd.)

3. Members who are holding physical shares in identical order of names in more than one folio are requested to send to KFinTech, the details of such folios together with the share certificates and requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.
4. Members holding shares in electronic form are requested to provide their e-mail address, details relating to nomination, mobile number and bank details to their DPs, in case the same are not updated.
5. Non-resident Indian Members are requested to inform the Company or KFinTech or to the concerned DPs, as the case may be, immediately:
 - (a) The change in the residential status on return to India for permanent settlement;
 - (b) The particulars of the NRE / NRO Account with a Bank in India, if not furnished earlier.
6. Members are requested to make all correspondence in connection with shares held by them by sending an email to the Company Secretary at abc.secretarial@adityabirlacapital.com or to KFinTech at einward.ris@kfintech.com quoting their Folio number or their Client ID with DP ID, as the case may be.
7. During the AGM, the Chairperson shall, after response to the questions raised by the Members in advance or as a speaker at the AGM, formally propose to the Members participating through VC / OAVM Facility to vote on the resolutions as set out in the Notice of the AGM and announce the start of the casting of vote through the e-Voting system.
8. Nomination facility as per the provisions of Section 72 of the Act is available to individuals holding shares in the Company. Members can nominate a person in respect of all the shares held by him singly or jointly. Members holding shares in physical and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he / she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the website of the Company's RTA at <https://ris.kfintech.com/client/services/isc/>. Members holding shares in electronic form have to approach their DPs for completing the nomination formalities.
9. The Scrutinizer shall, after the conclusion of e-Voting at the AGM, scrutinize the votes cast at the AGM and votes cast through remote e-Voting, make a consolidated Scrutinizer's Report and submit the same to the Chairperson or to any other person authorised by the Board, who shall counter-sign the same and declare the result of the voting forthwith. The result of e-Voting will be declared within two working days of the conclusion of the AGM i.e. on or before 30th August 2022 and the same, along with the consolidated Scrutinizer's Report, will be placed on the website of the Company: www.adityabirlacapital.com and on the website of KFinTech at: <https://evoting.kfintech.com> and shall be communicated to BSE and NSE, where the equity shares of the Company are listed and Luxembourg Stock Exchange, where the Global Depositary Shares of the Company are listed. The Scrutinizer's decision on the validity of the vote shall be final and binding.
10. The results shall also be displayed on the notice board at the Registered Office & the Corporate Office of the Company for at least three days.
11. Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the AGM, i.e., Friday, 26th August 2022.
12. The Annual Report of the Company and the Financial Statements of its Subsidiaries for the financial year 2021-22 are available on the Company's website i.e. www.adityabirlacapital.com. The same shall also be made available to Members of the Company seeking such information at any point of time.
13. Members are requested to send their queries to abc.secretarial@adityabirlacapital.com with the subject line "Aditya Birla Capital Limited - 15th AGM" if any, relating to the Annual Report or write a letter to the Company Secretary at the Registered Office of the Company, on or before Tuesday, 23rd August 2022.

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

Amber Gupta

Company Secretary
A14091

Date: 12th May 2022
Place: Mumbai

FOR EASE OF PARTICIPATION BY MEMBERS, PROVIDED BELOW ARE KEY DETAILS REGARDING THE AGM FOR REFERENCE:

Sr. No.	Particulars	Details of access
1	Link for participation through Video Conferencing (VC) at the AGM	https://emeetings.kfintech.com by using e-Voting credentials and clicking on video conference
2	Link for posting AGM queries and speaker registration and period of registration	https://emeetings.kfintech.com by using e-Voting credentials and clicking on “post your queries” / “Speaker registration” as the case may be Period of registration: Sunday, 21 st August 2022 to Tuesday, 23 rd August 2022
3	Link for remote e-Voting	Members may refer to the instructions provided under “Procedure and Instructions for E-Voting” section in the subsequent pages of this Notice
4	Username and password for VC	Members may attend the AGM through VC by accessing the link https://emeetings.kfintech.com by using the remote e-Voting credentials. Please refer the instructions provided in the Notice
5	Helpline number for VC participation and e-Voting	Contact KFin Technologies Private Limited at 1800 309 4001 or write to them at emeetings@kfintech.com
6	Cut-off date for e-Voting	Friday, 19 th August 2022
7	Time period for remote e-Voting	Commencement of remote e-Voting: 9.00 a.m. on Tuesday, 23 rd August 2022 End of remote e-Voting: 5:00 p.m. on Thursday, 25 th August, 2022
8	Link for Members to update email ID	Company’s website: https://www.adityabirlacapital.com/investor-relations/shareholder-centre KFintech website: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx/
9	Last date for publishing results of remote e-Voting and e-Voting during the AGM	Tuesday, 30 th August 2022
10	Registrar and Transfer Agent - Contact details	M/s KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) Unit: Aditya Birla Capital Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032 Tel: +91 40 6716 1630 Toll Free no- 1800-309-4001 E-mail id- einward.ris@kfintech.com Website: www.kfintech.com
11	Aditya Birla Capital Limited - Contact details	Corporate Office: Aditya Birla Capital Limited, One World Centre, Tower I, 18 th Floor, Jupiter Mill Compound, 841 Senapati Bapat Marg, Elphinstone Road, Mumbai- 400 013. Tel: +91 22 4356 7000 Email: abc.secretarial@adityabirlacapital.com Registered Office: Indian Rayon Compound, Veraval- 362 266, Gujarat, India Tel: +91 2876 243257

Notice (Contd.)

ANNEXURE-I

Details of Director seeking re-appointment at the 15th (Fifteenth) AGM to be held on Friday, 26th August 2022 at 11:00 a.m. [Pursuant to Regulation 36(3) of the SEBI Listing Regulations and SS-2]

Nature of Information

Name	Mr. Kumar Mangalam Birla
Age / Date of Birth	55 years / 14 th June 1967
Director Identification Number	00012813
Nature of appointment/ re-appointment	Re-appointment (pursuant to retirement by rotation)
Qualifications	Chartered Accountant and MBA from the London Business School
Experience and expertise in specific functional area	Mr. Kumar Mangalam Birla is the Chairman of the Board of Directors of the Company and the Chairman of Aditya Birla Group ("Group"), which operates in 36 countries across six continents. He is a Chartered Accountant and holds an MBA degree from the London Business School. Mr. Birla chairs the Boards of all major Group companies in India and globally. In the 26 years that he has been at the helm of the Group, he has accelerated growth, built meritocracy, and enhanced stakeholder value. In the process he has raised the Group's turnover by over 25 times. He has been the architect of over 40 acquisitions in India and globally, among the highest by any Indian multinational. Under his stewardship, the Group enjoys a position of leadership in all the major sectors in which it operates, from cement to chemicals, metals to textiles, and apparels to financial services. Over the years, Mr. Birla has built a highly successful meritocratic organisation, anchored by an extraordinary force of 140,000 employees belonging to 100 different nationalities. Outside the Group, Mr. Birla has held several key positions on various regulatory and professional Boards. He was a Director on the Central Board of Directors of the Reserve Bank of India. He was Chairman of the Advisory Committee constituted by the Ministry of Company Affairs and also served on the Prime Minister of India's Advisory Council on Trade and Industry. As the Chairman of the Securities Exchange Board of India Committee on Corporate Governance, he framed the first-ever governance code for Corporate India. Over the years, Mr. Birla has been conferred several prestigious awards. In 2021, he received the TiE Global Entrepreneurship Award for Business Transformation, the first Indian business leader to receive this honour. He is also the first Indian Industrialist to be conferred an Honorary degree by the Institute of Company Secretaries of India. Mr. Birla is deeply engaged with Educational Institutions. He is the Chancellor of the Birla Institute of Technology & Science ("BITS") with campuses in Pilani, Goa, Hyderabad and Dubai. He is also the Chairman of India's premier management institute — Indian Institute of Management, Ahmedabad. On the global arena, Mr. Birla is an Honorary Fellow of the London Business School. In 2019, Mr. Birla constituted a £15mn scholarship programme at the London Business School in memory of his grandfather, Mr. B. K. Birla, marking the largest ever endowed scholarship gift to a European Business School. A firm practitioner of the trusteeship concept, Mr. Birla has institutionalised the concept of caring and giving at the Group. With his mandate, the Group is involved in meaningful welfare driven activities that distinctively enrich the lives of millions.
Terms and conditions of appointment/ re-appointment	His office shall be liable to retire by rotation.

Notice (Contd.)

ANNEXURE-I (Contd.)

Remuneration sought to be paid and last drawn	Except sitting fees, no remuneration was paid during the financial year 2021-22 and no approval is being sought for remuneration to be paid.
Date of first appointment on the Board	26 th October 2017
Shareholding in the Company as on 31 st March 2022	2,89,585 equity shares [®]
Relationship with Directors and Key Managerial Personnel	Not related to any other Director / Key Managerial Personnel
Number of Meetings of the Board attended during the financial year 2021-22	4
List of other Public Companies (in India) in which Directorships are held as on 31 st March 2022 [#]	Century Textiles and Industries Limited Grasim Industries Limited Aditya Birla Fashion and Retail Limited Hindalco Industries Limited Aditya Birla Sun Life AMC Limited Aditya Birla Sun Life Insurance Company Limited UltraTech Cement Limited
Listed entities from which the Director has resigned in the past three years	Vodafone Idea Limited (Ceased w.e.f. 4 th August 2021)
Chairmanships/ Memberships of the Committees of other public limited companies as on 31 st March 2022 [§]	
Audit Committee	Nil
Stakeholders Relationship Committee	Nil

*Notes:

[®] Including shares held as Karta of HUF

[#] The Directorship, Committee Memberships and Chairmanships do not include positions in foreign companies, private companies and positions held in companies registered under Section 8 of the Companies Act, 2013

[§] Pursuant to Regulation 26 of the SEBI Listing Regulations, only two Committees viz. Audit Committee and Stakeholders Relationship Committee have been considered



adityabirlacapital.com



MR. ADITYA VIKRAM BIRLA

WE LIVE BY HIS VALUES.
INTEGRITY, COMMITMENT, PASSION,
SEAMLESSNESS AND SPEED.

CHAIRMAN'S LETTER TO SHAREHOLDERS



Dear Shareholders,

For many years, we have been talking about increasing volatility and unpredictability. The events of the last 24 months have heralded a new era of uncertainty where both the amplitude and frequency of shifts have vastly exceeded anything we have seen in recent decades. The unprecedented pandemic was followed by supply chain whiplash, and further disruption was brought on by the Russia-Ukraine war. We are now staring at the spectre of a high- interest rate and high-inflation regime globally.

Over the years, corporations have tried to find a balance between efficiency and resilience, with successive decades of growth having swung the pendulum in the direction of efficiency. The events of the last two years have again taught us all the virtues of reserves and resilience.

This era of disruption also presents a unique opportunity for renewal. The exigencies of this disruption have pushed the boundaries of innovation. A world where traditional rules didn't apply, freed thinking from its conventional shackles. And we are clearly staring at a new age, with new paradigms and new ideas.

GLOBAL ECONOMY: THE STORM BEFORE THE CALM?

The global economy recovered from the pandemic shock in 2022 on the back of supportive fiscal and monetary policies and mass vaccination programmes. However, at the end of FY 2021-22, the war in Ukraine and the subsequent economic sanctions on Russia posed a large shock. It disrupted energy markets and supply chains and added to the already evolving inflationary pressures and concerns over consumer demand. Consequently, growth forecasts have been slashed. The International Monetary Fund (IMF) now expects the world economy to grow by 3.6% in CY22, which is 0.8 percentage points lower than its pre-war projections.

Many economies have experienced a sharp surge in inflation recently, particularly in food and fuel prices, taking their inflation rates to multi-decade highs. Central banks have been forced to respond to surging prices with aggressive rate hikes. The pace of monetary tightening is turning out to be quite swift as central bankers attempt to catch up with the rising inflation from their ultra-accommodative stance during the pandemic.

As the stance of monetary policy shifts, there is greater turbulence in currency markets. The dollar has strengthened, while emerging economies have witnessed downward pressure on their currencies. At the same time, energy and commodity markets have witnessed heightened volatility. Global supply chain disruptions due to pandemic-induced lockdowns have been replaced by new disruptions caused by the war in Ukraine and the economic sanctions.

While the global economic backdrop remains challenging, there are reasons to remain optimistic. First, despite the slowdown, IMF's projection of world GDP growth in CY22 is still tracking the pre-pandemic average. Second, fiscal support in developed economies remains above the pre-pandemic trend, even if somewhat diluted, versus past years. Third, mega-trends around sustainability, green investments, digitisation, and disintermediation remain well-entrenched and will support growth and productivity enhancement in the medium-term.

Thus, while businesses will need to remain on guard regarding financial market volatility and cost pressures this year, one could expect the medium-term growth recovery to remain on track.

INDIA: AN ENGINE OF GLOBAL GROWTH

The Indian economy has not remained unscathed by these global developments. Partly on account of the elevated commodity prices in global markets, India's

inflation has pushed higher than the target of the Reserve Bank of India (RBI). To control inflationary risks, and reduce the pressure on the rupee, RBI has been selling reserves and unwinding the extraordinary liquidity support provided by it during the pandemic.

On the positive side, economic activity in India has witnessed a sharp recovery to pre-pandemic levels on the back of a rapid and widespread rollout of the vaccination programme. A strong digital ecosystem, fiscal and monetary policy and various government schemes helped small and medium enterprises and the worst affected sections of the population to survive while reviving demand and bringing the economy back on track.

Even as the global headwinds are being felt, India's growth recovery is progressing well, and most estimates peg economic growth during FY 2022-23 around the 7% range. India, therefore, is poised to be the fastest-growing major economy in the world and an engine of global growth.

India's exports are exhibiting a strong buoyancy, and economic sentiment has been supported by a robust pipeline of infrastructure projects as well as the government's pragmatic policies, such as the production-linked incentives schemes. Many industries have witnessed fresh project investment announcements. Foreign direct investment flows have remained strong. The burden of non-performing assets in the banking sector seems to have peaked out and is easing. Dynamism in India's digital ecosystem, diversification of global supply chains away from China and the greater emphasis of investors on sustainable finance offer new opportunities for India.

The above trends lend confidence to a robust economic narrative for India in the medium-term, which augurs well for the corporate sector as well.

ADITYA BIRLA GROUP: DYNAMISM AND RESILIENCE AT PLAY

The Aditya Birla Group's pace of activity, range of businesses, and depth of global presence provide a useful compass to navigate this age of disruption. Against the backdrop of our long history as a group, dynamism leaps out as a common theme. Over the years, we have witnessed multiple business cycles. Across businesses and markets, our evolution is a story of continuous renewal and regeneration, as we aggressively invested in growth and created long-term value for all stakeholders.

This institutional dynamism and resilience helped us navigate an unprecedented business environment in FY 2021-22.

The pandemic inordinately impacted the future of work, workforce, and workplace. We have moved with the new work ethic by focusing on a holistic employee experience that puts equal emphasis on growth, engagement, and well-being. Our employees value and appreciate the One ABG culture, which is profoundly embedded across the organisation. This culture gives the ultimate competitive edge in a world where business models are easily upended.

It has been a matter of great pride for us that our employee engagement has continued to be strong despite the stresses of the pandemic. 87% of our employees stated in a survey that they have a colleague/friend at work to lean on during difficult times. 96% of our employees experienced considerate behaviour from their managers during this period.

WE ARE ONLY AS STRONG AS OUR PEOPLE

The Group's continued focus and investment in its people processes in good times have helped us build and sustain a robust and agile workforce that is able to be nimble and responsive at all times.

When corporates across the world are facing a rather unusual phenomenon – The Great Resignation, our employee survey score for intent to stay remained strong. It is higher than the Global High Performing organisations and almost similar to pre-COVID levels. This strong affinity is a testimony to our relentless commitment to delivering a world of opportunities with care to our employees.

Internal employee movements of over 5,000 (within the businesses) were up 18% from the average of the last two fiscals. We also focussed on bringing in young talent, with 73% of new hires being under 35 years of age. Last year, over 9,000 new employees joined the Group refreshing our competence base.

Building an aspirational workplace for a diverse workforce was identified as one of the important aspects of our new HR strategy. Enhancing the diversity of our Group is a journey, and it is getting strengthened with targeted efforts over time. Our commitment to gender diversity is evident through the appointment of 7 women to senior leadership roles. 21% of all new hires were women, and we had 102 women engineering graduates join us at plant locations.

We have always looked for opportunities to showcase the power of our women leadership. This year, our cement business, UltraTech launched India's first 'all-women' operated Ready-Mix Concrete (RMC) manufacturing plant at Bhugaon, Pune. Our list of firsts includes Aditya Birla AMC's all-women mutual fund branch in Bhilai, Chhattisgarh, and Aditya Birla Fashion and Retail's Madura manufacturing plants in the south zone, which has 85% women employees.

Our learning strategy evolved continually to adapt in response to the dynamic external environment. This was achieved by re-designing innovative learning properties and methodologies focusing on building contemporary and contextual skills. We shifted gears

across digital, blended, and now, hybrid learning, making it easier to shift across modes of learning for different sets of learners. We strategically increased the adoption and penetration of our digital learning platform (Gyanodaya Virtual Campus) to cover 94% of our employees in the management cadre. Leveraging the power of internal and external networks, 500+ high-quality digital content modules were created on various themes and topics across ABG.

The spirit of ABG's resilience and dynamism was displayed at an individual, team, and business level. This has been reflected in the business results for FY 2021-22. This year also saw the launch of new businesses, units, capacity, products, and brands. This happened seamlessly, presenting a unique human story of innovation and grit, and bringing alive our Group values of commitment and passion. We have together navigated an unprecedented period of disruption and emerged stronger and sharper—demonstrating that care, empathy, and results are mutually compatible. And especially so in periods of turmoil.

YOUR COMPANY'S PERFORMANCE

Your Company has built a platform with high quality, significant scale, and a retail franchise over the years. Your Company has tripled net profit over the last five years and nearly doubled over the previous two years, despite several external challenges. The integrated and diversified model backed by motivated teams has helped to deliver consistent growth in profitability across economic cycles. The record results this fiscal stand testament to that.

Your Company is now poised to capitalise on its strong franchise and future opportunities in the financial services space.

The retailisation strategy has led to the active customer base growing to ~ 35 Million, a 36% year-on-year growth. The scale achieved by the Company's subsidiaries is evident, with overall AUM across asset management, life insurance and health insurance businesses growing 10% year-on-year to ₹3,70,608 Crore, making it one of the largest fund managers in the country. The overall lending book (NBFC and Housing Finance) grew 11% year-on-year, to ₹67,185 Crore, making it a lending portfolio of scale. The gross premium (across Life and Health Insurance) grew 25% year-on-year to ₹13,867 Crore, reflecting the scale in the insurance businesses. Today, Aditya Birla Capital is ranked among India's top 100 listed companies in terms of consolidated profitability.

Your Company's revenue grew 16% year-on-year to ₹23,633 Crore. The consolidated profit after tax (after minority interest) reflected a growth of 51% year-on-year to ₹1,706 Crore, the highest ever recorded by the Company. The reported consolidated PAT includes a net gain of ₹161 Crore from the sale of ~1% stake of the Company's 51% stake in ABSLAMC through its IPO in October 2021. The unique model and strong focus on the value drivers in each business has led to the delivery of key metrics well ahead of our FY 2023-24 guidance.

Your Company has also been able to leverage its digital capabilities to seamlessly integrate with ecosystem partner journeys to acquire customers at scale. Aditya Birla Capital has been a leader in adopting new technologies in the BFSI space and replicating them quickly across its lines of business. This would

include use cases across customer onboarding, service, and retention journeys. To leverage the power of, One ABC, developed a number of digital assets to provide a seamless and differentiated experience for its customers. Many of these assets are unique in the Indian banking and financial services space.

The FY22 performance reflects the strong execution by teams across each business of your Company, and a relentless focus on generating value for our stakeholders. The strength of the platform and the huge opportunity in financial services give us confidence that the business is poised to continue to grow strongly in the future.

The financial services sector is pivotal to the India growth story as well as the Group's overall strategy. Your Company has a vision to be a leader and role model in the financial services sector and has made significant progress towards it. Going forward, your Company will focus on maximising the value of its active customer base, while continuing to drive customer acquisition at scale through partnerships. It will also focus on leveraging technology and analytics to grow revenue per customer, improve customer experience, optimise costs, and build robust and scalable systems.

CONCLUSION

The forces of change engulfing the world are creating a whole new set of exciting possibilities and unbelievable opportunities. Many that didn't even exist yesterday. We are uniquely privileged we are not passive recipients of changing circumstances but can actively shape our destiny. And this tomorrow is for us to discover and build.

Across businesses, we are at the cusp of a transformational growth cycle. As a business house, we have always made investment decisions based on long-term fundamental drivers like market opportunity, demography, technology etc. Our strong leadership position across key businesses has come on the back of bold but calibrated long-term bets. Given the inherent strengths of your Company, we are again at a moment, where we are uniquely positioned to invest for long-term growth and explore new paradigms. An exciting journey beckons.

Regards,

KUMAR MANGALAM BIRLA

Chairman, Aditya Birla Group

CHIEF EXECUTIVE'S LETTER TO SHAREHOLDERS



Dear Shareholders,

The year 2021 was filled with ups and down, highs and lows, and challenges and celebrations. While it's been over 2 years of the world living with the virus, we are still finding ways to eliminate it completely. Individuals and organisations will need to continue to adapt and prepare as best is possible for new variants, as we go forward. As we navigate a complex and uncertain future, we aim to bring about transformative and exponential growth in every business, while maximising our synergies and strengths.

Over the last decade, ABCL has emerged as a formidable force with a leading franchise of over 35 Million active customers. Aditya Birla Capital is today ranked among India's top 100 listed companies in terms of consolidated profitability. The integrated and diversified business model has helped to deliver consistent results over time and record results this fiscal. Despite the challenging business environment, the Company's profits have nearly doubled over the last two years. Over a 5-year period, profits have actually tripled. Over the last several years, we have created new engines of growth, such as Health Insurance, Housing Finance and Asset Reconstruction, as also new lines of business under our AMC (e.g. alternate assets and offshore) and our NBFC (e.g. SME and retail). Given the robust platform that has been built over the years, I believe the Company is poised for strong growth in the years ahead.

THE YEAR THAT WAS

We have always aspired to be an organisation that stands out, stands together and dares to be different. This aspiration to constantly do things better and to look at things differently has helped our businesses grow from strength to strength. Our passion to do things better and become stronger with every passing year,

has inspired us, driven us, helped us bounce back and carried us through some of the toughest business and economic cycles we have seen. True to our vision, we have always focused on building leadership without compromising our standards and on leveraging our synergies to the fullest. We have made every effort to live by our commitment to our customers, distributors and shareholders.

Our diversified business model and passionate team continued to help us deliver consistent returns in one of the most challenging years we have seen. Highlights of the year were:

- Revenue grew 16% year-on-year to ₹23,633 Crore
- Consolidated Net Profit grew 51% year-on-year to an all time high of ₹1,706 Crore
- The Company's retailisation strategy led to the active customer base growing to over 35 Million, increasing by 36% year-on-year
- Overall AUM across asset management, life insurance and health insurance was over ₹3,70,000 Crore and increased 10% year-on-year making us one of the largest fund manager in India
- Gross Premium (across Life and Health Insurance) grew to ₹13,867 Crore, up by 25% year-on-year making us a significant insurer
- Overall lending book (NBFC and Housing Finance) stood at ₹67,185 Crore, up by 11% year-on-year, a significant leader in the market

₹23,633 Cr

REVENUE GREW 16% YEAR-ON-YEAR

24% CAGR

CONSOLIDATED NET PROFIT GREW OVER 5 YEARS

CONTINUED FOCUS ON SCALE, PROFITABILITY AND RETAILISATION

The results of FY 2021-22 are a continuation of our focus on building scale, retailisation and enhancing profitability over time. Over the last five years, our profit after tax has grown at 24% per annum. Since FY 2016-17 (the fiscal before our listing), we have grown strongly across our platform as can be seen from the data below:

Protecting (Life and Health Insurance)

₹ Crore

	FY 17	FY22
Total Gross Premium	5,778	13,867
LI: Net VNB	-5.5%	15.0%
HI: Combined Ratio	283%	109%*
HI: Lives Covered	0.2 Mn	19.0 Mn

*Combined ratios normalized for COVID claims

Investing (Mutual Fund)

	FY 17	FY22
Domestic AAUM	1.88 lac	2.95 lac
PBT Bps	19	31
Investor Folios (Million)	3.9	7.9

Financing (NBFC and HFC)

	FY 17	FY22
Total Lending book	38,839	67,185
PAT	570	1305
Retail + SME (incl. HFC) %	41%	68%

The Company has communicated a three-year roadmap (FY 2023-24) with specific targets for each underlying business. Focus on customer acquisition at scale (organically and through partnerships), data and analytics, customer service, customer wallet share and a culture of entrepreneurship will be a key drivers of growth. I believe ABC is heading towards achieving its three-years goals ahead of the committed time frame, across its key businesses.

ABCL has been able to leverage its digital capabilities to seamlessly integrate with partners, to acquire customers at scale. The Company has been a leader in adopting new technologies in the BFSI space and replicating them quickly across its lines of business. To leverage the power of One, ABCL has developed a number of digital assets to provide seamless and differentiated experience to its customers, including an ABC App, ABC Chat bot, etc. Many of these assets are unique in the Indian BFSI space.

The ABC platform is large and powerful. The diversified nature of the platform allows us to capitalise on multiple opportunities and deliver strong earnings through cycles. Our pan India multi-channel distribution network allows our customers to access us, when and how they choose. Our talented employee pool with a mix of experience and youth (with over 70% being millennials) powers us forward every day. Our large customer base and analytics provide the basis for deepening customer relationships. Our

mindset and efforts to synergise help us reduce costs, transport best practices across businesses and provide a world of opportunity for our people. And finally, our focus on technology and digital assets help us drive revenues, reduce costs, improve customer experience and build robust processes. All of these are strong competitive advantages that ABCL possesses.

AWARDS AND RECOGNITION

ABCL and its subsidiaries continue to win prestigious awards, like the "Service & Solution" category at the International Innovation (IIA) awards 2021. We won recognition for Best Brand Awareness Experience and Best Data Driven Display Campaign at MMA Smarties 2021. At Maddies 2021, we won recognition for Best Use of Mobile Integration, Maximizing Mobile Advertising, Use of Social Media and Best Multi-mobile Channel Campaign. At ICMA e4M 2021 we won recognition for Best use of Mobile Content. We were recognised for one of the 'Best Innovation' in 'L&D' by Business World HR Learning and Development Excellence Awards 2020. These awards and many more are really a fruit of all the efforts and passion brought to work every day by employees of ABCL and its subsidiaries.

THANK YOU

I am grateful to you, and our shareholders, who have shown unwavering faith in our strategy. I would like to extend my gratitude for the generous support and guidance received from our Chairman and the Board. I would also like to thank our regulators, esteemed partners, and our customers for placing their trust in us. Finally, I would like to thank all my colleagues and their families, who have been true warriors during these most challenging times and have diligently supported ABC and one another with unstinted dedication and passion.

35 Mn

ACTIVE CUSTOMERS GREW
36% Y-O-Y

**FY24
Guidance**

DELIVERING COMMITTED METRICS
AHEAD OF TIME ACROSS KEY
BUSINESSES

ABCL HAS BEEN ABLE TO LEVERAGE ITS DIGITAL CAPABILITIES TO SEAMLESSLY INTEGRATE WITH PARTNERS TO ACQUIRE CUSTOMERS AT SCALE. THE COMPANY HAS BEEN A LEADER IN ADOPTING NEW TECHNOLOGIES IN THE BFSI SPACE AND REPLICATING THEM QUICKLY ACROSS ITS LINES OF BUSINESSES.

I have decided to step down as the CEO of Aditya Birla Capital after 15 years at the helm. It has been an extremely fulfilling and exciting journey to build an institution of scale and repute.

I feel blessed to have enjoyed the passion and support of so many along the journey and the opportunity to work with a great team in a highly pedigreed group. The Company is in a great place with record profits, a huge and growing customer franchise, high quality businesses and an enviable team. This is an ideal platform to build on and I know my successor, Vishakha Mulye, will take ABCL to greater heights.

ABC has always been home to those who dream of enabling our customers to live fulfilling lives and then working together to make it a reality. That's the mindset that enabled us to deliver on our commitments last year, and will inspire and motivate us towards new heights in the years to come.

Regards,

AJAY SRINIVASAN

Chief Executive, Aditya Birla Capital

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VIEW OUR ANNUAL REPORT 2021-22 ONLINE

www.adityabirlacapital.com/investor-relations/financial-reports



KEY HIGHLIGHTS: FY 22



₹23,633 Cr

REVENUE¹

↑ 16% Y-O-Y



₹1,706 Cr

PAT

↑ 51% Y-O-Y



35 Mn

ACTIVE CUSTOMERS

↑ 36% Y-O-Y



₹3.7 Lac Cr

ASSET UNDER MANAGEMENT²

↑ 10% Y-O-Y



₹13,867 Cr

GROSS PREMIUM³

↑ 25% Y-O-Y



₹67,185 Cr

LENDING BOOK⁴

↑ 11% Y-O-Y

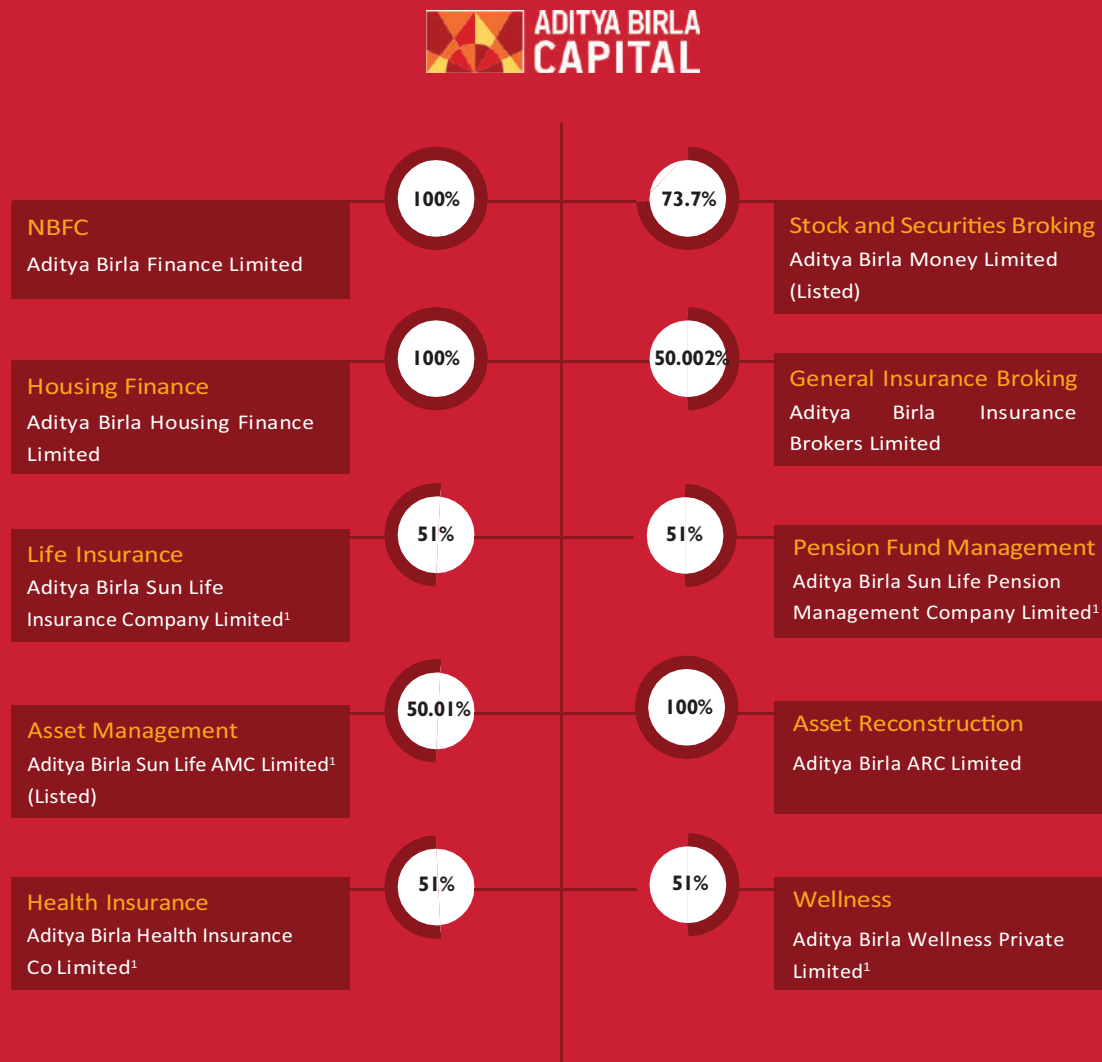
1 Consolidated segment revenue which includes Asset Management and Wellness business. For Ind AS statutory reporting purpose Asset Management and Wellness business are not consolidated and included under equity accounting

2 Includes Asset Management, Life Insurance and Health Insurance businesses

3 Includes Life Insurance and Health Insurance gross total premium (as per IRDAI reporting)

4 Includes NBFC and Housing businesses

Structure



¹ Indicates a Joint Venture (JV)

Aditya Birla Sun Life Pension Management Limited is a 100% subsidiary of Aditya Birla Sun Life Insurance Company Limited
ABCL structure above shows major subsidiaries and excludes other step down subsidiaries.



INTRODUCTION

ABCL is among the top 100 listed companies in terms of profitability and this is accomplished by driving transformational and exponential growth in every business, while maximising synergies and strengths. The five common themes across businesses that are driving revenue, profitability and value are:





EXPONENTIAL CUSTOMER ACQUISITION

The first pillar of our strategic priorities is building the bridges to acquire the right customers at scale, both directly and through partners. The traditional approach used so far is the branch-led model, which relies on opening more branches, putting more feet on street and growing distribution to increase reach. While this model can and should continue to be leveraged by us, it won't transform our way of doing business. This model will provide us good incremental growth but not exponential results.

Over the past few years we have enabled digital customer onboarding journeys by leveraging new technologies. Over 95% of customers were sourced using digital customer onboarding journeys in FY 2021-22. We made significant progress by leveraging tech integrations with 1,300+ APIs across lines of business for integration with partners, to acquire customers at scale. We ended FY 2021-22 with ~ 35 Million active customers, a growth of 36% year-on-year.



EXPONENTIAL IMPROVEMENT IN CUSTOMER SERVICE

The second pillar of our strategic priorities is transforming service so that the customer actually doesn't even feel the need for service. When a customer can switch at the click of a few buttons, service becomes the anchor that keeps the relationship alive. We have made some strides in this space, but intend to take this much further. Customer service is shifting from company-led service to intuitive and efficient self-service. It is shifting from reactive service to proactive service and true services, is about the customer not feeling the need for any kind of service at all.

Over past 2-3 years, we have built digital self-service channels including chat bot, WhatsApp, portals, apps etc. Today, over 50% of our service journeys are end-to-end automated and we will continue down this path.



3



EXPONENTIAL GROWTH IN CUSTOMER VALUE

The third pillar of our strategic priorities is enhancing customer value. As we acquire customers at scale, we would need to think about how to maximise the revenue per customer. Increasing the revenue per existing customer is the most effective and efficient way to grow profitable business.

In FY 2021-22 our businesses have enhanced customer value over the previous years across all key lines of businesses.

BUSINESS	CROSS-SELL AND UPSELL CONTRIBUTION
Life insurance	37% of Individual upsell premium
Health insurance	18% of Retail fresh premium (excluding micro or byte-sided products)
AMC	10% of Retail gross Sales
Lending	10% of Personal loan disbursements

4



EXPONENTIAL USE OF CUSTOMER ANALYTICS

The fourth pillar of our strategic priorities is data. The quantum of data available for us to analyse today is unparalleled. Data and analytics is the lifeblood for building an exponential business.

At ABC, we have embarked on the journey of understanding and leveraging what we can do with data and analytics. We are now able to use data to predict which is the right product for our customers, or to build an ideal profile for a successful advisor and making use of this, we are now hiring advisors. We have also been able to use analytics to predict the probability of a policy lapsing or being surrendered. Yet, we are sitting on a treasure of data, waiting to be monetised.

Our Central Analytics Unit (CAU) continues to support our key underlying businesses to take informed and intelligent business decisions.

5



EXPONENTIAL CHAMPIONING OF ENTREPRENEURSHIP

The fifth pillar is building an organization that champions the entrepreneurial spirit. Our focus is on creating an environment where people are able to bring their best to work and continuously become better at what they do. The culture at Aditya Birla Capital enables this. Our philosophy of encouraging entrepreneurship has also led us to explore talent from different walks of life. Our workforce today is becoming a mix of full-time employees, gig workers, part time entrepreneurs, people working on variable compensation models and so on. Using this model, we are able to source both general and specialized skill sets on demand thereby enabling us to increase our reach to a larger customer base while also tapping into the diverse talent pool that is available across India.

SOLUTIONS FOR EVERYONE

ADITYA BIRLA CAPITAL LIMITED (ABCL) IS ONE OF INDIA'S LEADING FINANCIAL SERVICES CONGLOMERATES, OFFERING COMPREHENSIVE FINANCIAL SOLUTIONS TO MEET OUR CUSTOMERS' REQUIREMENTS OVER THEIR LIFETIME. FROM INVESTING, TO FINANCING, PROTECTING AND ADVISING, WE PROVIDE OUR CUSTOMERS A SIMPLE, SECURE AND SEAMLESS EXPERIENCE THROUGH OUR ONE BRAND AND ONE SERVICE PLATFORM.

PART OF THE ADITYA BIRLA GROUP

We are a part of the Aditya Birla Group (ABG), a Fortune 500 company anchored by an extraordinary force of over 140,000 employees, belonging to 100 nationalities. Over 50% of the Group revenues flow from overseas operations that span 36 countries in North and South America, Africa and Asia. ABG is a leading player in aluminium, cement manufacturing, Viscose Staple Fibre (VSF), carbon black, chemicals, copper, telecom, branded apparels, fertilisers, viscose staple yarn and insulators, and, of course, financial services.

OUR CORE VALUES

COMMITMENT

PASSION

INTEGRITY

SEAMLESSNESS

SPEED

OUR VISION

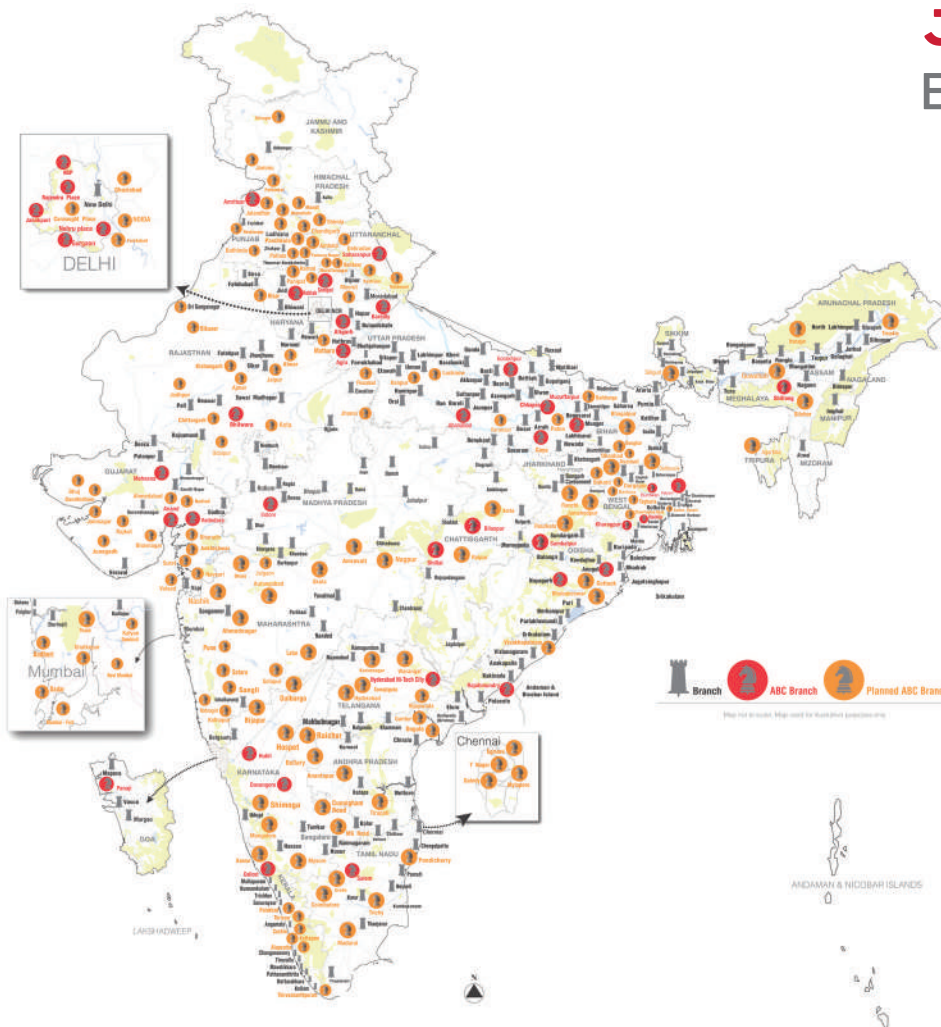
TO BE A LEADER
AND ROLE MODEL
IN A BROAD BASED
AND INTEGRATED
FINANCIAL SERVICES
BUSINESS



OUR NETWORK



30,500+
EMPLOYEES



1,048

BRANCHES

150+

PARTNERS

2 Lakh+

AGENTS AND CHANNEL
PARTNERS



ADITYA BIRLA CAPITAL

PROTECTING

Life Insurance

Health Insurance

Motor Insurance

Corporate General
Insurance

Travel Insurance

Multiply Wellness

INVESTING

Mutual Funds

Stocks & Securities
Broking

Wealth

Portfolio Management
Services

Pension Funds

FINANCING

Home Finance

Personal Finance

SME Finance

Mortgage Finance

Loan Against Securities

Corporate Finance

Debt Capital Markets
& Loan Syndication

Asset Reconstruction

ADVISING

MoneyForLifePlanner

Advisor Near You



THE "ONE ABC" PLATFORM ADVANTAGE



MONEY SOLUTIONS FOR LIFE

Comprehensive product offerings, allowing us to build long-term relationships through our customers' life stages



UNIFIED BRAND

A unified brand provides support to all businesses along with a single interface to fulfil all service and transaction needs across the platform



INFRASTRUCTURE SYNERGIES

Pan-India network of co-located branches, allowing us to maximise coverage and market access for all businesses



CUSTOMER VALUE

Large customer ecosystem and analytics provide basis for deepening customer relationships through upsell and cross-sell



UNIFIED TECHNOLOGY

Application of technology across the businesses to grow revenues, reduce costs, build scalable processes and create 'wow' customer experience



PARTNERSHIPS

Drive multi-product partnerships with structured approach to onboard and operationalise partners



TALENT + MOBILITY

Talented employee pool with strong domain expertise and a mix of experience and youth, which is moved across the platform



CAPITAL ALLOCATION

Judicious capital allocation towards scalable, high return growth opportunities, ensuring attractive returns to shareholders

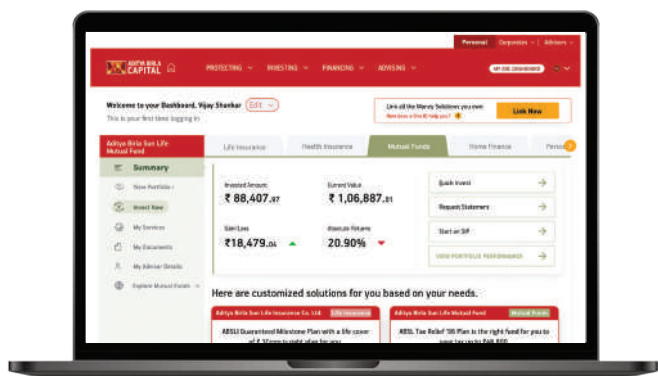
ONE ABC PLATFORM

LEVERAGING SYNERGIES FOR VALUE CREATION

OUR WELL-DIVERSIFIED PORTFOLIO MANAGED UNDER INDIVIDUAL BRANDS, IS STRENGTHENED BY THE SYNERGIES OF THE ABC PLATFORM. SHARED RESOURCES IN TERMS OF INFRASTRUCTURE, TECHNOLOGY, ABCL BRAND, AND ACCESS TO CAPITAL, HELP CREATE VALUE FOR OUR STAKEHOLDERS.

INTEGRATED ABCL PLATFORM CREATING CUSTOMER VALUE

A unified brand provides support to all businesses along with a single interface to fulfil all service and transaction needs across the platform, enabling value creation for the customers through our One ABC platform.



ABC MOBILE APP



ABC CO-BROWSING ASSIST



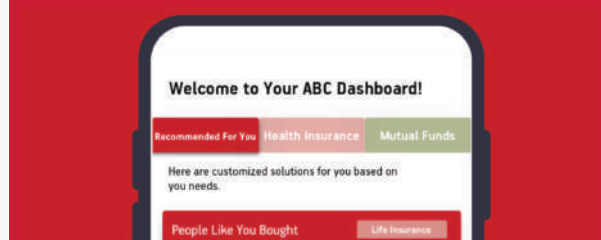
ONE ABC BRANCH



MONEY PLANNER



ABC PRE-APPROVED





PROVIDES POWER IN THE HANDS OF CUSTOMERS WITH UNIFIED MOBILE APP WITH 250 SERVICES ACROSS BUSINESSES WITH SEAMLESS, PERSONALISED EXPERIENCE TO DRIVE MULTIPLE PRODUCTS PER CUSTOMER.

1.7+ Mn

CUSTOMERS ENABLED
ON THE PLATFORM

ABC CHATBOT AND ABC WHATSAPP BOT AID CUSTOMERS TO SEAMLESSLY NAVIGATE ACROSS PRODUCTS FOR SERVICE NEEDS. LIVE ASSISTANCE USING CHAT/CO BROWSING, THUS IMPROVING CUSTOMER EXPERIENCE.

1.3+ Mn

CUSTOMER INTERACTIONS
IN FY 2021-22

HELPS MAXIMISE COVERAGE AND MARKET ACCESS THROUGH CO-LOCATION AND IMPROVES REAL-ESTATE SPACE UTILISATION, DRIVING COST BENEFITS AND PROVIDES LOW-COST OPPORTUNITY TO BUSINESSES TO EXPAND TO NEW LOCATIONS AND THUS GROW REVENUES.

113 Locations

WITH ONE ABC BRANCHES

FIRST-OF-ITS-KIND ROBOTIC ADVISORY TOOL THAT ENABLES CUSTOMERS TO PLAN THEIR LIFE'S GOALS.

7+ Lakh

INDIVIDUALS STARTED
PLANNING FOR THEIR
LIFE'S GOALS

USE OF DATA ANALYTICS TO PRESENT PERSONALISED, CURATED PRE-APPROVED PRODUCT OFFERS TO OUR DIRECT CUSTOMERS ON THEIR ABC DASHBOARDS.

1,00,000+

CUSTOMERS HAVE STARTED
RECEIVING OFFERS ON THE
ABCL DASHBOARD

KEY PERFORMANCE INDICATORS

DELIVERING CONSISTENTLY

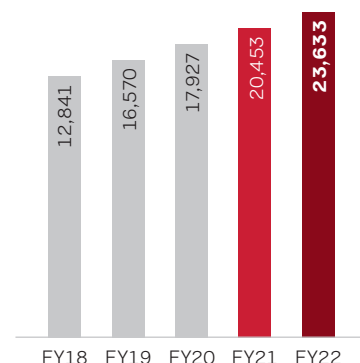
Revenue* (₹ in crore)

↑ 16%

Y-O-Y GROWTH

↑ 16%

5-YEAR CAGR



*Segmental Revenue for FY18, FY19, FY20, FY21 and FY22

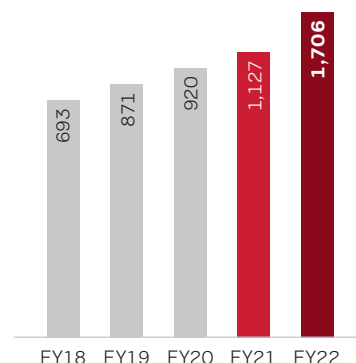
Profit After Tax (₹ in crore)

↑ 51%

Y-O-Y GROWTH

↑ 24%

5-YEAR CAGR



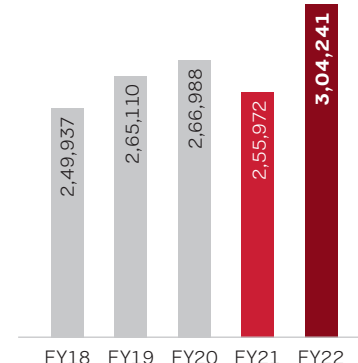
Average Assets Under Management (AUM)[§] (₹ in crore)

↑ 19%

Y-O-Y GROWTH

↑ 10%

5-YEAR CAGR



§Average asset under management for AMC business

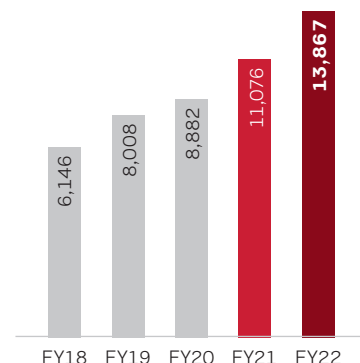
Gross Premium[#] (₹ in crore)

↑ 25%

Y-O-Y GROWTH

↑ 19%

5-YEAR CAGR



[#]Includes life insurance and health insurance gross total premium (as per IRDAI reporting)

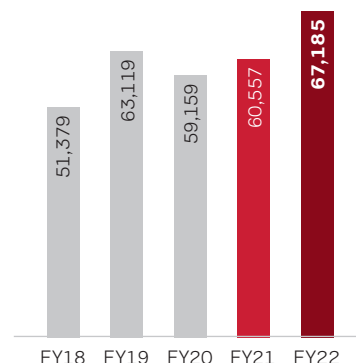
Lending Book[^] (₹ in crore)

↑ 11%

Y-O-Y GROWTH

↑ 12%

5-YEAR CAGR

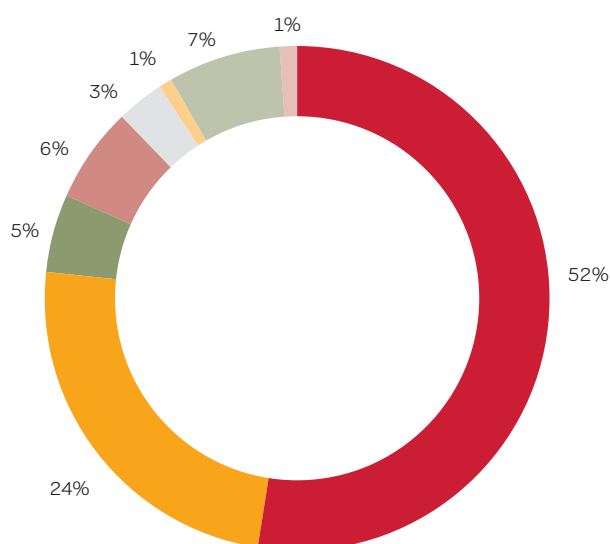


[^]Includes NBFC and Housing businesses

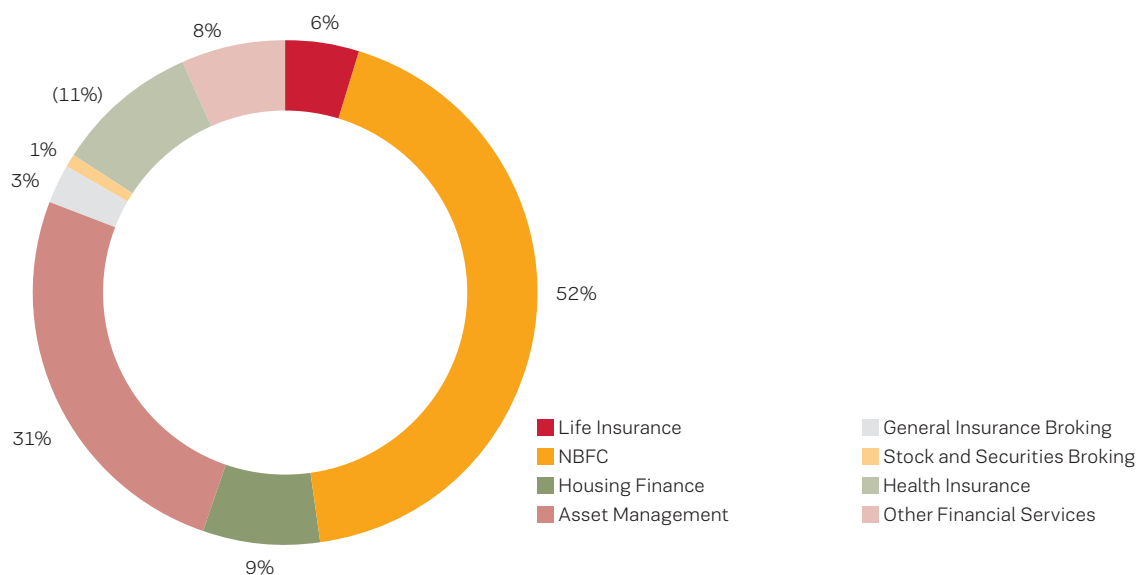


OVER THE CHALLENGING THREE-YEAR PERIOD, MARKED BY SIGNIFICANT AND UNPRECEDENTED DISRUPTION WE HAVE OUTPERFORMED PEERS AND GROWN OUR PROFITS STRONGLY. WE HAVE CONTINUED TO SCALE OUR BUSINESS IN TERMS OF AUM, LENDING BOOK, INSURANCE PREMIUM OR THE NUMBER OF CUSTOMERS. WE ARE TODAY AMONGST THE TOP 100 LISTED COMPANIES IN INDIA, IN TERMS OF PROFITABILITY.

Segmental revenue (%)



Segmental Profit Before Tax (%)



PERFORMANCE AGAINST FY 2023-24 TARGETS

DELIVERING AHEAD OF TIME

	Key Metrics	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
NBFC	Retail + SME Mix	46%	49%	50%	56%
	Net Interest Margin	4.54%	4.91%	5.11%	5.34%
	Return on Assets	1.80%	1.90%	1.70%	1.70%
Housing	Affordable Mix	4.00%	13.00%	19.00%	27.00%
	Net Interest Margin	3.14%	2.86%	2.66%	3.23%
	Return on Assets	0.60%	0.80%	0.90%	1.10%
AMC	Domestic Equity AAUM Mix	35.00%	36.00%	35.00%	36.00%
	Profit Before Tax (₹ Crore)	523	647	661	696
	Return on Equity	32.00%	38.00%	39.00%	35.00%
Life Insurance	Protection Mix	5.00%	6.40%	6.20%	5.80%
	OPEX Ratio	15.60%	15.70%	15.90%	13.90%
	Net VNB Margin	4.30%	9.80%	6.90%	10.60%
Health Insurance	Gross Written Premium (₹ Crore)	243	497	872	1,301
	Combined Ratio; Breakeven Target	188%	149%	134%	120%



OUR UNIQUE MODEL, DEDICATED TEAM AND STRONG FOCUS ON THE VALUE DRIVERS OF EACH BUSINESS HAS LED TO THE DELIVERY OF KEY METRICS ACROSS BUSINESSES WELL AHEAD OF OUR FY 2023-24 GUIDANCE. WE ARE POISED TO CONTINUE TO GROW STRONGLY AND HAVE STRENGTHENED OUR BUSINESS PLATFORM TO CAPITALISE ON THE OPPORTUNITIES IN THE COUNTRY.

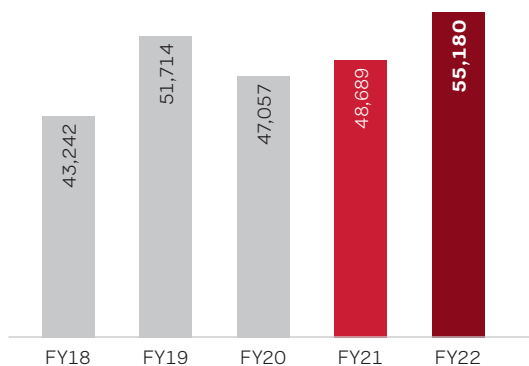
FY 2021-22	FY 2023-24 Targets	Status	Key Updates
62%	65%	On-Track	- Retail and SME book grew 25% year-on-year - Small ticket and digital ecosystem products mix grew ~3x in last 2 years - Expanded presence to 159 branches with 76% presence in tier 3/4 cities
6.25%	6.25%+	Achieved	- Margin expanded 91 basis year-on-year in FY 2021-22 led by product mix change and cost of borrowing - Ability to withstand rate hikes with well matched fixed/floating Asset/Liability
2.30%	2.5-2.7%	On-Track	- Strong expansion in core operating profit - Continued focus on cost optimisation and improving asset quality
38.00%	~65%	To Be Accelerated	- Affordable Book grew by 39% to ₹4,510 Crore - Overall Customers grew by 41% to 31,000 (PY: ~22,000) with ATS of ₹14 Lakh in affordable business - Expanded presence to 120 branches with 68% presence in tier 3/4 cities
4.24%	4.25%+	Ahead of Schedule	The shift in the segment mix supported by lower cost of borrowing has help highest ever margin
1.70%	1.5-1.6%	Achieved	- Improvement in margins and reduction in income-ratio led to higher core operating profits - Customer selection and calibrated underwriting strategy have helped risk-adjusted returns
41.00%	~40%	Achieved	- Domestic equity AUM grew 25% year-on-year to ₹1,20,993 Crore - Added ~1.29 Million new folios in FY 2021-22, the overall folio increased to 7.94 Million as on 31st March 2022
895	CAGR ~15%	On-Track	- PBT grew 29% year-on-year to ₹895 Crore in FY 2021-22 - Growing a value accretive product mix with strong retail franchise
34%	35-40%	Ahead of Schedule	Registered highest ever profit in FY 2021-22
5.50%	12-15%	To Be Accelerated	- All protection business is medically underwritten - Increase in reinsurance premium led to higher protection product prices
12.70%	~12%	Ahead of Schedule	- Leveraged digital adoption - Drive productivity across channels
15.00%	16-17%	Ahead of Schedule	- Consistent improvement in quality parameters with top quartile persistency - Increased in-force policies and renewal premium
1,727	3,500	On-Track	- Unique and Differentiated health first business model - Continued growth momentum: FY 2021-22 GWP grew 33% year-on-year - Targeting GWP growth at 40%+ in FY 2022-23 by investing in capacity and driving higher productivity
Q4 Breakeven	Q4 FY22	Achieved	- Achieved breakeven in Q4 FY22 one of the fastest break even amongst SAHI validated differentiated business model - Superior outcomes reflected in Average Customer Age lower by 5 years vs industry

NBFC - ABFL

Lending Book (₹ in Crore)

↑ 13%
Y-O-Y GROWTH

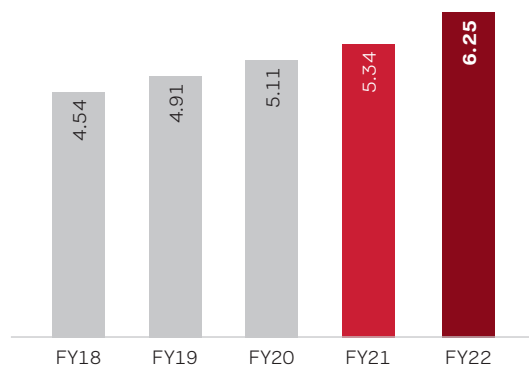
↑ 10%
5-YEAR CAGR



Net Interest Margin (in %)

↑ 91 bps
Y-O-Y GROWTH

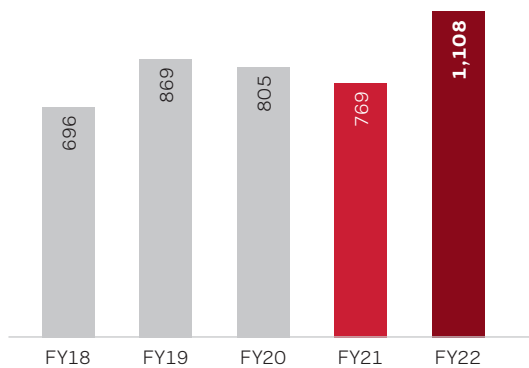
↑ 185 bps
OVER 5 YEARS



Profit After Tax (₹ in Crore)

↑ 44%
Y-O-Y GROWTH

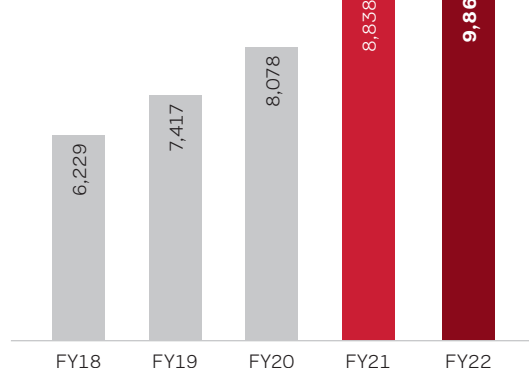
↑ 14%
5-YEAR CAGR



Net Worth (₹ in Crore)

↑ 12%
Y-O-Y GROWTH

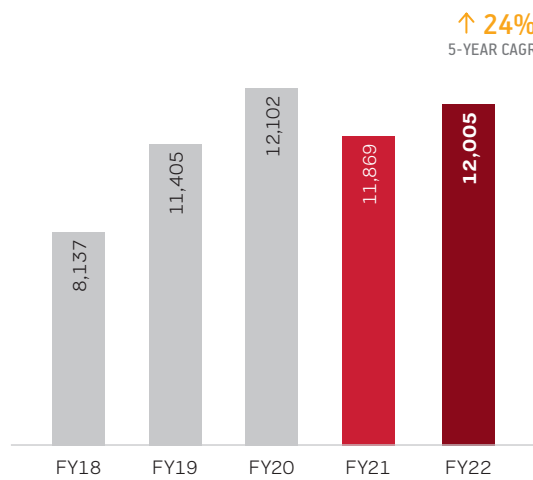
↑ 15%
5-YEAR CAGR



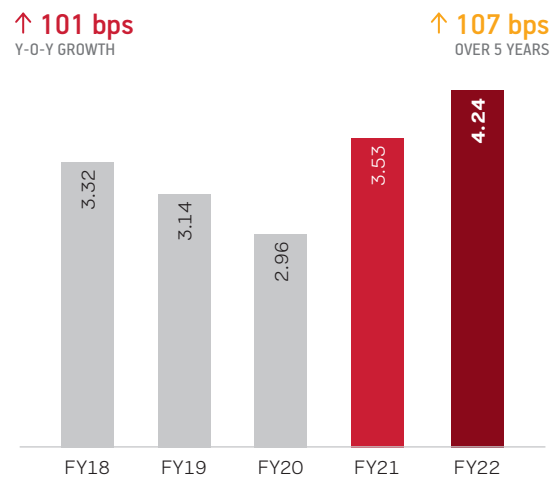


HOUSING - ABHFL

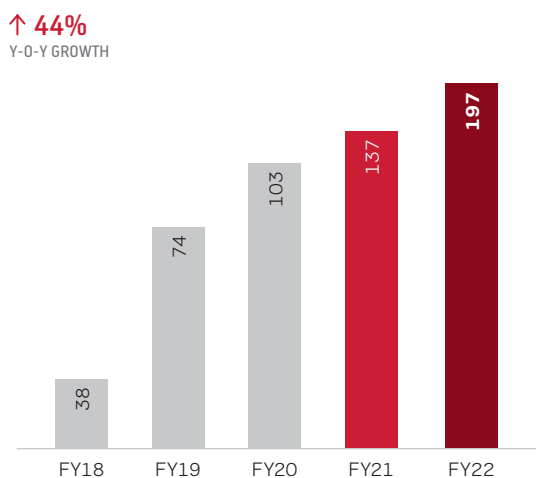
Lending Book (₹ in Crore)



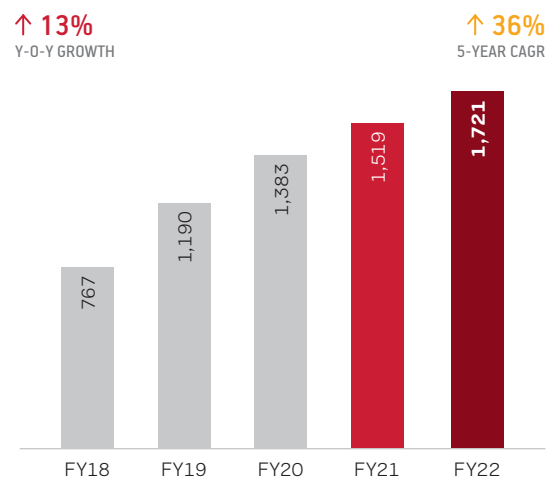
Net Interest Margin (in %)



Profit After Tax (₹ in Crore)



Net Worth (₹ in Crore)

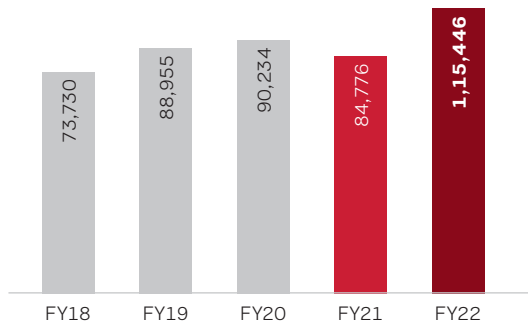


AMC - ABSLAMC

Domestic Equity AAUM (₹ in Crore)

↑ 36%
Y-O-Y GROWTH

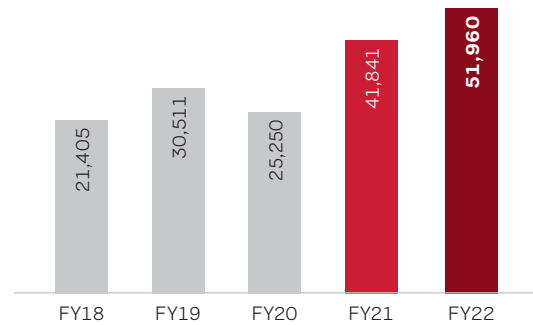
↑ 22%
5-YEAR CAGR



SIP AUM (₹ in Crore)

↑ 24%
Y-O-Y GROWTH

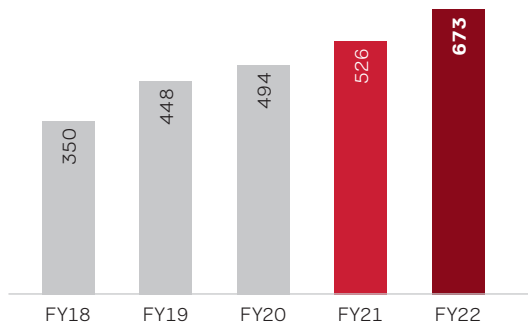
↑ 30%
5-YEAR CAGR



Profit After Tax (₹ in Crore)

↑ 28%
Y-O-Y growth

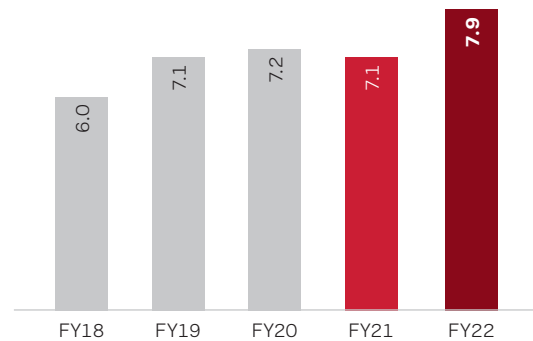
↑ 25%
5-YEAR CAGR



Investor Folios (in Million)

↑ 12%
Y-O-Y growth

↑ 15%
5-YEAR CAGR



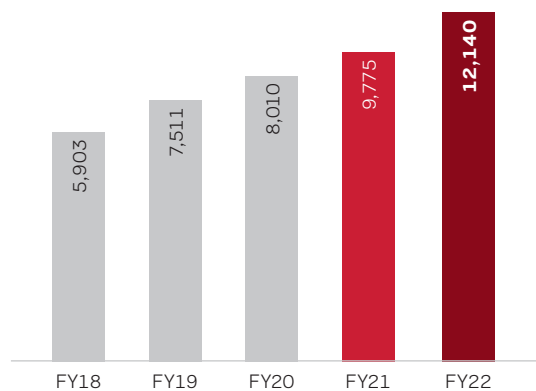


LIFE INSURANCE - ABSLI

Total Gross Premium (₹ in Crore)

↑ 24%
Y-O-Y GROWTH

↑ 16%
5-YEAR CAGR

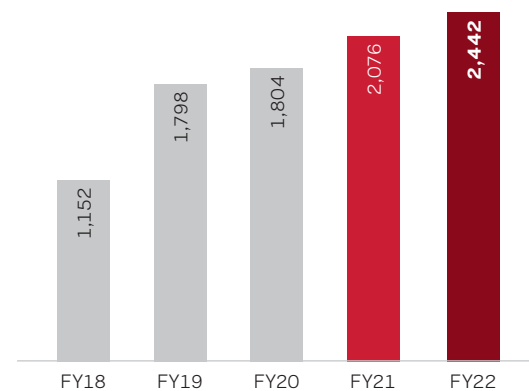


Individual First Year Premium

(₹ in Crore)

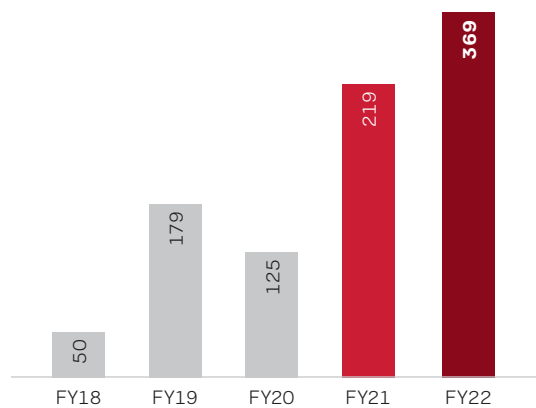
↑ 18%
Y-O-Y GROWTH

↑ 21%
5-YEAR CAGR



Net VNB (₹ in Crore)

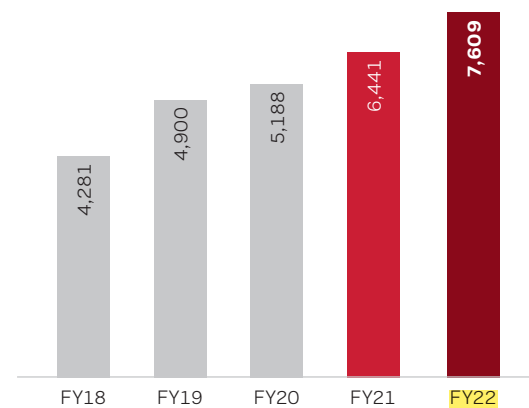
↑ 69%
Y-O-Y GROWTH



Embedded Value* (₹ in Crore)

↑ 18%
Y-O-Y GROWTH

↑ 15%
5-YEAR CAGR



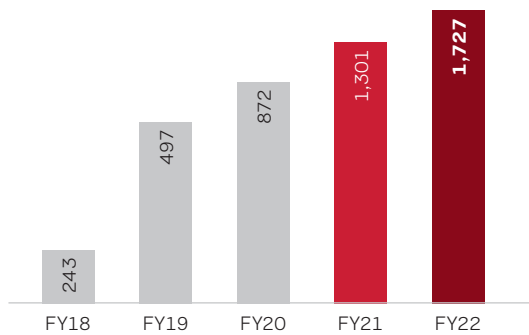
* Market Consistent Embedded Value (MCEV)

HEALTH INSURANCE - ABHI

Gross Written Premium (₹ in Crore)

↑ **33%**
Y-O-Y GROWTH

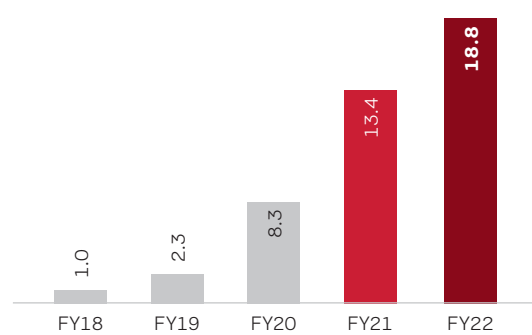
↑ **100%**
5-YEAR CAGR



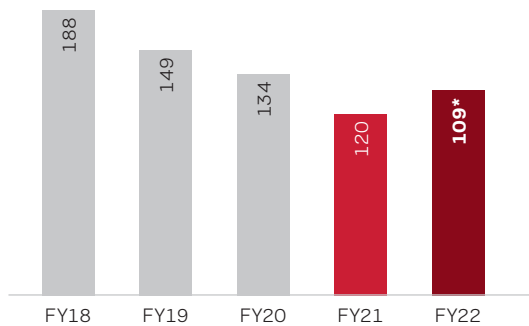
Lives Covered (in Mn)

↑ **40%**
Y-O-Y GROWTH

↑ **147%**
5-YEAR CAGR

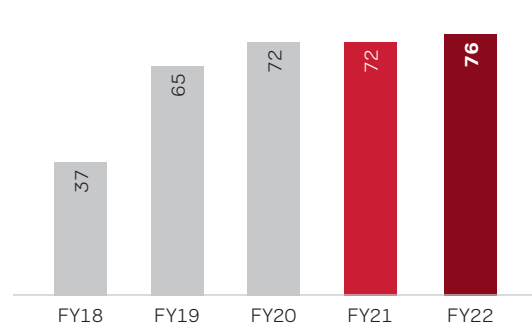


Combined Ratio (%)



*normalised for CoVID Claims

Retail GWP Mix (in %)





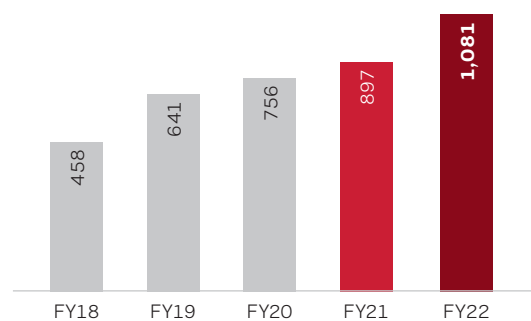
OTHER BUSINESSES

AGGREGATE PERFORMANCE¹

Revenue (₹ in Crore)

↑ 21%
Y-O-Y GROWTH

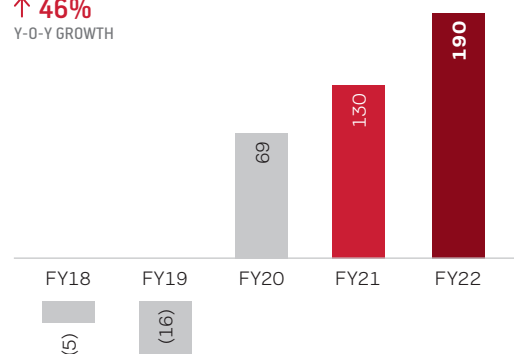
↑ 31%
5-YEAR CAGR



¹Includes ABC Standalone, Aditya Birla Capital Technology Services Limited and other businesses

Profit Before Tax (₹ in Crore)

↑ 46%
Y-O-Y GROWTH

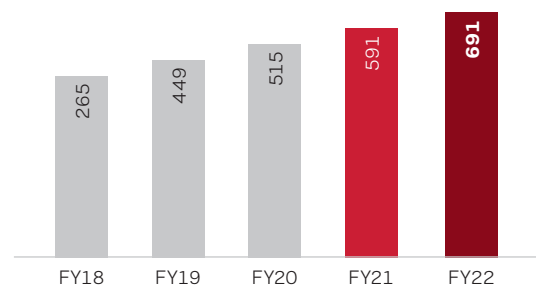


GENERAL INSURANCE BROKING

Revenue (₹ in Crore)

↑ 17%
Y-O-Y GROWTH

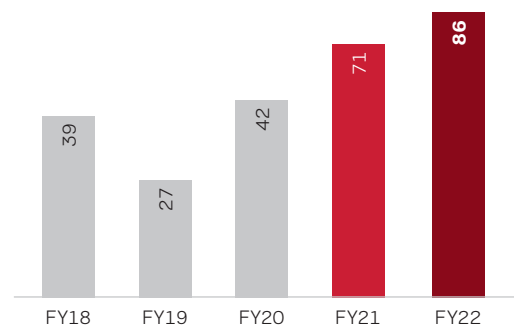
↑ 42%
5-YEAR CAGR



Profit Before Tax (₹ in Crore)

↑ 22%
Y-O-Y GROWTH

↑ 17%
5-YEAR CAGR

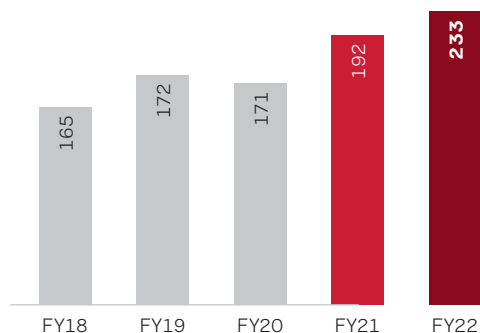


STOCK AND SECURITIES BROKING

Revenue (₹ in Crore)

↑ 21%
Y-O-Y GROWTH

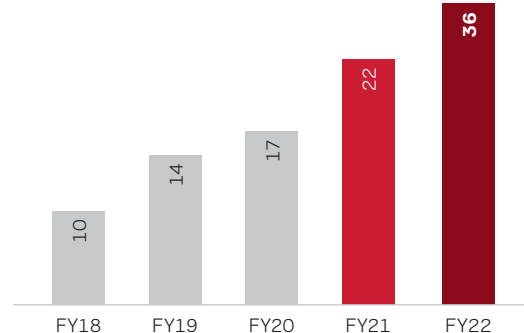
↑ 12%
5-YEAR CAGR



Profit Before Tax (₹ in Crore)

↑ 59%
Y-O-Y GROWTH

↑ 35%
5-YEAR CAGR

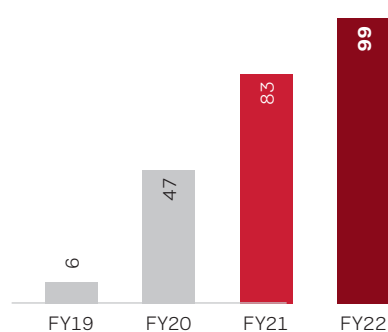


ASSET RECONSTRUCTION COMPANY*

Revenue (₹ in Crore)

↑ 21%
Y-O-Y GROWTH

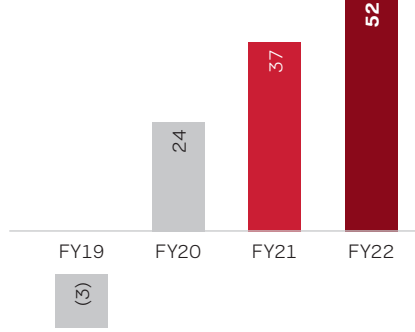
↑ 156%
5-YEAR CAGR



*Asset Reconstruction Company business operations started from FY19.

Profit Before Tax (₹ in Crore)

↑ 43%
Y-O-Y GROWTH





TECHNOLOGY UPDATE

TECHNOLOGY DRIVING GROWTH

OUR FOCUS ON TECHNOLOGY HAS ENABLED US TO GROW REVENUES, REDUCE COSTS, BUILD SCALABLE PROCESSES AND CREATE CUSTOMER EXPERIENCE. BETTER DATA ANALYTICS PROVIDE US THE BASIS FOR FURTHER DEEPENING CUSTOMER RELATIONSHIPS THROUGH UPSSELL AND CROSS-SELL OPPORTUNITIES.

CUSTOMER ACQUISITION



We have created significant digital onboarding capabilities across our businesses through end-to-end customer-journey re-engineering. Our focus on digital acquisition through leveraging our partners has enabled us in gaining customer traction, especially in lending, mutual fund and health insurance. Our outbound audio-visual Bot, done on the basis of data analytics, increase upsell and cross sell across business. Our AI/ML based underwriting platform using alternate data reduced turnaround time, especially in our lending and life insurance business.

95%+
CUSTOMERS
ONBOARDED
DIGITALLY ACROSS
BUSINESSES

19+ Mn
LIVES COVERED IN
HEALTH INSURANCE
BUSINESS AS ON
MAR'22

4.1 Mn
CUSTOMERS ACQUIRED
THROUGH PARTNERSHIPS
IN LENDING BUSINESS

CUSTOMER ENGAGEMENT



We have implemented Omnichannel orchestration layer for seamless service experiences across our digital and physical channels. Customer can start a payment journey and if the journey is broken can continue it on WhatsApp. He also gets proactive status of service requests such as address change, nominee addition etc. across all channels proactively for over 200 service journeys across our businesses without the need for him to reach out to us.

We have implemented Speech and Sentiment analysis solution for improving customer engagement. This includes custom built models for call quality scoring, sentiment analysis and auto escalation to manager for service recovery.

38 Mn
CUSTOMER
INTERACTIONS ON
DIGITAL CHANNELS

4.7+ Mn
OMNI CHANNEL
INTERACTIONS

140+
VOICE BOTS FOR INBOUND
AND OUTBOUND CALLS
ACROSS VARIOUS
BUSINESSES

CUSTOMER ANALYTICS AND VALUE



We have leveraged our Digital renewal journey's on WhatsApp, Web, App, Audio Visual Bot in our Life and Health Insurance businesses.

95%+
PAYMENTS AND
COLLECTIONS ON
ELECTRONIC CHANNELS

88%
POLICIES RENEWED
DIGITALLY IN HEALTH
INSURANCE

SCALABILITY



Technology has provided us cost-efficient scalability and we are making steady progress on public cloud migration. Our mid-offices and back-offices have been transformed by the implementation of key digital automated processes to run operations with greater automation including improving risk processes. We are creating heterogeneous DevOps infrastructure rollout for faster go to market starting with key platforms.

500+
ROBOTS LIVE IN OUR
MID & BACK OFFICES

27%
SERVERS MOVED TO
PUBLIC CLOUD ACROSS
THE LINES OF BUSINESS



CUSTOMER SERVICE



We have developed digital self service journeys on multiple digital platforms including Voice Bots, WhatsApp, Chatbot, Apps and web portals. This year we accelerated implementation of Voice Technologies to achieve market leadership. The voice technologies were leveraged across onboarding, service and retention journeys.

We have also developed one ABC App and One ABC WhatsApp for seamless purchase and service experience across our extensive portfolio.

54%+

SERVICE JOURNEYS ARE
END-TO-END AUTOMATED,
NO HUMAN INTERVENTION

4.4 Mn

CALLS TO CUSTOMERS
USING AUDIO VISUAL /
VOICE BOTS

30%+

ONE ID CUSTOMERS
ACCESSED ONE ABC APP

DATA AND ANALYTICS

	ACQUISITION	UPSELL & CROSS SELL	RETENTION & WINBACK
LIFE INSURANCE	14% OF INDIVIDUAL FIRST YEAR PREMIUM	37% OF INDIVIDUAL FIRST YEAR PREMIUM	9% ADDITIONAL RENEWAL PREMIUM COLLECTED
HEALTH INSURANCE	11% OF RETAIL FRESH PREMIUM (EXCLUDING MICRO/ BYTE SIZE PRODUCTS)	18% OF RETAIL FRESH PREMIUM (EXCLUDING MICRO/ BYTE SIZE PRODUCTS)	8% LIFT IN RENEWAL PREMIUM COLLECTED
AMC	1% OF RETAIL GROSS SALE	10% OF RETAIL GROSS SALE	7% OF RETAIL GROSS SALE
LENDING	73% OF RETAIL PORTFOLIO USING ML RISK SCORECARDS	10% OF PERSONAL LOAN DISBURSALS	96% COLLECTION EFFICIENCY FROM DIGITAL LENDING / PERSONAL LOAN

WE INSPIRE PEOPLE TO UNLOCK THE TRUE POTENTIAL OF THEIR MONEY WITH EASE AND CONFIDENCE SO THAT THEY CAN LEAD FULFILLING LIVES.

We enable people to live the life they have imagined for themselves by partnering them with regard to their Protecting, Investing, Financing needs. We enable them to protect what they value, invest for their dreams and aspirations and finance their immediate needs and desires.

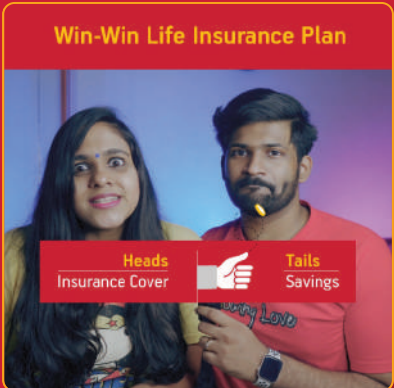
Our INFLUENCER CAMPAIGNS that created consideration and purchase intent among people



Ranveer Allahbadia
YouTuber & Entrepreneur

Did You Know
1 Crore Health Cover
Is Available
@ ₹929/Month?

ADITYA BIRLA
CAPITAL



Win-Win Life Insurance Plan

Heads
Insurance Cover

Tails
Savings

ADITYA BIRLA
CAPITAL



Abhiraj Rajadhyaksha
Digital Content Creator

Does Your
Term Life Insurance
Return Your
Premium Amount?

ADITYA BIRLA
CAPITAL



Colleen Khan
Hair stylist & Former Model

Did You Know
1 Crore Health Cover
Is Available
@ ₹929/Month?

ADITYA BIRLA
CAPITAL



Our CUSTOMER ADVOCACY CAMPAIGNS that offered a platform to ABC Customers to endorse our brand



Dr. Siddharth Pandey | Aerospace Engineer

**IS YOUR HEALTH
ADEQUATELY PROTECTED?**



**Does Your Term
Life Insurance
Return Your
Premium Amount?**



Our JUMP FOR HEALTH CAMPAIGN that inspired people to look after their health



Our FINANCING CAMPAIGN that provoked people to listen to their dreams and fulfil them



RECOGNISED FOR EXCELLENCE

KEY AWARDS

- Aditya Birla Capital Ltd. (ABC) was recognised as the winner under the 'Service & Solution' category at the International Innovation Awards (IIA) 2021
- ABC won the 'Marketer of the Year' award at the MMA Smarties 2021
- ABC is among the coveted 2021 Working Mother and Avtar 100 Best Companies for Women in India

CORPORATE SOCIAL RESPONSIBILITY

- FICCI Insurance Industry Award 2021:
Aditya Birla Sun Life Insurance Company Limited (ABSLI)
Project: Women Empowerment
- CSR Journal Excellence Award 2021
Aditya Birla Sun Life AMC Limited (ABSLAMC)
Project: Sustainable Livelihood
Aditya Birla Finance Limited (ABFL)
Project: Rahul Dravid Athlete Mentorship Program

HUMAN RESOURCES

- ABC's L&D team won 'Best Innovation L&D' at Business World HR Learning & Development Excellence Awards 2020
- ABC was among the top 25 dream employers across India's Top B School Campuses. In addition, it ranked 18th amongst all Indian companies and 3rd within the BFSI sector in December 2020 survey
- ABC's L&D Team won 'The Best Learning Team' at the prestigious Brandon Hall Group HCM Excellence Award



OTHER AWARDS

- ABSLAMC won Gold for 'Innovative Approach to Investor Education' at the Outlook Money Awards
- ABSLAMC won 'Best Investor Education and Fintech Innovation in Asset Management' at the 25th Asia Asset Management Awards 2022
- Aditya Birla Health Insurance Ltd. (ABHI) won 'Most Innovative Insurer' in the Non-Life category at the FICCI Insurance Industry Awards 2021
- ABHI won the 'Overall Achievement' in the 'Emerging companies General/Health Insurance' category at the 13th Global Insurance E-Summit and Awards conducted by ASSOCHAM
- Aditya Birla Insurance Broking (ABIBL) won the 'Domestic Insurance Broker of the Year Award (India)' at the Insurance Asia Awards 2021

MARKETING AWARDS

- ABCL won recognition for Best Brand Awareness Experience and Best Data Driven Display Campaign at MMA Smarties 2021. At Maddies 2021 we won recognition for Best Use of Mobile Integration, Maximizing Mobile Advertising, Use of Social Media and Best Multi-mobile Channel Campaign. At ICMA e4M 2021 we won recognition for Best use of Mobile Content.
- ABHI won in the categories – 'Best Social Media Campaign, Best Integrated Campaign, and Best Use of Blogs/ Websites' at the Health Marcom Awards 2021
- ABHI won in the 'Product Relaunch' category at ET BFSI Shark Awards
- ABHI won for 'Long-Term Marketing Strategy (3 Years or More)' at The Indian Marketing Awards
- ABSLI won in the 'Best Use of AI' category for using analytics to power upsell at the e4m Martech India Awards 2021, organised by Exchange4media



OUR COMMITMENT TO THE PLANET

AS AN INDUSTRY LEADER AND PART OF ADITYA BIRLA GROUP, WE ARE AWARE OF OUR RESPONSIBILITY TOWARDS THE PLANET. WE ARE COMMITTED TOWARDS OPERATING IN AN ENVIRONMENTALLY RESPONSIBLE MANNER, WHILE CATERING TO THE INTERESTS OF OUR DIVERSE STAKEHOLDERS. AS PART OF OUR SUSTAINABILITY STRATEGY, WE TAKE MULTIPLE MEASURES TO MITIGATE THE IMPACT OF OUR OPERATIONS ON THE CLIMATE AND ENVIRONMENT AND PRESERVE THE PLANET FOR FUTURE GENERATIONS.

WASTE MANAGEMENT

In any industry, effective waste management and minimisation should be a priority. Our strategy aims to reduce the amount of waste we generate and ensure that what we do produce is reused or recycled, whether for the same purpose or for a secondary use. We have tied up with ViaGreen for waste management and recycling initiatives. ViaGreen acts as an intermediary between corporate

waste management initiatives and local/small waste collectors (scrap dealers)/waste business owners. In exchange for waste collected, ViaGreen awards points (Swachh Bharat Points - SBP), which can be exchanged for environment-friendly office stationery made of recycled materials, contribution towards charitable causes and tree plantation drives, or cash. In FY 2021-22, we earned 1,06,000 SBP (ViaGreen assessment), which were used for providing employees with recycled office stationery. In addition, we have procedures for the disposal of e-waste in accordance with the applicable laws.

 **18,045 kg**
DRY WASTE RECYCLED

 **61 MtCo₂**
GHG EMISSIONS AVOIDED

Reducing plastic

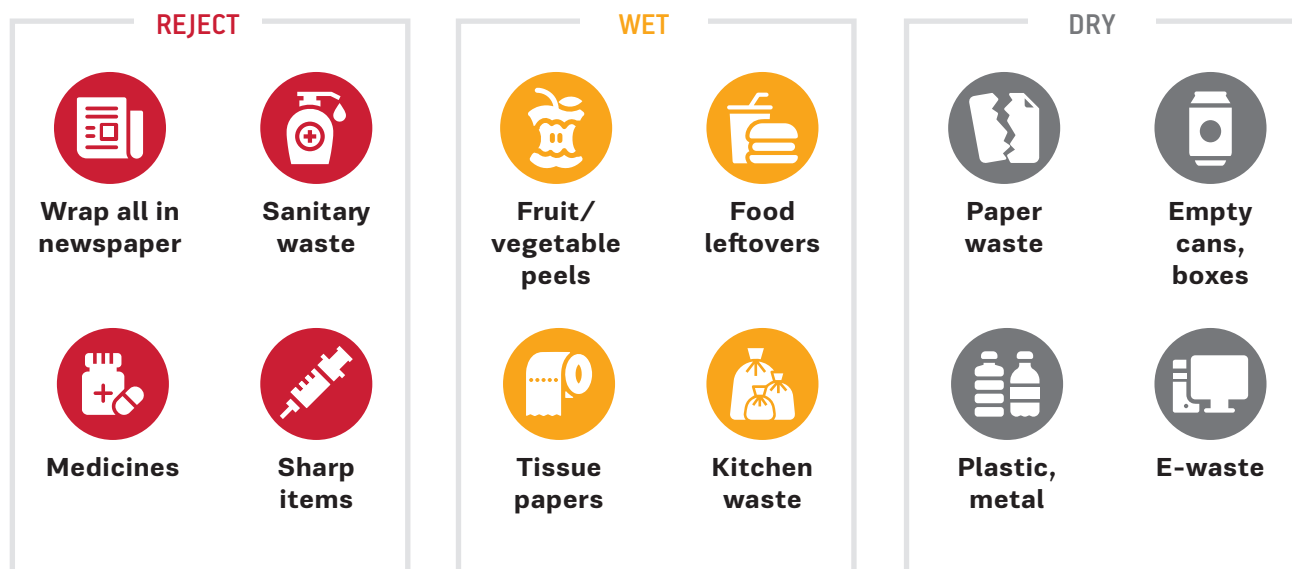
To minimise plastic waste in our daily operations, we at ABCL and our subsidiaries, have reduced the use of disposable mineral plastic water bottles and plastic water dispenser jars, replacing them with glass water bottles and installing RO machines in place of plastic water dispenser jars.

Waste collected and recycled in FY 2021-22 (Quantity in kg)

	Paper	Cardboard	Plastic	Metal	Glass	Total
FY22	9,291	5,629	2,072	976	78	18,045
FY21	1,666	2,358	617	378	164	5,183
FY20	23,370	4,540	320	500	11	29,700



SEGREGATION VIA GREEN RECYCLES



WATER MANAGEMENT

With climate change increasingly causing environmental degradation, India is facing a crisis of availability of freshwater. Water conservation is essential to combating the depletion of this precious resource. The availability of fresh water is a growing challenge in some parts of the world. We carefully manage our water use and discharges.

Installation of APGC sensors

Auto Power Generated and Conserved System (APGC) has been installed in urinals replacing old battery-powered sensors. APGC is an innovative solution, where the power required to operate an automatic urinal flushing system is auto generated by the flushing system itself. Hence, doing away with old battery powered sensors is helping save heavy battery consumption as well as external electric power consumption. APGC conserves power through advanced micro-chip technology that enables the

system to function 24x7 with continuous and steady power supply. This also helps save water and power into urinals for touch-free and hygienic flushing. We are in the process of obtaining the green certification for the system.

WASH Pledge

We have participated in the World Business Council for Sustainable Development's (WBCSD) WASH Pledge, which ensures that all employees have access to safe water, sanitation and hygiene at the workplace.

1.92 (96%)

**WASH PLEDGE
SELF-ASSESSMENT
COMPLIANCE**

ENERGY CONSERVATION AND EMISSION MANAGEMENT

Our two-pronged approach for energy efficiency involves promoting behavioural changes among associates by encouraging them to save energy and smart management of lighting, heating and cooling requirements. Initiatives to integrate energy efficiency into overall operations are undertaken through design considerations and operational practices.

Most of our offices are installed with LED lights, making them energy efficient. Further, we also successfully installed our first rooftop solar panel at

one of our Bengaluru offices and will be taking up similar renewable energy installations in other office buildings in the future.

We are reducing our year-on-year emissions by increasing our renewable energy portfolio and by implementing energy efficiency projects. To reduce our consumption of energy sourced from fossil fuels, we are planning to increase the share of renewable energy by installing several rooftop solar panels across several offices.

CO₂ emission trends

Co₂ emission comparison 2020-21/2021-22

Sites	Total KWH (2021-2022)	Co2 emission kg (2020-2021)	Co2 emission kg (2021-2022)	Co2 emission tonnes (2020-2021)	Co2 emission tonnes (2021-2022)
ABC, Indiabulls Mumbai	14,21,614	5,96,550	10,57,526.86	658	1,166
ABC, R-Tech Mumbai	7,78,835	5,69,004	5,79,368.89	627	639
ABC, G Corp Mumbai	13,64,873	6,11,032	10,15,317.70	674	1,119
Total	35,65,322	17,76,558.00	26,52,213	1,956	2,924

Observation: In 2021-22, Co₂ emissions got increased by approximately 49% compared to 2020-21





Solar Panel

Solar energy is naturally more sustainable than fossil fuel energy sources and is more environmentally sustainable. It converts the sun's energy into electrical energy and makes use of the greatest, most sustainable resource on the planet, sunlight. The photovoltaic (PV) cells in the panel collect the sunlight and convert it into electricity. Solar has an infinite source of energy and is guaranteed to be available for centuries. And as long as the sun continues to shine, we will always be able to reap the benefits by generating clean, green energy.

The solar panels installed at Pune location have a capacity of 22 KW, and generated 29,000 units power in the first year. Similarly, the solar panels installed at Bangalore office have a capacity of 12 KW, generating 18,000 units power in the first year. We are setting a solar panel at our Noida office of 41 KW capacity, which is expected to generate 56,580 units of power in a year.

40 KW
SOLAR CAPACITY

41 KW
SOLAR CAPACITY
EXPANSION UNDER
PROCESS

BUILDING A CULTURE OF EXCELLENCE



WE HAVE ALWAYS ASPIRED TO BE AN ORGANISATION AND A WORKPLACE WHICH ATTRACTS, RETAINS AND PROVIDES A CANVAS FOR TALENT TO OPERATE. OUR VISION OF BEING A LEADER AND A ROLE MODEL IN A BROAD BASED AND INTEGRATED FINANCIAL SERVICES BUSINESS, BUILDING A CULTURE THAT IS PURPOSE-DRIVEN, GIVING MEANING TO OUR PEOPLE.

30,878

EMPLOYEES STRENGTH
AS OF 31ST MARCH 2022

We believe that meaning at work is created when people relate to the purpose of the organisation, feel connected to their leaders and colleagues and have a sense of belonging. Our focus is on providing our people a work environment that welcomes diversity, nurtures positive relationships, provides challenging work assignments and provides opportunities based on meritocracy for people to grow and build their careers with us, in line with their aspirations.

70%+

MILLENNIALS

**30%**

OVERALL DIVERSITY

68%IDENTIFIED SUCCESSORS
MOVED INTO THEIR
DESTINATION ROLES

TALENT MANAGEMENT AND SUCCESSION PLANNING

Building a strong future-ready talent pool and robust leadership succession pipeline continue to be priority areas for us in Talent Management. We continue to give prominence to identifying and developing our high potential employees across every line of business and have steered towards more holistic, comprehensive and future-oriented development interventions for them. We have immense focus on creating well-rounded leaders, who are passionate about value creation for customers and execute excellence. Significant attention has been given to greater alignment, synergies and stronger collaboration amongst businesses and leaders, across levels.

We have created a strong pool of future leaders. Over the last two years, we have identified members from the middle and senior management to create a strong succession plan. These members are being

mentored to take on larger roles in the organisations. Recently, members from cross-functional teams led by our senior management team have taken up working towards launching new initiatives to augment service excellence. Additionally, focus on building future-ready skills in the areas of digital, technology, risk and analytics has been at the centre for the last year. Through various initiatives and partnerships with global organisations, we have continued our focus on building skills in these areas.

100 +MEMBERS HAVE UNDERGONE CAPABILITY
BUILDING IN THE AREAS OF BREAKTHROUGH
THINKING AND INNOVATION



EMPLOYEE WELLNESS AND ENGAGEMENT

Our endeavour to provide a happy, vibrant and engaging work environment continued this year. We welcomed employees back to work and significant attention was given to help them restart and settle comfortably through support mechanisms and flexibility.

Revitalising a culture of connect and camaraderie has been yet another area of significant attention for us. Bringing people together through events, townhalls, leadership connect sessions and celebration of milestones enabled this.

8,598

EMPLOYEE PARTICIPATED IN
WELLNESS PROGRAMMES

Our leaders and managers across levels are also deeply involved in identifying and implementing actions towards enhancing employee engagement, the results of our employee engagement survey serving as input for this.

We are also reinforcing the importance of health and wellbeing through wellness programs and initiatives. We continued to support our employees and their family members through medical infrastructure support and assistance programs during recurring waves of COVID-19. Assisting employees and their family members in getting access to the COVID vaccine was of prime importance. Through exclusive vaccination camps across our office locations in India, we ensured a smooth and seamless process for our employees and their family members to get vaccinated.

Our comprehensive wellness program for employees launched last year gained impetus and saw greater uptake. With wider offerings and health management initiatives, our aim is to ensure that employees invest in improving their health and wellness.



LEARNING AND DEVELOPMENT

Our philosophy is to provide every employee with continuous opportunities to learn and grow. Our learning interventions create an organisation-wide impact as these are focused on enabling employees to do better at work.

An AI-enabled learning app provides employees easy access to personalised content that meets their unique individual requirements. Employees can leverage these resources to enhance their skills and knowledge. This year, 31,000+ relevant courses, videos and webinars were hosted on Gyanodaya Virtual Campus (GVC), the Group's e-learning platform for employees.

Additionally, with 3000+ e-learning courses, 25,000+ video-based modules, 2,000+ micro-learning modules, and 1,400 sustainability courses, our employees have the flexibility to learn anytime and from anywhere. While self-paced learning is available around the year, one can also attend live, virtual, instructor-led sessions through our in-house corporate university-ABC University. It creates and delivers need-based learning solutions on behaviour, sales effectiveness, functional and leadership development.

31,000+

COURSES, VIDEOS AND
WEBINARS HOSTED ON GVC

3,000+

E-LEARNING COURSES

1,400

SUSTAINABILITY
COURSES



TOWARDS INCLUSIVE GROWTH

OUR UNDERLYING MOTTO IN CSR ENGAGEMENT HAS ALWAYS BEEN TO ENGAGE, UPLIFT AND EMPOWER COMMUNITIES, AND IN DOING SO, PERPETUALLY BE A FORCE FOR GOOD. WE ARE INVESTED IN HEALTHCARE, EDUCATION, WOMEN EMPOWERMENT, SUSTAINABLE LIVELIHOOD, AND SPORTS.

Our CSR work is carried out under the aegis of 'The Aditya Birla Centre for Community Initiatives and Rural Development.' This Centre, along with Aditya Birla Capital Foundation, provides strategic direction, thrust areas for our work and oversight on our CSR initiatives.



₹37.64 Cr

CSR ALLOCATION



3.25 Lakh

LIVES IMPACTED



31

NGO PARTNERS



32

PROJECTS IMPLEMENTED



ADITYA BIRLA CAPITAL COVID SCHOLARSHIP PROGRAM

For Class 1 to UG courses!

An initiative of Aditya Birla Capital Foundation to **financially support students who have lost their parent(s) due to COVID-19** to ensure continuity of their education



HEALTHCARE

We strive to provide disadvantaged people across the country access to improved health care, so that they can have an improved quality of life. We undertook multiple initiatives during the year, including:

- We continued to work on our programme for mother and childcare, under which we have evolved a model that addresses immediate and midcourse needs of pre-natal, post-natal care, immunisation and nutritional support to women and children. Under this program over 45,000 beneficiaries benefitted in Tamil Nadu, Orissa, Maharashtra and Rajasthan.
- We have modernised the labour rooms for better delivery outcomes in 25 Primary Healthcare Centers (PHCs). Additionally, the project focused on strengthening of four urban and one rural health facility to achieve quality healthcare. Through these endeavours, 54,813 patients in Rajasthan have been provided improved care.
- Under our Change for Childhood Cancer Care project we provide care and support to 3,243 cancer afflicted children, and provide chemotherapy, diagnostic and other lines of treatment. We also organised HPV vaccination camps for protection against cervical cancer that benefitted over 2,400 school girls of (9-18 years of age) and adult women (18-45 years of age).
- We provided support for 24 hearing impaired children for their Cochlear implant surgeries.
- Furthermore, 17 children with congenital heart problems underwent surgical treatment at Sri Sathya Sai Sanjeevani Centres for Child Heart Care, in Chhattisgarh, Haryana & Maharashtra.

45,000

COMPREHENSIVE MATERNAL
AND CHILD HEALTH CARE
BENEFICIARIES

54,813

PATIENTS PROVIDED
BETTER HEALTH CARE
IN RAJASTHAN

3,243

CHILDREN PROVIDED
CANCER CARE SUPPORT

2,400

FEMALES PROVIDED
HPV VACCINATION

24

CHILDREN SUPPORTED
FOR THEIR COCHLEAR
IMPLANT SURGERIES
AND UPGRADES

17

CHILDREN PROVIDED
SUPPORT FOR SURGERY
FOR CONGENITAL HEART
PROBLEMS



EDUCATION

2,419

SCHOLARSHIPS
SUPPORT GRANTED

19,480

STUDENTS
PROVIDED BETTER
INFRASTRUCTURE IN
UTTAR PRADESH

5,261

IMPROVED
SANITATION AND SAFE
DRINKING WATER FOR
STUDENTS IN NCR

16,866

CHILDREN
PROVIDED CANCER
CARE SUPPORT



We focus on providing education to the underprivileged and deserving students through our multiple programmes. This year, too, we continued to work on this goal through our various initiatives:

- We launched Aditya Birla Capital Covid Scholarship program to provide financial support to children who lost their parents to COVID-19. Over 1,250 students benefited, out of which 87% were girls.
- In Uttar Pradesh, we engaged with 183 schools, including 6 Kasturba Gandhi Balika Vidyalayas, helping 24,741 students with better facilities. Infrastructure development at these schools included provisions for digital classrooms, library services, solar panels, sports and recreation kits and decent sanitation to facilitate the learning process.
- Likewise, in Bihar, we improved the infrastructure of 35 Anganwadi centers and 25 primary schools. Additionally, we focused on the capacity building of facilitators and Anganwadi Sevikas, who reached out to 16,866 kids and students.
- Through collaboration with the Lila Poonawala Foundation, we provided scholarships to 119 girls so that they could pursue professional courses in engineering, nursing and pharmacy, laying a sound foundation for a promising future. Through partnership with the Indian Army, 1,050 dependents of army jawans, who laid down their lives in serving this country, were given scholarship support.



WOMEN EMPOWERMENT AND SUSTAINABLE LIVELIHOOD

Helping farmers with land upgradation, technology upgradation, closing the marketing loop, initiatives like farm-based livelihood interventions, farmer training programmes, farmer producer groups, improved agriculture techniques, and animal husbandry management, we are taking steps towards sustainable agriculture.

- In Rajasthan, we harnessed 4.07 Billion litres of recharge water potential through restoration or construction of 63 water harvesting structures, soil and moisture conservation work across 2,713 hectares of land. Solar pumps have been installed for promotion of micro irrigation technology towards increasing efficiency in water use, benefitting 4,103 farmer families.
- In Madhya Pradesh through our interface with 33,517 women farmers spanning 2,878 Self Help Groups (SHG), we floated measures to revitalise agriculture and infrastructure to ensure food sufficiency round the year. Under this programme we saw the income double for over 7,000 families, over a period of two years.

2x

INCOME FOR
7,000 FAMILIES



4.07

BILLION LITRES WATER RECHARGE
POTENTIAL HARNESSSED



SPORTS

With an aim to drive forward India's journey as a sporting nation and create sporting superstars to win medals for the nation at the sporting events and have role models in the long run, we continued our partnership with GoSports Foundation supporting 25 sportspersons in their sporting journey. These athletes were supported for:

- Sports science intervention,
- Athlete scholarship,
- Training equipments, apparel and gear
- Physiotherapy, strength and conditioning
- Sports medicine and injury management
- Nutrition and mental health etc.

71

MEDALS
(NATIONAL AND
INTERNATIONAL)

43

NATIONAL
LEVEL WINS

28

INTERNATIONAL
LEVEL WINS

This year collectively budget allocation for CSR project was ₹37.64 Crore. As social development projects are long-term in nature, contributions are being made in multi financial year projects i.e. long term in nature in line with CSR provisions under the Companies Act, 2013. Consequently, ₹11.45 Crore was transferred to the unspent CSR account by the contributing companies, which is now getting disbursed in line with the project milestones.

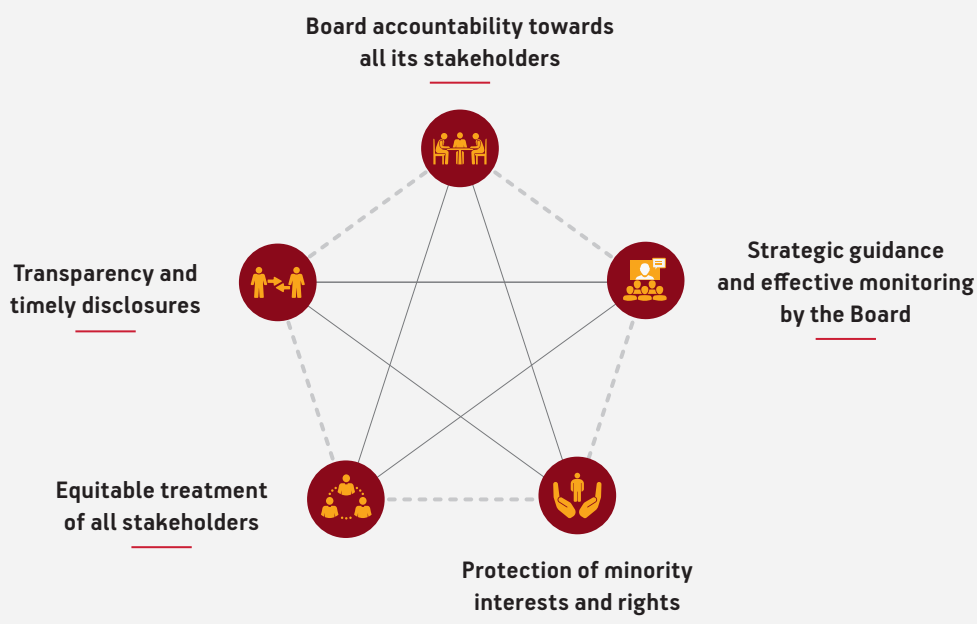
GROUNDING IN STRONG GOVERNANCE

AT ABCL, WE ARE COMMITTED TO ENHANCING THE LONG-TERM VALUE FOR ALL STAKEHOLDERS BY PROACTIVELY EMBRACING THE HIGHEST STANDARDS OF ETHICAL AND GOOD GOVERNANCE. OUR VALUES GUIDE OUR INTERACTIONS WITH OUR CUSTOMERS, COLLEAGUES AND OTHER KEY STAKEHOLDERS.

Acting responsibly is an integral part of our culture. We are committed to maintaining the highest standards of business ethics and integrity, as demonstrated through our corporate governance practices that balance the interests of all stakeholders.

OUR GOVERNANCE PHILOSOPHY

We are firmly committed to sound and effective practices in corporate governance along with full and fair disclosure. The Board of Directors and Senior Management conduct themselves so as to ensure transparency, fostering a culture of good decision-making, and ensuring compliance with applicable laws:





GOVERNANCE FRAMEWORK

Our corporate governance framework is based on an effective and independent Board, which oversees the implementation of our strategies to ensure a sustainable future. The Board also works through various Committees constituted to oversee specific functions. The Senior Management provides the Board detailed reports on the Company's performance periodically. The salient attributes of the framework are:

- Effective and Independent Board, separation of the Board's supervisory role from the Senior Management team.
- The Board functions either as a full Board or through various Committees constituted to oversee specific functions.
- The Senior Management provides the Board and Committees detailed reports and updates the status of Company's performance, key regulatory developments and adherence to compliance periodically.
- CEO of the Company presents the performance of the Company and its Subsidiaries and material developments on a quarterly basis and seeks direction and feedback on the operating metrics.
- Ensuring the integrity of accounting and financial reporting systems, including independent audit.

TRANSPARENCY AND DISCLOSURES

We operate and communicate with transparency with all our stakeholders to strengthen their trust and create a fair business environment. We strive proactively to adopt the highest standards of corporate governance, while adhering to all regulatory guidelines with transparent and timely disclosures about our performance and business which includes quarterly investor presentations, publishing of earnings call transcripts and prompt dissemination of event-based update to stakeholders.

BOARD OF DIRECTORS

The Board of Directors has the overall responsibility to guide the organisation and provide strategic direction. The Board is responsible for the long-term sustainable success of the Company by setting its strategy and purpose, promoting the desired culture and ensuring that an appropriate risk management framework is in place.

The diverse and determined leadership and expertise in the Board continues to steer the Company. The Board as a whole possess relevant skills and experience with core expertise in key functional areas.

BOARD MEETINGS AND MEMBERS

7

MEETINGS

92.86%

ATTENDANCE

8

MEMBERS

50%

INDEPENDENT



BOARD COMMITTEES

The Board has set up various Committees by delegating the overall monitoring responsibilities, laying down the roles and responsibilities of these Committees with well documented Charters defining its constitution, terms of reference, quorum requirements etc.

To strengthen Governance, the key Committees are Chaired by Independent Directors, and Chairperson of Audit Committee and Chairperson of Risk Management Committee are separate. The Chairperson of the respective Committees reports to the Board and appraises the Board about key proceedings and decisions taken by the Committees.

Separate meetings of the Auditors with the Audit Committee and the Chief Risk Officer with the Risk Management Committee are also held.

BOARD EXPERTISE AND FIT AND PROPER CRITERIA

The diverse and determined leadership and expertise in the Board continues to steer the Company. The Board as a whole possess relevant skills and experience with core expertise in key functional areas.

Further, the Board has implemented process of due diligence for ascertaining 'fit and proper criteria' at the time of appointment/renewal of appointment of Directors on the Board to ascertain suitability for the post by way of qualifications, technical expertise, track record, integrity etc. Any change in the information furnished earlier is also obtained forthwith.

INDEPENDENT DIRECTOR'S MEETING

Independent Directors meet separately without the presence of the Management team to discuss the quality, quantity and timeliness of flow of information between the Management and the Board and also review the performance/ functioning of the Company and the Board as a whole and share their feedback with Chairman.

The key committees under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 that assist the Board and their attendance during the year:

	Meetings	Attendance	Members	Independent Members
Audit Committee	6	91.67%	4	75%
Nomination, Remuneration and Compensation Committee	6	100%	4	75%
Stakeholders' Relationship Committee	4	100%	3	33.33%
Risk Management Committee	3	88.89%	3	33.33%

GRIEVANCE MECHANISM FOR INVESTORS

The Company Secretary acts as the Compliance Officer of ABCL and is also responsible for redressal of investor complaints. Investors can submit their query in the 'QUERIES' option provided on the website of the Company/RTA. All the queries/grievances lodged by the investors are expeditiously redressed.

CODE AND STANDARDS

We are committed to acting with transparency, ethics and integrity in all our business activities as it is vital to build the trust with our stakeholders as well as sustaining our growth and expansion. We know that these principles need to be embedded in the culture of the Company to fulfil our commitment to function with integrity.

SHAREHOLDER COMPLAINTS

27	27	NIL
RECEIVED	CLOSED	OPEN



CODE OF CONDUCT

A comprehensive Code of Conduct ensures fair and transparent treatment for everyone across the Company. All our employees, including the Board and Senior Management are expected to fully adhere to the principles contained in the Code of Conduct, which has been aligned across the Group. The Code of Conduct forms an important part of our process of onboarding employees, who are required to sign the Code as part of their employment contract and also confirmation is obtained on annual basis.

Annual affirmation from the members of the Board and Senior Management for compliance with the code of conduct is also obtained.

CONFLICT OF INTEREST

Systems, policies and procedures have been established to address potential conflicts of interest. The Board reviews key transactions, disclosure of any conflicts of interest to manage and control such issues. The Board of Directors have formulated a Policy on Related Party Transactions, which is reviewed periodically. All related party transactions are approved by the Audit Committee and disclosed in the financial statements. The Senior Management personnel of the Company have made disclosure to the Board confirming that there are no material transactions between them and the Company that could have potential conflict of interest with the Company at large.

ENFORCEMENT MECHANISM

We have a robust enforcement mechanism, which ensures open channels to report any violations of our Code of Conduct. The immediate senior of an employee, the Unit Head, the ABCL CEO, ABCL Director concerned, the Corporate Panel (comprising three members nominated by the Chairman), and the Chairman of Aditya Birla Group form the cornerstones of this mechanism. An employee, depending on the nature of the violation, can go to one or the other members of the enforcement mechanism.

WHISTLE-BLOWER POLICY OR VIGIL MECHANISM

We have in place a vigil mechanism for Directors and employees to report instances and concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. Adequate safeguards are provided against victimisation of those who avail the mechanism, besides allowing direct access to the Chairperson of the Audit Committee.

COMPLIANCE

The Company's robust Enterprise Risk Management and Internal Audit approach verifies compliance with the regulatory, operational and system related procedures and controls and reports to the Audit Committee of the Board which are also reviewed by Board. Policies and procedures have been put in place for facilitating employees raising concerns or reporting a possible breach of law or regulations, with appropriate measures to protect whistle blowers against any victimisation.

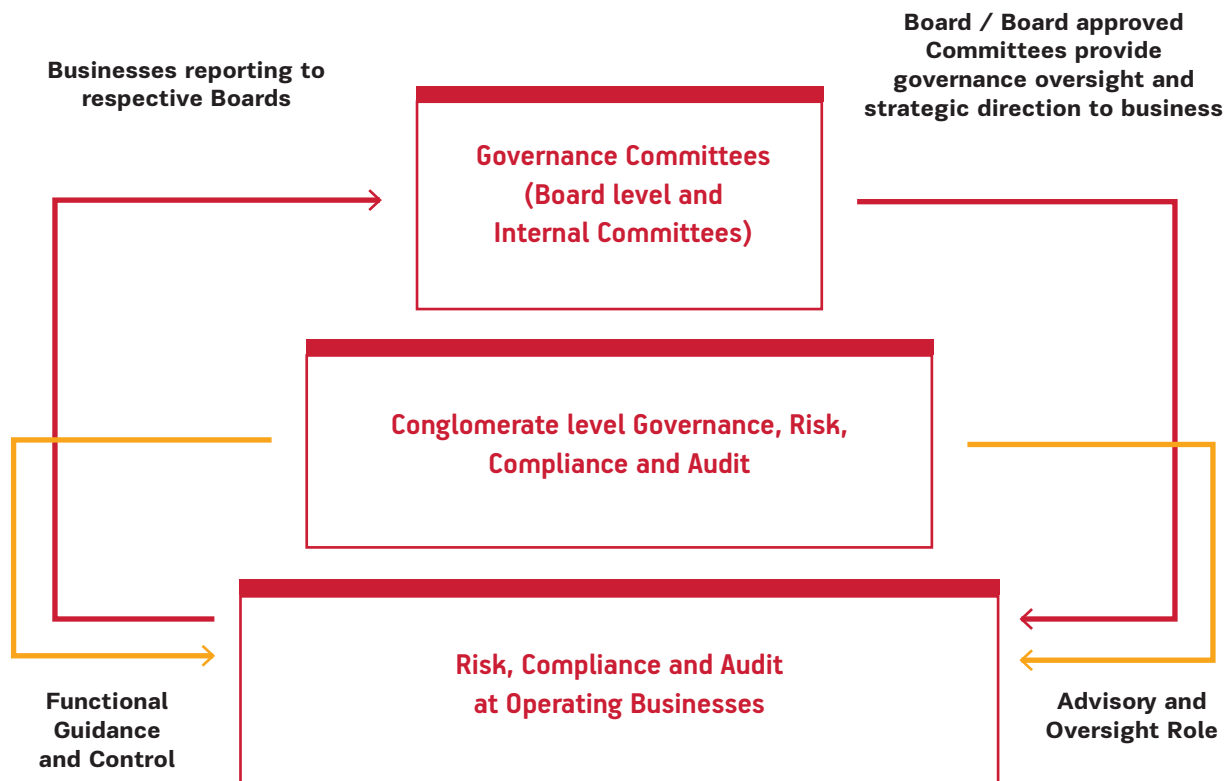
SUSTAINABILITY

We have established a sustainability governance mechanism which facilitates implementing our sustainability vision across all our Subsidiaries and strengthen relations with external and internal stakeholders. ESG framework is also reviewed by Risk Management Committee at regular intervals.

MANAGING AND MITIGATING EVOLVING CHALLENGES

WE HAVE ADOPTED AN INTEGRATED RISK MANAGEMENT AND GOVERNANCE SYSTEM THAT ALLOWS US TO EMBED BEST PRACTICES AND ADAPT THEM TO OUR BUSINESS NEEDS. WE HAVE A DATA-DRIVEN RISK MANAGEMENT APPROACH TO IDENTIFY, ASSESS, AND MANAGE RISK. WE HAVE IN PLACE ROBUST POLICIES AND PRACTICES TO MITIGATE AND MANAGE EMERGING RISKS THROUGH THE EFFECTIVE USE OF PROCESSES, INFORMATION AND TECHNOLOGY.





OUR RISK MANAGEMENT APPROACH IS AIMED AT ACHIEVING THE FOLLOWING:

- Enable Group-level oversight and monitoring of key risks
- Provide an integrated view of risk
- Facilitate better strategic decision-making by identifying risk-return trade-offs
- Application of data-based analytics and automation for rule-based risk controls for problem solving and risk governance
- Ensure known risks are mitigated through process driven checks and balances
- Set the risk appetite and appropriate policies to ensure risks are within our risk appetite
- Continuous Control Monitoring for effective real-time monitoring

KEY ELEMENTS OF RISK MANAGEMENT APPROACH

PANDEMIC RISK

BUSINESS CONTINUITY

- Critical process mapping and recovery time objectives defined
- Customer facing processes and regulatory requirements prioritised
- Digitisation of origination, transaction processing and customer servicing
- Full blown pandemic plan, holding us in good stead in second wave also
- Work-from-home strategy with secure access
- Business normalisation plan after ensuring workplace safety

Credit and Underwriting Risk

CREDIT UNDERWRITING

- **Wholesale Lending:** Committee-based approach with focus on rigorous credit appraisal and cash flow analysis and security

INSURANCE UNDERWRITING

- **Life and Health Insurance:** Effective Reinsurance Programme
 - Insuretech technology platform backed up by predictive data analytics
 - Fraud Bureau alerts
 - Propensity AI/ML model
 - Wellness platform and wearable device technology for active health management

PRODUCT PROGRAMME BASED

- **Retail Lending:** Lending to Small and Medium Enterprises (SMEs), Retail and digital lending using robust programmes, systems and analytics
- Enhanced use of behavioural scorecards and data analytics for customer selection

Exposure Management

GROUP LEVEL EXPOSURE MANAGEMENT

- Aggregate exposure limit set for borrowers and groups, monitored continuously centrally
- Exposure concentration across borrowers and groups are managed through defined exposure risk appetite and risk tiering

Event-Based and Regular Stress Testing

MARKET RISK

Managing interest rate risks through duration management, spread re-sets, forward rate agreements for hedging and risk management

LIQUIDITY MANAGEMENT

Continuous oversight on ALM and liquidity ensuring diversification and adequate liquidity management through a robust Liquidity Risk Management (LRM) Policy and Governance around Liquidity Risk



CONTINUOUS MONITORING TO ENSURE ASSET QUALITY

LIFECYCLE MONITORING OF EXPOSURES

EARLY WARNING TRIGGERS

Information Security and Cyber Risks

PROTECTING BUSINESS ASSETS

Reputation Risk

SALES CONDUCT

ESG

Legal and Compliance Risks

Operational Risks

PROACTIVE APPROACH

MANAGING FRAUD WASTE AND ABUSE IN HEALTH INSURANCE

PRODUCT RISK

Automation of identified triggers for key exposures to monitor early warning signals

- System driven alert mechanism to identify signs of incipient stress
- Adoption of AI-based early warning system in lending business for enhancing portfolio monitoring approach

- Standardised approach to risk mitigation
- Information security triggers monitoring at the Group level with a quick response team in place
- Strong data protection environment to enable work-from-home and mitigate cyber threats arising from remote working scenario

- Verification checks at onboarding stage
- Alert monitoring and checks
- Code of conduct and whistle blowing governance framework

- Integrating ESG into strategy and operations
- ESG compliant infrastructure lending and renewable "Green" financing

- Zero-tolerance approach to non compliance across every subsidiary, all compliances regularly tracked
- Strong focus on legal risk and litigation managed by robust legal teams and processes in each business

- Early identification of operational risks and building an effective control framework to minimise frauds and operational losses
- Data-driven approach to proactively identify operational risks. Drive automation in processes and build automated controls in new systems being implemented

- System triggers to manage claim incidence rate and to optimise average claims cost
- Institutionalised ML-based fraud-detection model
- Multi-factor model in real time to predict the likelihood of fraud

- Comprehensive Pre-launch Product Risk Assessment Pre-launch
- ALM framework driven investment strategy and hedging mechanism

LED BY EXPERIENCE AND EXPERTISE



MR. KUMAR MANGALAM BIRLA
Chairman and Non-Executive Director



DR. SANRUPT MISRA
Non-Executive Director



MR. P. H. RAVIKUMAR
Independent Director



MR. S. C. BHARGAVA
Independent Director



MR. SUSHIL AGARWAL
Non-Executive Director



100%

BOARD IS
NON-EXECUTIVE

30 YEARS+

AVERAGE EXPERIENCE
OF THE BOARD

- IT Strategy Committee
- Audit Committee
- Nomination, Remuneration and Compensation Committee
- Ⓜ Member
- Ⓢ Chairperson



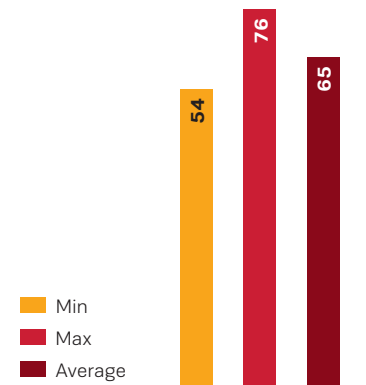
MR. ARUN ADHIKARI
Independent Director



MRS. VIJAYALAKSHMI IYER
Independent Director



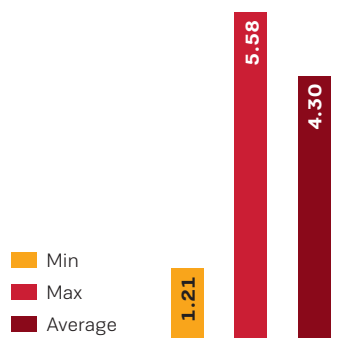
Age (years)



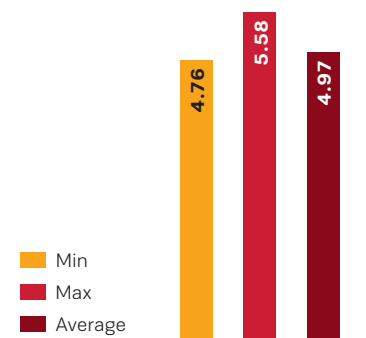
MR. ROMESH SOLT
Non-Executive Director (Nominee)



Tenure on the Board (years)



Tenure of Independent Directors on the Board (years)



Stakeholders
Relationship Committee

Corporate Social
Responsibility Committee

Asset-Liability
Management Committee

PIT Regulations
Committee

Risk Management
Committee

INSPIRED BY DISTINCT LEADERSHIP



MR. AJAY SRINIVASAN
Chief Executive, Aditya Birla Capital Limited

BUSINESS CEOs



MR. RAKESH SINGH
Managing Director
and CEO, Aditya Birla Finance
Limited



MR. A. BALASUBRAMANIAN
Managing Director and CEO,
Aditya Birla Sun Life AMC
Limited

ABCL MANAGEMENT



MRS. PINKY MEHTA
Chief Financial Officer,
Aditya Birla Capital Limited



MR. A. DHANANJAYA
Chief Compliance and Risk Officer,
Aditya Birla Capital Limited

**MR. KAMLESH RAO**

Managing Director and CEO,
Aditya Birla Sun Life Insurance
Company Limited

**MR. TUSHAR SHAH**

CEO-Infrastructure & Structured
Finance, Aditya Birla Finance
Limited

**MR. MAYANK BATHWAL**

CEO and Whole Time Director,
Aditya Birla Health Insurance
Co. Limited

**DR. SANDEEP DADIA**

CEO and Principal Officer, Aditya
Birla Insurance Brokers Limited

**MR. MUKESH MALIK**

Chief Operating Officer,
Aditya Birla Capital Limited

**MR. AJAY KAKAR**

Chief Marketing Officer, Aditya
Birla Capital Limited

**MR. PRAMOD SELVARATNAM**

President, Strategy and
Business Development, Aditya
Birla Capital Limited

**MR. SUBHRO BHADURI**

Chief Human Resources Officer,
Aditya Birla Capital Limited

DETAILS OF COMMITTEES

Audit

Mrs. Vijayalakshmi Iyer (Chairperson)
Mr. P. H. Ravikumar
Mr. S. C. Bhargava
Mr. Sushil Agarwal

Nomination, Remuneration and Compensation

Mr. Arun Adhikari (Chairperson)
Mr. S. C. Bhargava
Mrs. Vijayalakshmi Iyer
Dr. Santrupt Misra

Corporate Social Responsibility

Mr. Arun Adhikari (Chairperson)
Mr. S. C. Bhargava
Mr. P. H. Ravikumar
Dr. Santrupt Misra

Stakeholders Relationship

Mrs. Vijayalakshmi Iyer (Chairperson)
Mr. Sushil Agarwal
Dr. Santrupt Misra

Asset-Liability Management

Mr. Ajay Srinivasan (Chairperson)
Mr. P. H. Ravikumar
Dr. Santrupt Misra
Mr. Sushil Agarwal
Mr. A. Dhananjaya
Mrs. Pinky Mehta

Risk Management

Mr. Arun Adhikari (Chairperson)
Mr. Romesh Sobti
Dr. Santrupt Misra

(Only Statutory Committee(s) details covered here)

PIT Regulations

Mrs. Vijayalakshmi Iyer (Chairperson)
Mr. S. C. Bhargava
Dr. Santrupt Misra
Mr. Ajay Srinivasan
Mrs. Pinky Mehta

IT Strategy

Mr. P. H. Ravikumar (Chairperson)
Mrs. Vijayalakshmi Iyer
Mr. Ajay Srinivasan
Mr. A. Dhananjaya
Mrs. Pinky Mehta
Mr. Mukesh Malik
Mr. Subhro Bhaduri
Mr. Amber Gupta
Mr. Magesh Chandramohan

Key Managerial Personnel

Mr. Ajay Srinivasan
Chief Executive Officer

Mrs. Pinky Mehta
Chief Financial Officer

Mr. Amber Gupta
Company Secretary

Senior Management

Mr. A Dhananjaya
Chief Compliance and Risk Officer

Mrs. Pinky Mehta
Chief Financial Officer

Mr. Mukesh Malik
Chief Operating Officer

Mr. Ajay Kakar
Chief Marketing Officer

Mr. Pramo Selvaratnam
President, Strategy and Business Development

Mr. Subhro Bhaduri
Chief Human Resource Officer

Statutory Auditors

B S R & Co. LLP
Chartered Accountants

Secretarial Auditors

Makarand M. Joshi & Co.
Practising Company Secretaries

Registrar & Share Transfer Agent

KFin Technologies Limited
Unit: Aditya Birla Capital Limited
Selenium, Tower B,
Plot No. 31-32, Gachibowli,
Financial District, Nanakramguda,
Serilingampally, Hyderabad - 500 032
Tel: +91 40 6716 1630
Toll Free no: 1800-309-4001
E-mail Id: einward.ris@kfintech.com

Registered Office

Indian Rayon Compound,
Veraval - 362 266, Gujarat
T: +91 2876 243257
F: +91 2876 243220
CIN: L67120GJ2007PLC058890
E: abc.secretarial@adityabirlacapital.com
W: www.adityabirlacapital.com

Corporate Office

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18th Floor, Jupiter Mill Compound, 841,
Senapati Bapat Marg,
Elphinstone Road,
Mumbai - 400 013
T: +91 22 4356 7000
F: +91 22 4356 7111



Management Discussion and Analysis

OVERVIEW

Aditya Birla Capital Limited (ABCL) is the financial services platform of the Aditya Birla Group. Our subsidiaries have established a strong presence across Protecting, Investing and Financing solutions. As a universal financial solutions group, ABCL through its subsidiaries successfully caters to the diverse needs of customers across their life stages. Powered by 30,500+ employees, the subsidiaries of ABCL have a nationwide reach with 1,000+ branches and 2,00,000+ agents and channel partners along with several bank partners.

Having built significant scale in the sectors in which they operate, the subsidiaries work closely together to maximise synergy benefits.

Our subsidiaries have a diversified portfolio of products and services, which allows us to leverage the broader opportunities in India's financial services sector.

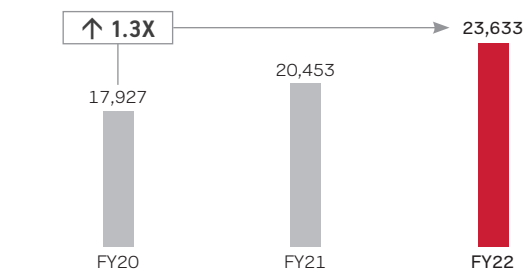
Full Year	(₹ in Crore)	
Consolidated Profit & Loss	FY 2020-21 (PY)	FY 2021-22 (CY)
Revenue	19,254	22,230
Profit Before Tax and share of profit/(loss) of associates and JVs	1,277	1,946
Add: Share of Profit/(loss) of associates and JVs	268	341
Profit Before Tax	1,546	2,287
Less: Provision for Taxation	440	627
Less: Minority Interest	(21)	(46)
Net Profit (after minority interest)	1,127	1,706

KEY FINANCIALS – FY 2021-22

CONSOLIDATED

Revenue¹

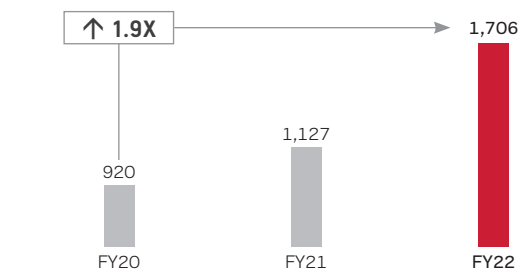
(₹ in Crore)



↑ 16% Y-O-Y

Profit After Tax

(₹ in Crore)



↑ 51% Y-O-Y

¹ Consolidated segment revenue; for Ind AS statutory reporting purpose, Asset Management and wellness business are not consolidated and included under equity accounting

KEY HIGHLIGHTS – FY 2021-22



NBFC & HOUSING FINANCE

Lending book growth and mix

NBFC: Retail + SME book **↑ 25%** Y-O-Y; Mix: **62%**
HFC: Affordable book **↑ 39%** Y-O-Y; Mix: **38%**

Margin expansion

NBFC: NIM **6.25%**; **↑ 91** bps Y-O-Y
HFC: NIM **4.24%**; **↑ 101** bps Y-O-Y

Strong profit delivery

NBFC: PAT **₹1,108 Crore** **↑ 44%** Y-O-Y; RoA **2.3%**
HFC: PAT **₹197 Crore** **↑ 44%** Y-O-Y; RoA **1.7%**



ASSET MANAGEMENT

AUM growth and mix

Domestic: AAUM **↑ 10%** Y-O-Y
Equity: AAUM **↑ 25%** Y-O-Y; Mix: **41%**

Margin expansion

Operating PBT/AAUM: **26** bps (PY: 29 bps)
PBT/AAUM: **31** bps (PY: 29 bps)

Strong profit delivery

PBT at **₹895 Crore**
RoE at **34.5%** (PY: 34.8%)



LIFE & HEALTH INSURANCE

Premium growth and mix

LI: FY22 Ind: FYP **↑ 14%** Y-O-Y; Protection mix: **6%**
LI: Total premium up **24% y-o-y**
HI: FY22 GWP **↑ 33%** Y-O-Y; Retail mix: **76%**

Margin and Combined ratio

LI: Net VNB margin: **15%**, **↑ 439** bps Y-O-Y
HI: Combined ratio at **109%** (PY: 120%)

Value accretion

LI: FY22 Net VNB margin: **₹369 Crore**; **↑ 1.7x** Y-O-Y
HI: **Fastest SAHI to break even** (Excluding COVID)

CONSOLIDATED PROFIT AND LOSS

We continue to maintain our track record of consistent growth in profit through market and macro-economic cycles, backed by its diversified revenue stream

- Consolidated segmental revenue: Grew by 16% year-on-year from ₹20,453 Crore to ₹23,633 Crore
- Net profit (after minority interest): Grew by 51% year-on-year from ₹1,127 Crore to ₹1,706 Crore

- Overall lending book (NBFC and Housing Finance): Grew by 11%, year-on-year to ₹67,185 Crore
- Gross premium (including Health and Life Insurance): Grew by 25% year-on-year to ₹13,867 Crore
- Active customer base: Grew by 36% year-on-year to 35 Million aided by granular retail growth across all businesses
- Long-term borrowing: Raised over ₹15,900 Crore for lending business

ADITYA BIRLA FINANCE LIMITED (ABFL)

Aditya Birla Finance Limited (ABFL) is among India's leading private and diversified Non-Banking Financial Companies (NBFCs), offering end-to-end financing and wealth management solutions to a wide range of customers across the country. ABFL's product portfolio meets the varied financial requirements of a wide range of customers, such as the retail customers, high networth individuals (HNI), ultra HNI customers, micro enterprises, Small And Medium Enterprises (SME) and mid and large-sized corporates.

INDUSTRY OVERVIEW

Over the years, the differentiated offering last-mile reach and being an alternative to bank financing has consolidated the position of NBFCs as a key intermediary in the Indian financing sector. The NBFCs' non-food credit to GDP ratio has increased to 13.7% in 2021 from 8.6% in 2013 and has witnessed a faster growth than

the credit growth for banks during this period. With respect to liabilities, NBFCs have become increasingly interconnected with the financial system.

During FY 2021-22 NBFCs' credit also gained traction with the support provided by regulatory initiatives, including the 'co-lending model', which allows banks to co-lend with NBFCs including HFCs in respect of priority sector loans. As the unlocking of the economy began, retail credit inquiry volumes showed an uptick. MSME credit demand also rebounded on account of ECLGS and government stimulus. The collection efficiency reported by NBFCs exhibited a recovery in the second half of the fiscal year supported by a rebound in economic activities and relaxation in lockdown.

PERFORMANCE REVIEW

The overall loan book grew 13% year-on-year to ₹55,180 Crore as on 31st March, 2022 with strong growth in disbursement to the



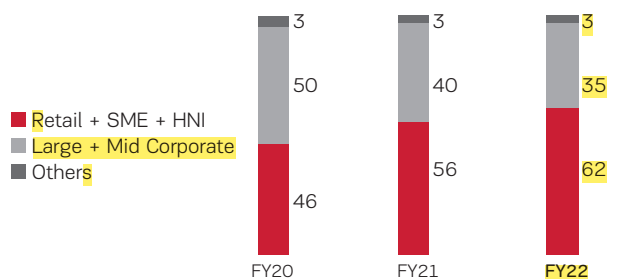
retail and SME segment which is our preferred segment. The retail, SME and HNI segments grew 25% year-on-year to constitute ~62% of the portfolio from 56% in FY 2020-21. There was strong revival in gross disbursement in Q4 FY22 at ₹9,891 Crore with 51% growth year-on-year. With respect to gross disbursement in Q4 FY22, 65% contribution was by retail, SME and HNI segments.

As the retail and SME segments continue to grow, we have strengthened our focus on increasing retailisation of the loan book.

Change in Loan Book Mix

(%)

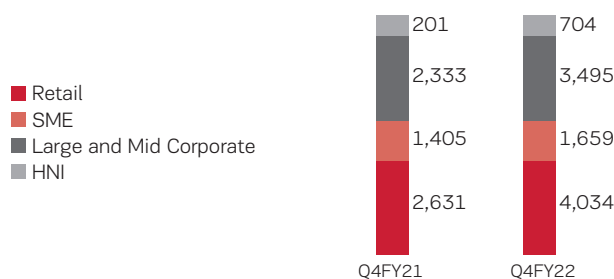
Loan Book	47,057	48,689	55,180
Book Growth	SME + Retail + HNI		
13% ↑ y-o-y	56% → 62%		



Focusing new disbursement in Retail and SME segments

(₹ in Crore)

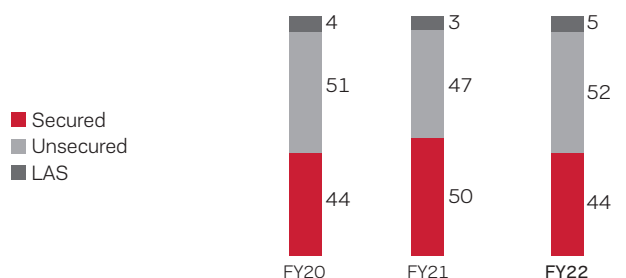
Disbursement	6,570	9,891
	SME + Retail + HNI	
51% ↑ y-o-y	65% of Q4	



ABFL continues to move towards a more granular portfolio mix, which led to reduction in the portfolio average ticket size. We focused our efforts on diversification across customers and product categories with a strong emphasis on SME and retail lending. Diversification is a significant benefit since it allows the flexibility to choose segments that offer an attractive risk-return trade-off and reduces the risk of a single segment.

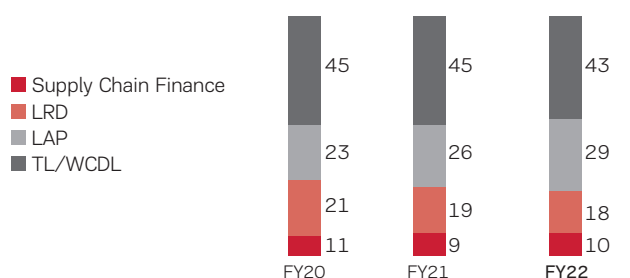
Retail¹

Loan book (₹ Crore)	8,838	11,326	17,620
% Mix	19%	23%	32%
ATS (₹ Lakh)	4.4	5.4	0.5



SME

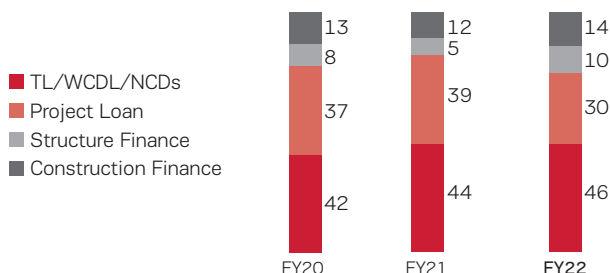
Loan book (₹ Crore)	12,778	14,107	14,759
% Mix	27%	29%	27%
ATS (₹ Crore)	5.3	5.5	4.9



¹ Includes BNPL

Large/Mid Corporate

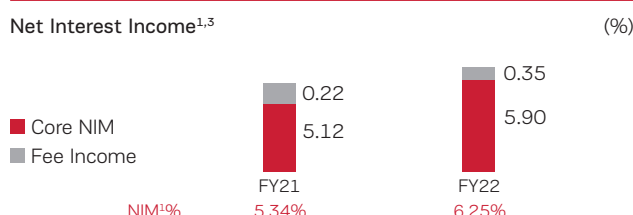
			(%)
Loan book (₹ Crore)	21,344	19,690	19,170
% Mix	45%	40%	35%
ATS (₹ Crore)	59.3	53.4	46.9



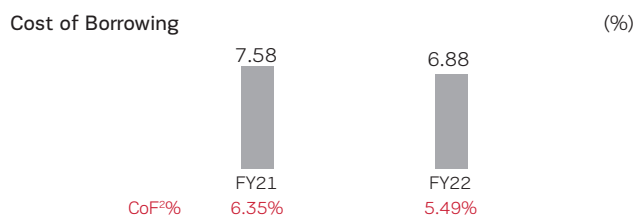
The SME book average ticket size further reduced to ₹4.9 Crore. In the retail book, the average ticket size stood at ₹0.5 Lakh. The large and mid-corporate portfolio has reduced to 35% of the book as on 31st March, 2022 from 40% in the previous year. The overall ticket size in this segment reduced to ₹47 Crore compared to ₹53 Crore in the previous year.

The net interest margin expanded by 91 bps to 6.25% in FY 2021-22. This reflects an increased proportion of higher margin segments, optimised borrowing cost and better product mix. ABFL achieved its highest ever margin at 6.37%, higher by 39 bps year-on-year in Q4 FY22, owing to the improvement in mix and cost of funds.

Margin improvement led by change in product mix



Optimised borrowing cost



¹NIM including fee (net of DSA Expenses and Processing Cost)

²Calculated basis % of average Loan Book

³DSA commission and processing cost netted off against Total Revenue, accordingly previous quarter financials are reinstated; Processing costs netted off against revenue in current year

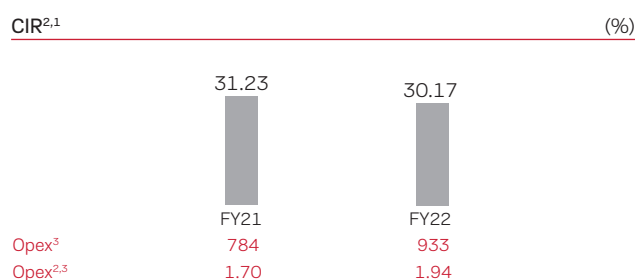
HNI + Others

			(%)
Loan book (₹ Crore)	4,098	3,566	3,631
% Mix	9%	7%	7%
LAS ATS (₹ Crore)	35.3	45.9	28.9

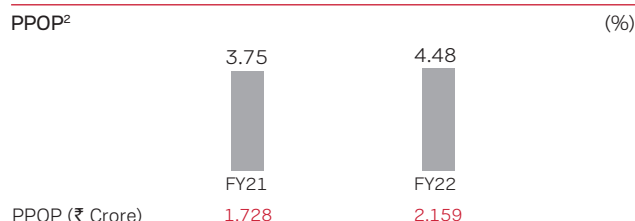


ABFL delivered strong profitability during the most difficult period for the NBFC industry. Net interest income grew 23% year-on-year at ₹3,091 Crore, along with expansion of net interest margin by 91 bps to 6.25%. We also optimised borrowing cost in a volatile interest rate environment with FY 2021-22 borrowing cost at 6.88% compared to 7.58% in the previous year. The cost-income ratio was maintained at 30.17% compared to 31.23% in the previous year in spite of retail expansion in the current year. The overall pre-provisioning operating profit (% of average loan book) expanded by 73 bps to 4.48%. The pre-provisioning operating profit during FY 2021-22 was ₹2,159 Crore against ₹1,728 Crore in the previous year.

Cost-Income Ratio



Strong expansion in core profit margin (PPOP % of AAUM)



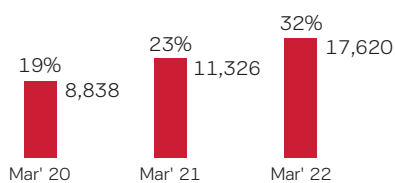


ABFL has acquired 1.7 Million customers during the year with overall active customer base at 3.6 Million as on March 2022. The contribution from new products grew nearly 3 times in the last two years. This includes small ticket loans for the emerging income segment and customised products like 'buy now pay later', checkout financing, education loans, merchant loans, etc.

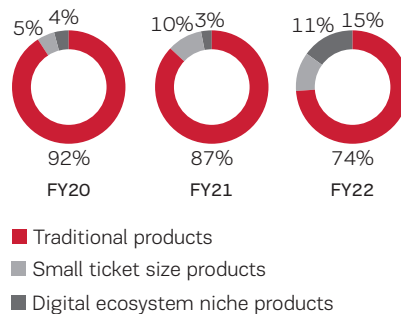
In terms of expanding reach and distribution, ABFL added 41 branches in Q4 FY22 taking its cumulative to 159 branches with 76% presence in tier-3 and tier-4 locations. Our retail book from tier-3 and tier-4 markets has grown nearly 3 times in the last two years. ABFL is planning to expand to 320+ locations in FY 2022-23 and will continue enhancing direct sourcing in the retail business.

Retail Portfolio (₹ in Crore)

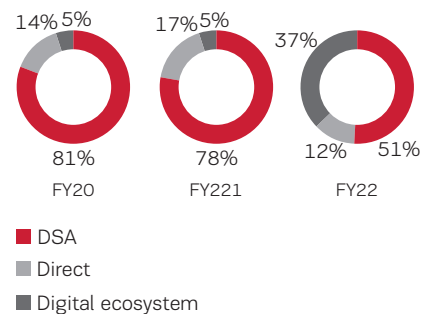
(% Retail as a proportion of overall ABFL portfolio)



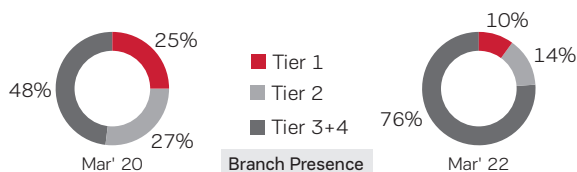
Retail Portfolio Mix



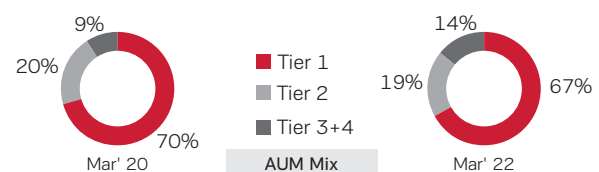
Disbursal Sourcing Mix



Targeting tier-3 and tier-4 mix at 85%+ by FY 2023-24

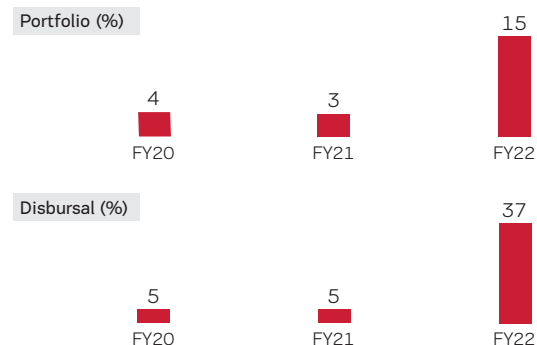


Targeting tier-3 and tier-4 AUM mix at 25%+ by FY 2023-24



ABFL continues to build a digital ecosystem to augment its sourcing capacity. ABFL has built an agile plug-and-play, API tech-stack, which allows it to integrate seamlessly with a diverse set of partners and drive digital sourcing at scale. With consistent investment in technology 96% of our customer acquisition and 98% of our EMI collection is now through digital platforms. All these capabilities have enabled significant volume growth.

Digital ecosystem portfolio and disbursals as a proportion of overall retail increasing continuously

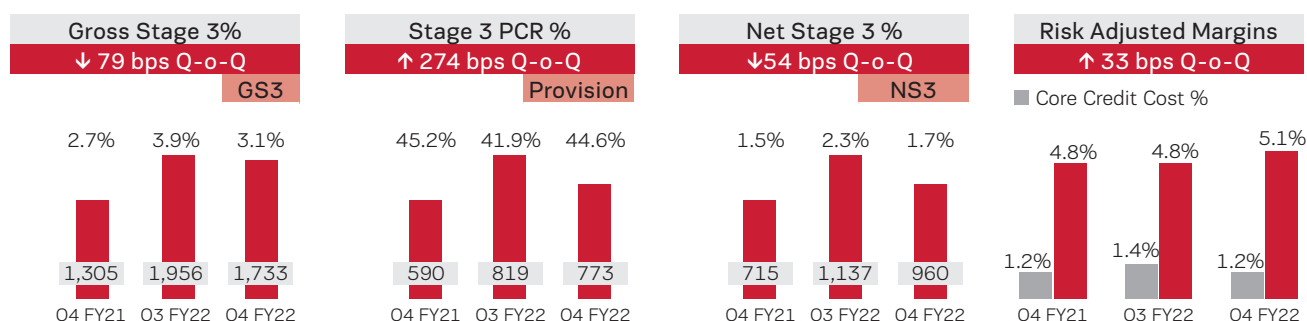


While these initiatives will continue to be significant growth drivers for the retail segment, ABFL is also driving growth in SME lending with a focus on micro-market clusters underserved by banks. It is already live in 30 cluster locations and targets to grow to 120 by the end of FY 2022-23. ABFL has also gone live with digital MSME platform in Q4 FY22 enabling simplified processes and better turnaround time. We expect this strategy to yield the desired growth in the SME portfolio over the next 12 to 18 months.

The growth of our loan book has been accompanied by strong credit appraisal and risk management practices, which has

helped us deliver stable risk adjusted returns, improve the quality of our book and enable strong collection efficiency of 99.6%, higher than the pre-COVID level. The exposures are diversified across sectors, customer segments and products. Gross Stage 3 has increased by 40 bps from 2.7% to 3.1% as on 31st March, 2022.

ABFL has also maintained Stage 3 provision coverage ratio at 44.6%. In addition, we have a total management overlay of ₹186 Crore across stages as on March 2022. The overall restructured book stood at 3.0% of loan book as on 31st March 2022.



Despite the spike in the Expected Credit Losses (ECL) provisions, the largely secured book was instrumental in creating an additional safety layer during these uncertain times.

Customer Segment	GS 3 (₹ Crore)	GS 3 (%)	Provision (₹ Crore)	NS 3 (₹ Crore)	NS 3 (%)	Security Value (₹ Crore)	Net Security Cover ¹
SME	255	1.7%	105	150	1.0%	341	2.3X
Retail	518	2.9%	216	302	1.7%	353	1.2x
Large & Mid Corp	959	5.0%	451	508	2.6%	1,077	2.1x
Total Book	1,733	3.1%	773	960	1.7%	1,771	1.8x

¹ Net Security Cover = Security Value/ (GS3 -Provision).

With an overall net security cover constituting 1.8x of the Stage 3 loan book, ABFL has additional security over and above provisioning. Additionally, 73% of overall loan book is secured with additional ~4% through the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme introduced by Small Industries Development Bank of India (SIDBI). ABFL has also secured 70% of unsecured MSME loans under this scheme.

The overall credit cost of 1.39% for FY 2021-22 improved from 1.51% in FY 2020-21.

In terms of liabilities, ABFL has strong funding access with an adequate surplus and diversified borrowing mix. This resulted in the best cost of borrowing across the industry across economic cycles. It has also optimised borrowing cost in a volatile interest rate environment. During FY 2021-22, the cost of borrowing

reduced by 70 bps year-on-year to 6.88% from 7.58% in the previous year.

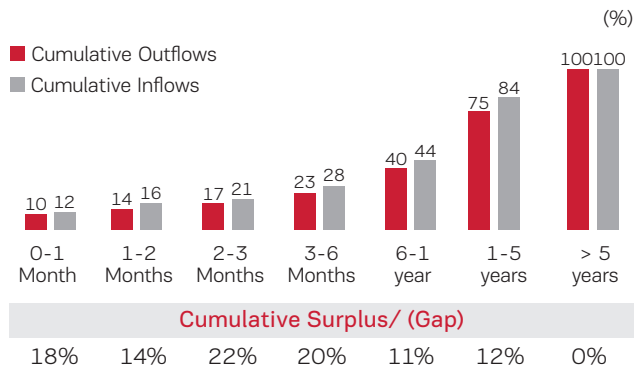
Our Asset Liability Management (ALM) is optimised for both liquidity and cost. As on 31st March, 2022, we accumulated surplus up to a one-year time frame from the ALM perspective. ABFL raised ₹12,719 Crore long-term borrowing during FY 2021-22. Of this, ₹2,939 Crore was raised through Non-Convertible Debentures (NCD) and ₹9,780 Crore via term loans.

ABFL continues to maintain a comfortable Capital Adequacy Ratio at 21.8% as on 31st March, 2022 against the 15% required by RBI norms.

In terms of liquidity, there is significant availability in order to meet obligations even under severe stress conditions.



ALM optimised for liquidity and costs (31st Mar 2022¹)



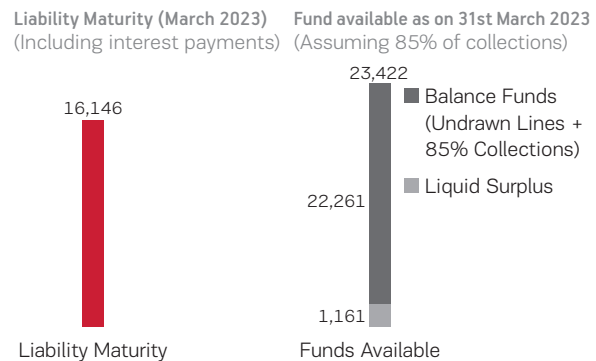
¹ Based on behavioural analysis of flows

During FY 2021-22, ABFL's revenue at ₹5,785 Crore grew 5% year-on-year on account of higher book. Net Profit After Tax grew 44% from ₹769 Crore to ₹1,108 Crore. Net worth expanded by 15% y-o-y from ₹8,838 Crore to ₹9,860 Crore, led by internal accruals. ABFL delivered ROA at 2.3% in FY 2021-22 in line with guidance and up from FY 2020-21 levels of 1.7%.

OUTLOOK

The credit demand is expected to grow with reducing uncertainty and investment traction going forward. Government's increased capital outlay plan laid out in the Budget as well as continued momentum in capex can be expected to be followed by private investments too. On Retail/SME side, certain structural drivers remain in place viz. formalisation of economy, under-penetration of household debt, technological innovations that are facilitating

Adequate liquidity under stress test scenario (₹ in Crore)



ease of credit access, digital medium to on-board customers and product innovation, among others.

ABFL with its strong parentage and liquidity, is well-equipped to continue its growth journey. ABFL foresees opportunities across the spectrum of its customers, of which the retail and SME opportunity is estimated to be the most significant. Besides these, asset quality, technological innovation and cost optimisation remain our key focus areas for achieving profitable growth.

ABFL is targeting 20%+ overall book growth with 65%+ retail and SME mix in FY 2022-23. With continued focus on key segments, leveraging technology platform and doubling the distribution with branch footprint to 320+ branches, we expect to grow our customer base, our margins and our profits.

KEY FINANCIALS

Key Performance Parameters	(₹ in Crore)	
	FY 2020-21 (PY)	FY 2021-22 (CY)
Lending book	48,689	55,180
Average Yield (Including fee income)	11.69%	11.74%
Interest cost/Avg. Lending book	6.35%	5.49%
Net Interest Margin (Incl. Fee Income)	5.34%	6.25%
Net Interest Income (Including fee income)	2,512	3,091
Opex	784	933
Opex/Avg. Lending book	1.70%	1.94%
Cost Income Ratio	31.2%	30.2%
Credit Provisioning	696	672
Credit Provisioning/Avg. Lending book	1.51%	1.39%
Profit before tax	1,031	1,487
Profit after tax	769	1,108
Net worth	8,838	9,860
Return on Asset %	1.7%	2.3%
Return on Equity %	9.6%	12.5%

ADITYA BIRLA HOUSING FINANCE LIMITED (HOUSING FINANCE)

Aditya Birla Housing Finance Limited (ABHFL) is registered with the National Housing Bank as a housing finance company under the National Housing Bank (NHB) Act, 1987. ABHFL offers a comprehensive range of housing finance solutions, such as Home loans, Home Extension Loans, Plot & Home Construction Loans, Home Improvement Loans, Loans Against Property, Construction Financing, Commercial Property Purchase Loan and Property Advisory Services.

INDUSTRY OVERVIEW

Housing credit as a percentage of GDP in India has increased steadily from around 7% as on 31st March, 2007 to around 11% as on 31st March, 2022. However, it continues to be significantly lower than developed markets. The housing finance space has a healthy outlook due to multiple factors, such as significant under penetration, increasing disposable income of a growing population and constant improvement in primary sales coupled with government support for affordable housing.

At the back of strong recovery post Covid and changing dynamics of housing needs, Primary Residential Housing sales crossed 5 lakh units in FY 2021-22, a year-on-year growth of 21% indicating pick up of demand in market. Tier-1 markets contributed to 72% of overall unit sales with good sales witnessed in mid and

premium segment backed by favourable market tailwinds such as low ROI, premium schemes and demand for larger homes.

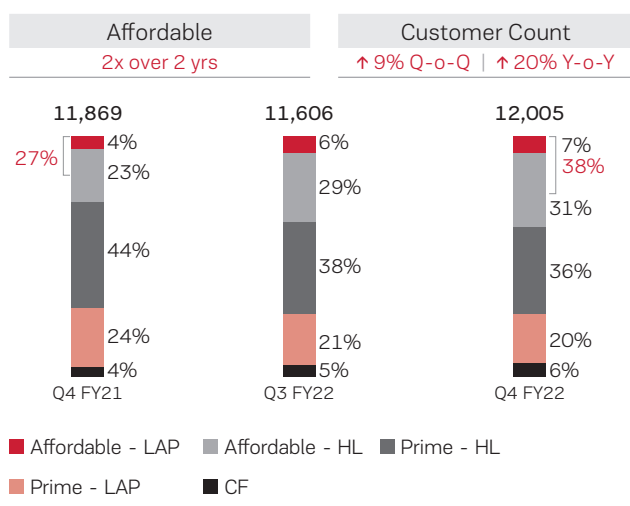
PERFORMANCE REVIEW

ABHFL continues to focus on increasing retail mix and the granularisation of its book. We witnessed strong momentum in gross disbursement in Q4 FY22 at ₹1,310 Crore, a 16% growth year-on-year. Of the total disbursement, 47% was towards affordable segment in Q4 FY22. During FY 2021-22, the affordable book mix increased to 38% against 27% in the previous year. ABHFL will continue to drive affordable lending to deliver superior returns.

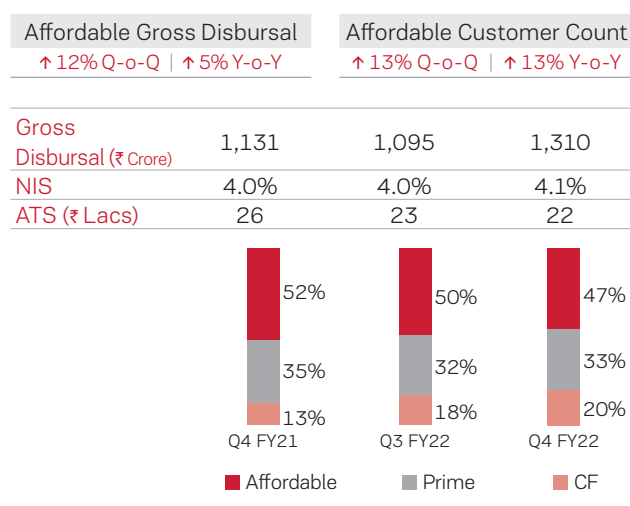
The ABHFL loan book stood at ₹12,005 Crore, against ₹11,869 Crore in the previous year. The affordable housing loan book grew 39% year-on-year to ₹4,510 Crore as on March 2022. The overall retail mix continues to be at 94%.

The business has adopted a systematic approach with an aim to build a healthy portfolio mix. The housing loan (including affordable) segment consists of 67% of the overall exposure, while construction finance comprises only 6%. Hence a large part of the margin expansion can be attributed to the expansion of the home loan segment, especially the affordable home loan segment. In construction finance, average ticket size is ₹15 Crore.

Growing loan book with increased retail mix (₹ in Crore)

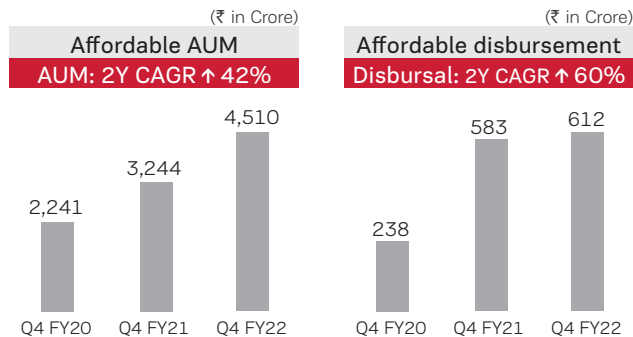


Strong disbursements revival in target segment

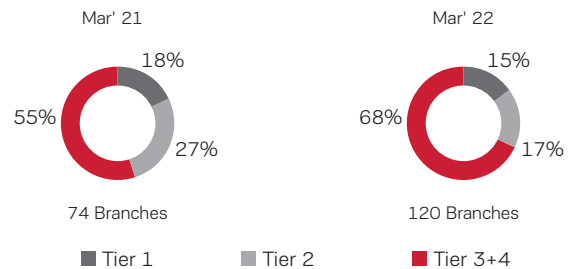




With the scaling up of affordable housing loan book, ABHFL will further expand into tier-3 and tier-4 cities. Towards this, we have expanded presence to 120 branches as on March 2022 and augmented front-line capacities from ~600 to ~1,000.



Tier-wise branch presence for affordable segment



Our target is to increase branch presence from current 120 to 200 branches by FY 2022-23. We are working to leverage partnerships/c-lending opportunities apart from increasing front-line capacities. We are working on optimising group synergies through retailers and distributors of group companies of Aditya Birla Group such as Ultratech.

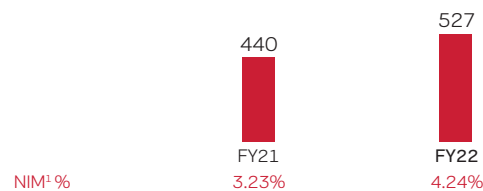
ABHFL has delivered strong core profitability over the years. Net interest income grew by 20% year-on-year to ₹527 Crore. Net interest margin expanded by 101 bps to 4.24% from 3.23% in the previous year led by change in product mix. The cost of

borrowing has been optimised at 6.90% in FY 2021-22, despite a volatile interest rate environment. Due to the scalability of operations and improvement in operating efficiency, the cost to income ratio has reduced from 40% in FY 2020-21 to 38% in FY 2021-22. The business showed significant improvement in profitability with Pre-provisioning operating profit growing 24% year-on-year to ₹328 Crore. Net profit after tax grew 44% year-on-year to ₹197 Crore. The business has posted return on equity and return on assets at 13.0% and 1.7% vs 10.0% and 1.2% respectively in the previous year.

Margin improvement

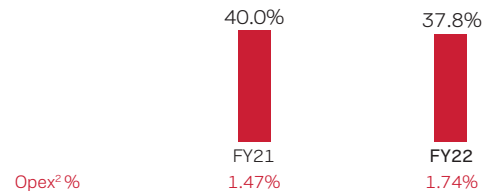
(₹ in Crore)

Net Interest Income¹



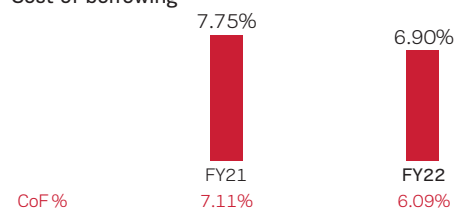
CIR driven by operating leverage

Cost Income Ratio



Optimised borrowing cost in a volatile interest rate environment

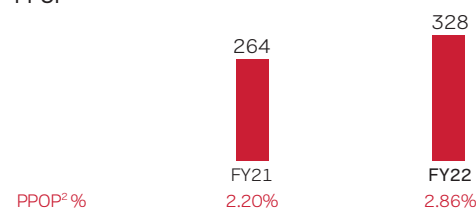
Cost of borrowing



Strong expansion in profit margin (PPOP % of AAUM)

(₹ in Crore)

PPOP

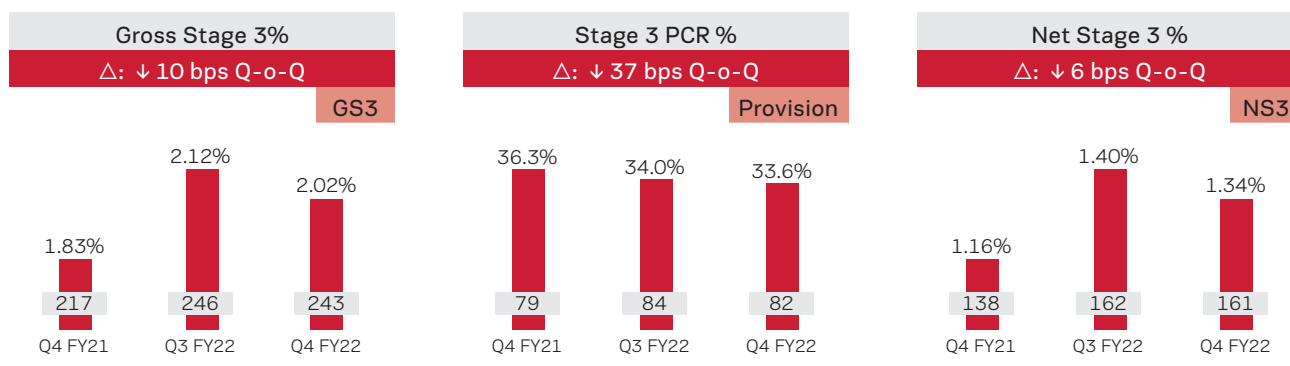


¹ NIM including fee (net of DSA Expenses)

² % computed based on average loan book

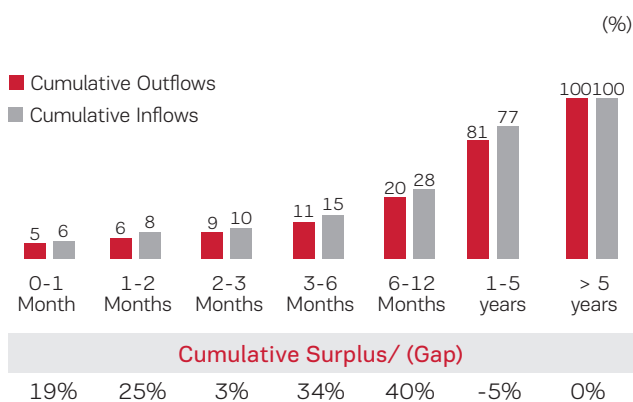
³ DSA commission netted off against total revenue, CoF computed on average book accordingly previous period financials are reinstated

ABHFL's efforts are concentrated on growth with a quality asset book. The Gross Stage 3 book was at 2.02% and Net Stage 3 book at 1.34% as on 31st March, 2022. The stage 2 book has reduced from 1.98% to 1.68% over the previous year. As on March 2022, restructured book under moratorium is 3.4%. ABHFL has additional management overlay provision of ₹84 Crore as on March 2022. The collection efficiency continues to be strong at 98.8% in March 2022.



The Asset Liability Management (ALM) is optimised for both liquidity and cost. As on 31st March, 2022, ABHFL had accumulated a surplus up to a one-year time frame from the ALM perspective. It has raised over ₹3,200 Crore long-term borrowing during FY 2021-22. We continue to maintain a comfortable Capital Adequacy Ratio at 23.9% as on 31st March 2022 against the 15% required by regulatory norms.

ALM optimised for liquidity and costs

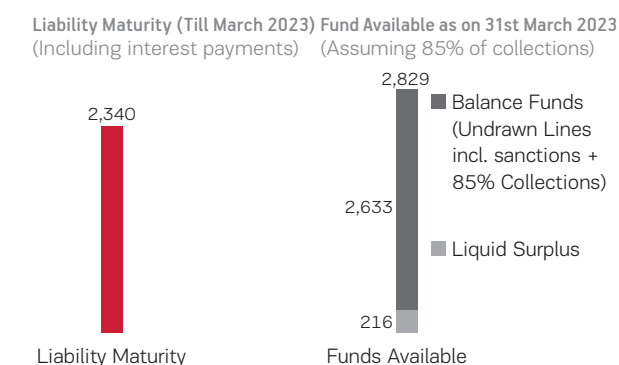


The ABHFL revenue stood at ₹1,215 Crore, marginally lower in line with average book size. Profit Before Tax grew 44% year-on-year to ₹253 Crore against ₹176 Crore in FY 2020-21. The net worth expanded from ₹1,519 Crore in FY 2020-21 to ₹1,721 Crore in FY 2021-22 led by internal accruals.

OUTLOOK

The housing market continued to witness a trend of increased number of first-time homebuyers and those moving up the property ladder by opting for a larger home or acquiring homes

Adequate liquidity under stress test scenario (₹ in Crore)



in another location. The need for housing was also triggered by a larger number of people working from home as well. Given the low mortgage to GDP penetration at 11% in India and the continued shortage of housing, the scope to grow the mortgage market in India remains immense.

Aditya Birla Housing Finance Ltd. aims to build a material and profitable book through the optimal product-sourcing-customer mix. Our focus is on building a robust technology platform for customer acquisition, offering quality customer service for better retention and creating operating efficiencies.



KEY FINANCIALS

(₹ in Crore)

Key Performance Parameters	FY 2020-21 (PY)	FY 2021-22 (CY)
Lending book	11,869	12,005
Average Yield**	10.33%	10.33%
Net Interest cost/Avg. Loan book	7.11%	6.09%
NIM*	3.23%	4.24%
Net Interest Income	440	527
Opex	176	199
Opex/Avg. Lending book	1.47%	1.74%
Cost Income Ratio (%)**	39.98%	37.78%
Credit Provisioning	88	75
Credit Provisioning/Avg. Lending book	0.73%	0.65%
Profit before tax	176	253
Profit after tax	137	197
Net worth	1,519	1,721
Return on Asset %	1.15%	1.72%
Return on Equity %	9.96%	13.00%

Average yield is including fee income net off DSA Commission; Interest cost is on average book

*NIM is including fee net off DSA Commission

** FY 2021-22 Avg Yield 10.26%, CIR 36.9% post netting off processing cost from interest income

ADITYA BIRLA SUN LIFE AMC LIMITED (AMC)

Since 1994, Aditya Birla Sun Life AMC Limited (ABSLAMC) is a 51:49 joint venture between the Aditya Birla Group and Sun Life Financial Inc. It has been one of the India's leading fund managers. It caters to a diverse customer cross-section through a wide variety of investment solutions focused on regular income, wealth creation and tax savings, among others. ABSLAMC is ranked as the largest non-bank affiliated Asset Management Company (AMC) in India by QAAUM since 31st March 2018 and the fourth largest AMC in India by QAAUM since 30th September 2011.

INDUSTRY OVERVIEW

In FY 2021-22, the Mutual Fund industry witnessed a strong net equity sale of ₹2.91 Lakh Crore in FY 2021-22 through new fund offerings and existing funds. A significant proportion of these inflows have been contributed through the launch of new schemes by various mutual funds across different categories. Approximately ₹1.08 Lakh Crore have been raised through New Fund Offers (NFOs), of which ~₹85,000 Crore was in equity NFOs. Retail participation from both T30 (Top 30 cities) and B30 (beyond 30 cities) has remained strong during this period.

The Industry Average Assets under Management (AAUM) for the quarter ended on 31st March 2022 reached ₹38.36 Lakh Crore recording a growth of 20% over the same period last year. Corresponding AAUM for the quarter ended 31st March 2021 was ₹32.09 Lakh Crore.

Industry Equity AAUM stood at ₹18.64 Lakh Crore for the quarter ended 31st March 2022 growing by 39% over the

same period last year. Corresponding Equity AAUM for the quarter ended 31st March 2021 was ₹13.41 Lakh Crore. As on 31st March 2022, the total number of mutual fund investors stood at 13.1 Crore versus 9.9 Crore on 31st March 2021, an increase of 33% Y-o-Y.

The retail investor surge is also reflected in higher industry individual Monthly Average AUM, which grew 21% Y-o-Y and contributed to ~55% of the total Monthly Average AUM. The overall mutual fund investment as on 31st March 2022 from B30 cities was 16.6% of the overall AUM.

The continuous promotion of Systematic Investment Plans (SIPs) has created significant momentum in monthly SIP contributions. Industry SIP book size stands at ₹12,328 Crore in March 2022 as compared to ₹9,182 Crore in March 2021.

PERFORMANCE REVIEW

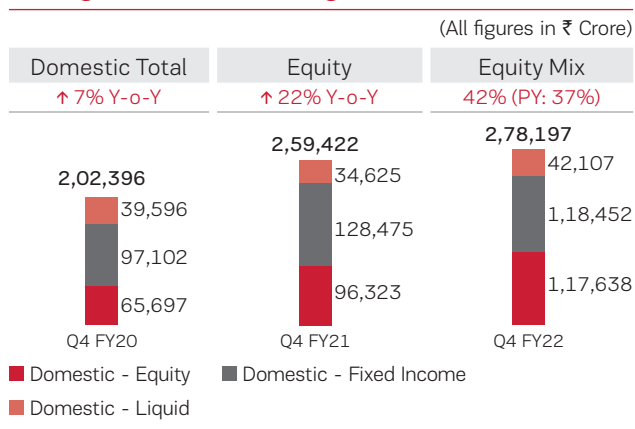
Aditya Birla Sun Life Asset Management Company (ABSLAMC) aims to be a leading retail franchise in India. Our strategy remains being rooted to serving investors over the long term by providing them with holistic investment solutions. We keep investment at the heart of ABSLAMC by delivering consistent performance, which helps us build our AUM size and customer base, and accelerates growth in the alternative space.

For FY 2021-22, ABSLAMC continued to be the largest non-bank affiliated AMC with Quarterly Average Assets under Management (QAAUM) market share (excluding ETF) at 8.6% and is the fourth largest AMC in India by QAAUM as on

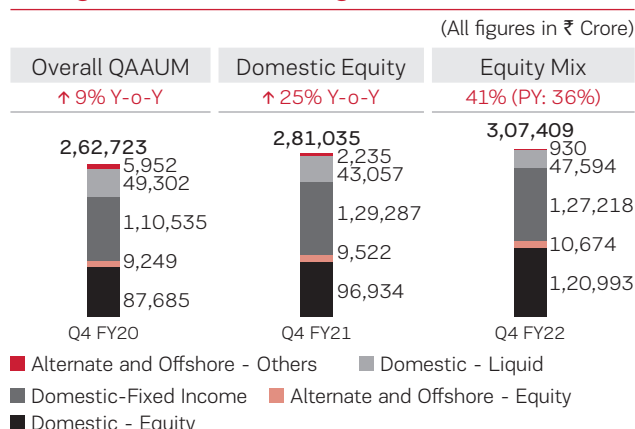
31st March 2022. The Company has a dominant position in the fixed income space with QAAUM market share as on 31st March 2022 at 11.1%. The Company is focused on growing AUM across different asset categories.

AUM grew steadily across asset classes, with 7% year-on-year growth in closing domestic assets under management, to ₹2,78,197 Crore. Overall domestic QAAUM grew by 10% year-on-year to ₹2,95,805 Crore as on 31st March 2022 and domestic equity QAAUM grew by 25% year-on-year to ₹1,20,993 Crore as on 31st March 2022. Domestic equity mix expanded to 41% of overall domestic QAAUM as on 31st March 2022 as against 36% equity mix as on 31st March 2021.

Closing Assets under Management



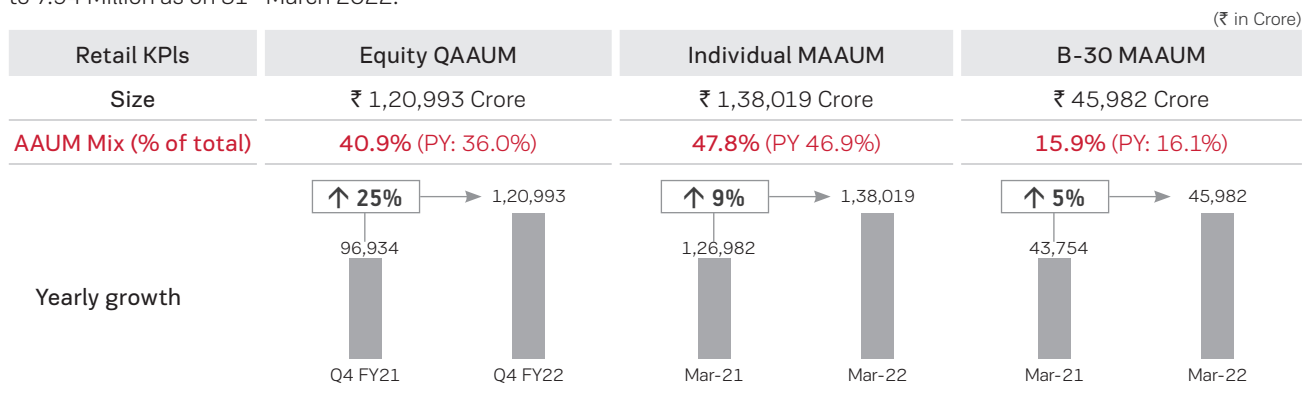
Average Assets under Management



In order to build a culture of sustainable growth in AUM, the Company conceptualised a theme called 'Har Ghar SIP'. Under this concept, the Company has launched many digital initiatives through the #WinWithSIP campaign, which is gaining traction. This is also creating awareness about the Multi SIP feature that eases the process of investing in multiple schemes as well as acts as an effective tool for goal-based investing. The Systematic Investment Plan (SIP & STP) book increased by 13% from ₹794 Crore in March 2021 to ₹895 Crore in March 2022. The Company was able to register 11.92 Lakh SIPs and STPs in FY 2021-22, which is ~75% growth over previous financial year's registration.

Customer acquisition remains a key area of focus for the Company. The Company added around 1.29 Million new folios in FY 2021-22 and with this, the overall folio count has increased to 7.94 Million as on 31st March 2022.

Over the last few years, the Company has been focusing on growing its retail franchise and increasing the wallet share from B30 cities. Individual Monthly Average Assets under Management (MAAUM) in March 2022 was at ₹1.38 Lakh Crore, recording growth of 9% year-on-year, with market share of 6.6% reflecting the strength of the retail franchise. The Institutional MAAUM size grew from ₹1,44,021 Crore in March 2021 to ₹1,50,612 Crore in March 2022, representing 5% growth and an institutional market share (ex-ETF) of 11.48%. The Company has maintained a market leading position in B30 penetration over the years, which has further contributed to the growth of individual investor base. The B30 MAAUM grew from ₹43,754 Crore in March 2021 to ₹45,982 Crore in March 2022 representing 5% growth and a market share of 7.4%.





Continue to expand distributor base and empaneled 7,000+ new MFDs in FY 2021-22



280+
Locations



72,000+
MFDs



110+
Banks¹



90+
Emerging Market
Representatives



240+
National
Distributor



80+
Digital
Partners

¹Banks and Financial Institutions

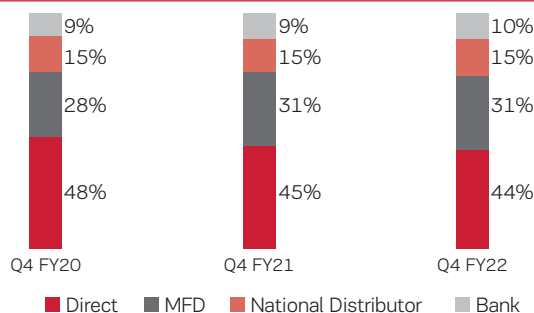
ABSLAMC has a large pan-India network of empaneled distributors with presence in 280+ locations with 72,000+ KYD compliant MFDs, 240+ national distributors and 100+ banks and financial intermediaries. The Company continues to expand its distributor base and have empaneled 7,000+ new MFDs in FY 2021-22.

To increase presence in B30 markets, the Build, Operate and Transfer model continues to gain strength. In addition to this, the Company also adopted the virtual relationship manager (VRM) model, wherein the virtual manager acts as a single point of contact for various servicing requirements, including cross-selling and up-selling of schemes. Under this model, the Company activated ~2,500+ distributors as on

31st March 2022. In order to create higher mind recall, the Company has also set up a separate service to sales model. This exercise has provided business insights to create the right impact, which will help in improving NPS and business expansion.

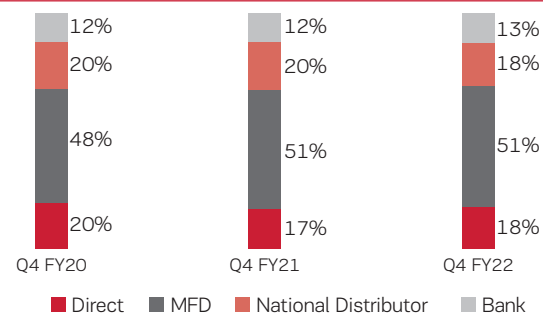
Consistent investment performance is key to our success. We are supported by our stable and experienced investment teams with extensive industry experience. The strong execution capabilities of the management and investment teams have successfully scaled the business with improving profitability over the last decade.

Overall Asset Sourcing Mix¹



¹Banks and financial institutions

Higher MFD Share in Equity Sourcing



Digital remains a key pillar of the growth story. The Company continues to collaborate with early-stage start-ups to remain ahead of the curve and enhance process efficiency. The Company has created an omnichannel experience by integrating API platforms in partnership with fintech and digital partners. With these initiatives, it has digitally onboarded 77% of new customers. Currently 84% of the overall transactions are

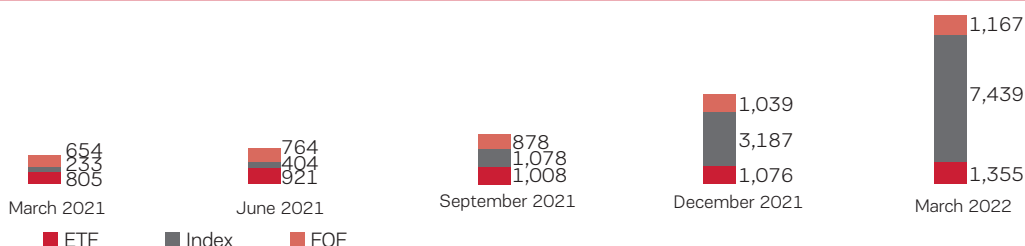
done digitally, 88% of customers are now serviced via digital platforms and 99% of transactions are digital. The Company empaneled 88% of new MFDs digitally in FY 2021-22. The Company continues to deploy data analytics across the value chain to support ongoing sales efforts through effective customer engagement.

Customer Onboarding	Customer Servicing	Distributor Onboarding	Digital payments
77%	88%	88%	99%

ABSLAMC has stepped up efforts to build future capabilities by creating differentiated products in passives, PMS and AIF categories. To address the growing needs of HNIs and family offices, a dedicated team has been created to launch funds, reach out to potential customers and sell through existing channel partners as well as new-age platforms. On the real estate front, the Company signed a term sheet with Bentall Green Oak, an arm of SunLife International, to jointly source and underwrite deals for real estate funds launched under Category II Real Estate AIF.

During the year, ABSLAMC made decent progress in improving product offering in the Passive space. Passive product offering has yielded good results wherein its assets have gone up by more than 6 times from ₹1,692 Crore in March 2021 to ₹9,962 Crore in March 2022. It has launched 13 new passive products, including the Company's 1st Smart Beta and Debt Index Fund. The customer base in this category has now grown to 3,95,000 folios.

Passive AUM (₹ Crore)¹



¹ Closing AUM for ETFs/FoFs/Index Funds

OUTLOOK

In the long term, the overall industry's AUM is projected to sustain a high CAGR driven by pick-up in corporate earnings following stronger economic growth, higher disposable income and investable household surplus, increase in aggregate household and financial savings, deeper regional penetration as well as better awareness of mutual funds as an investment vehicle. The industry will witness positive impact with continuous improvement in ease of investing, technological innovations

and expanding internet footprint, rising number of new players in the space, and perception of mutual funds as long-term wealth creators, driven in part by initiatives like the Mutual Fund Sahi Hai campaign.

ABSLAMC will continue to focus on increasing higher margin AUM and expanding investor base. Increasing contribution from beyond top 30 markets will remain a focus area along with strengthening digital presence to help connect better with customers and enhance distribution.

KEY FINANCIALS

Key Performance Parameters	(₹ in Crore)	
	FY 2020-21 (PY)	FY 2021-22 (CY)
Domestic AAUM	2,44,501	2,92,578
Domestic Equity AAUM	84,776	1,15,446
Alternate and Offshore Equity AAUM	8,437	10,537
Total Equity	93,213	1,25,983
Revenue	1,206	1,409
Costs ¹	510	514
Profit Before Tax	696	895
Profit Before Tax (bps²)	28.5 bps	30.6 bps
Profit After Tax	526	673

¹ FY 2021-22 includes a reversal of a provision for an earlier long-term investment plane amounting to ₹32.3 Crore and provision for a new incentive plan of ₹6.5 Crore Q4 FY 21-22 includes provision for a new incentive plan of ₹1.6 Crore

² Margin based on annualised earnings as % of Domestic AAUM



ADITYA BIRLA SUN LIFE INSURANCE COMPANY LIMITED (LIFE INSURANCE)

Aditya Birla Sun Life Insurance Company Limited (ABSLI) is a 51:49 joint venture between the Aditya Birla Group and Sun Life Financial Inc., Canada's leading international financial services organisation. ABSLI has contributed to the growth and development of the Indian life insurance industry, and is currently one of India's leading private life insurance companies.

INDUSTRY OVERVIEW

The overall life insurance industry has gone through a critical transformation in the past two decades after opening the sector for private players. Its journey has been characterised by shifts in product propositions, regulatory changes, and evolution of distribution channels. Despite interim setbacks the industry has grown at a significant pace over the last few years. There has been a recalibration of distribution models, ongoing product innovations and realignment of processes to provide seamless and superior experience to the end consumer.

In FY 2021-22, overall industry grew by 15% and private players by 22%. Considering this, we are expecting a higher growth rate in the coming financial years and ABSLI hopes to achieve business growth on the back of industry growth.

The industry continues to focus on the quality of business and improving financial performance to drive long-term shareholder value. This is reflected in the improved persistency ratios across cohorts, reducing surrender to AUM ratios, better opex management and lower complaints.

While Life Insurance Company's (LIC) individual product mix contains largely participating products, private players have a more balanced product mix. The individual product mix for private players has been broadening from market linked products historically to non-linked products offering guaranteed savings, pure life protection, participating products, and rising share of annuities to tap new segments of customers. This has been the scenario in the last financial year as well, where product mix has moved towards traditional business for the private players with high focus on non-par savings and protection. Both these segments were the flavour of FY 2021-22, given the fact that there is hardly any substitute for long-term insurance products, which seek to address the risk of loss of life (term protection) and risk of loss of income/longevity risk (annuities, guaranteed products). This is also accentuated by the fact that during uncertain times, people like to feel secure and certain about their savings.

New alternatives like return of premium products, value-added riders and combo products are getting launched to push protection sales growth and expand margins. This, combined with awareness campaigns, is expected to lift growth in the retail protection segment. Predominantly considered a push product,

individual protection products have seen faster acceptance by the affluent segment and is becoming a pull product.

On the distribution mix, there has been a distinct shift with Bancassurance now emerging as the primary distribution channel with more than 55% share (21% in FY 10) among private sector insurers. This shift is primarily driven by the captive customer base and leveraging the wide-spread network of bank branches. Currently, with the use of analytics and automated underwriting, insurance companies are collaborating with banks to provide customised offers, which they are integrating into bank systems to create a differentiating factor and better experience for the customer.

Companies continue to focus on digital and direct channels, given the tremendous growth potential. There has been an increase in the number of web aggregators in recent years and several insurance companies have been showing increasing interest in listing their products on aggregator portals and websites.

PERFORMANCE REVIEW

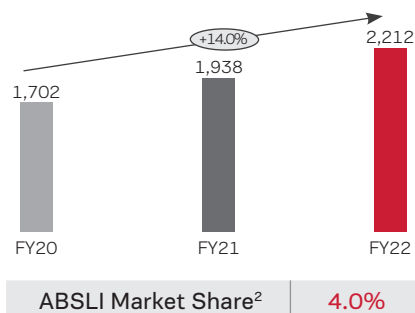
ABSLI recorded individual new business premium growth of 14% year-on-year vs. private players' growth at 22% and industry at 16%. ABSLI's market stood at 4.0% of the total private players' market for individual business. The group business grew by 30% year-on-year with increase in market share by 37 basis points in FY 2021-22. Private players grew 23% year-on-year and the industry grew 15% in FY 2021-22. The overall renewal premium grew 24% year-on-year to ₹6,475 Crore of which 73% was collected digitally.

The total gross premium grew by 24% year-on-year to ₹12,140 Crore in FY 2021-22. **ABSLI registered strong growth in both partnership and proprietary channels with a balanced sourcing mix of 58:42 in FY 2021-22.** We continued our journey on balanced channel strategy with a presence across 2,900+ cities through 14,000+ bank branches and 340+ own branches with a 79,500+ agent base. ABSLI has also collaborated with seven key bank partners and multiple corporate agents and brokers.

Individual FYP¹

(₹ in Crore)

	ABSLI	Private Players	Industry
Δ FY'21	↑ 14% Y-o-Y	↑ 22% Y-o-Y	↑ 16% Y-o-Y
Δ FY'20	↑ 30% Y-o-Y	↑ 31% Y-o-Y	↑ 19% Y-o-Y



¹ Individual FYP adjusted for 10% of single premium

² Market share among private players

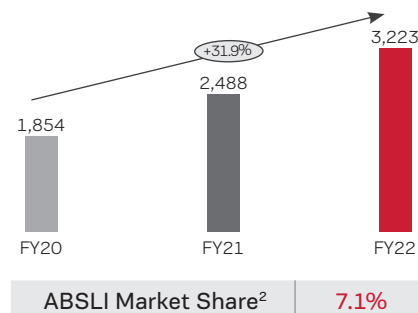
Note: Industry and private players represents life Insurance companies; FYP for industry players:

The quality of the business remains a key focus area and ABSLI made significant progress across quality parameters. There is continuous improvement in persistency across cohorts. The 13th month persistency ratio improved to 85% from 82% in FY 2020-21 and 25th month persistency ratio improved to 73% from 72% in the previous year. The longer-term 61st month ratio also improved to 52% from 51% in the previous year. The

Group New Business Premium

(₹ in Crore)

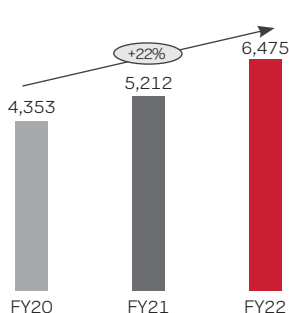
	ABSLI	Private Players	Industry
Δ FY'21	30% Y-o-Y	↑ 23% Y-o-Y	↑ 15% Y-o-Y
Δ FY'20	↑ 74% Y-o-Y	↑ 47% Y-o-Y	↑ 20% Y-o-Y



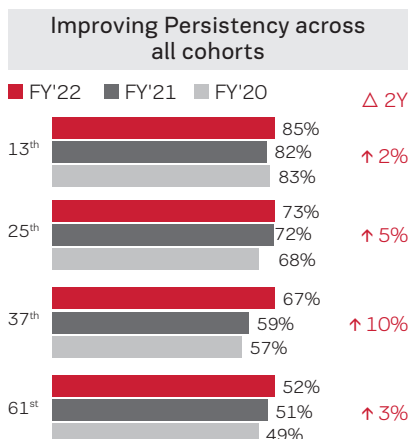
surrender ratio of policy shareholder AUM reduced to 7.27% in FY 2021-22, led by increasing in-force policies and renewal premiums. **ABSLI has achieved its highest ever claim settlement ratio of 98.1%** driven by robust risk scoring models, data analytics and training provided to field force. The number of complaints has reduced by more than 50% over the last three years.

Total Renewal Premium (₹ in Crore)

Renewal Growth	Digital Renewal
↑ 24% Y-o-Y	73%

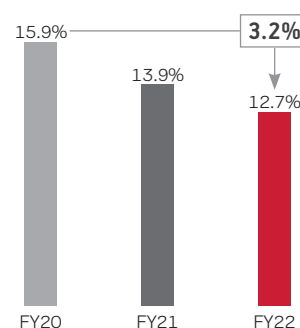


Persistency¹



Controlled Opex²

Controlled Opex to premium ratio



¹ 12 month rolling block as per revised IRDAI Circular

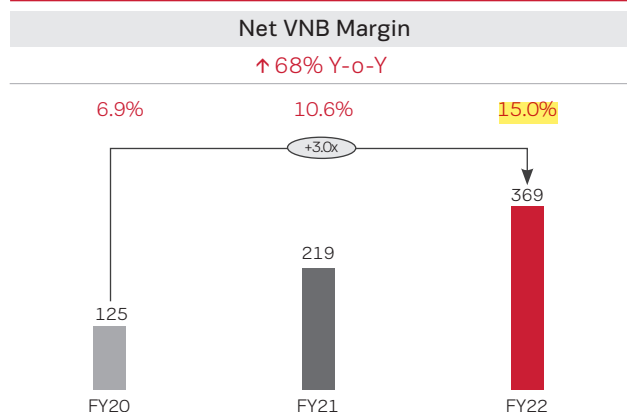
² % figures in the chart denote Opex to Premium ratio



The value of new business is one of the most important metrics in the life insurance industry and measures profitability over the long term. ABSLI has achieved its highest ever net value of new business (VNB) margin at 15% with an increase of 440 basis points year-on-year from 10.6% in FY 2020-21.

Net VNB¹

(₹ in Crore)

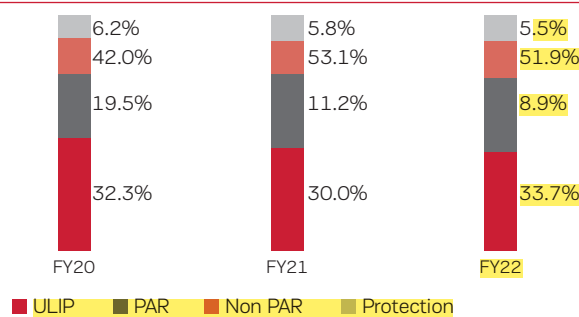


¹ Net VNB includes group risk business/peer reviewed

In line with strategy, ABSLI continues to hold a diversified product portfolio to safeguard against capital market volatility, regulatory changes and change in customer behaviour. During the year, it reduced Unit Linked Insurance Plan (ULIP) share and maintained protection mix.

ABSLI launched 3 products during FY 2021-22 in the guaranteed space and a new protection product with industry-best features. The new products contributed to 14% of the overall individual first year premium for FY 2021-22. The ULIP mix saw a reduction in both proprietary at 37% and partnership channels at 31% in FY 2021-22. Proprietary channel continues to maintain a healthy protection mix of 9%.

Product Mix

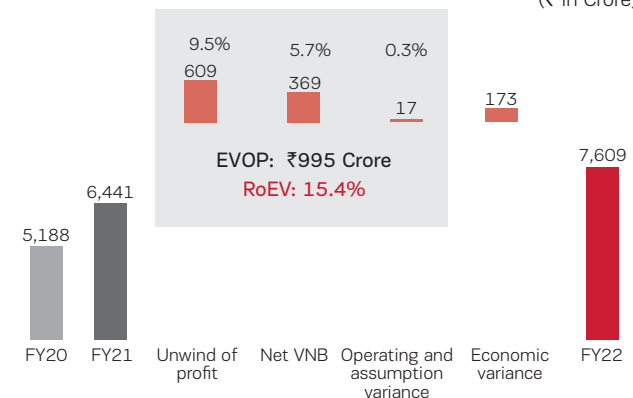


ABSLI intends to protect policyholders' guaranteed benefit, which is 100% of expected maturity and survival benefits by using hedging instruments such as Forward Rate

The embedded value increased 18.1% year-on-year to ₹7,609 Crore from ₹6,441 Crore in FY 2020-21. We reported a healthy Return on operating Embedded Value (RoEV) at 15.4%.

Embedded Value

(₹ in Crore)



Agreements (FRAs). Guarantees are actively monitored, and products are reprised for adjustments in interest rates.

Total gross premium grew 24% year-on-year to ₹12,140 Crore against ₹9,775 Crore in FY 2021-22. Net Profit before tax grew 15% year-on-year at ₹175 Crore. No capital infusion has been required in the preceding 11 years, as the business is generating adequate internal accruals to fund its requirements. ABSLI has raised sub-debt of ₹350 Crore in FY 2021-22. The solvency margin is at 1.88 times as on 31st March, 2022, against the regulatory requirement of 1.5 times.

OUTLOOK

FY 2021-22 started as a high growth year due to a low base of H1FY21. Despite second wave of COVID hitting in Q1FY22, the industry grew in new business over the last financial year. Customer experience, journey simplification and product modularisation will be key themes adopted by insurance companies. Insurers will look at providing a seamless omnichannel experience to customers leveraging technology while ensuring simplification of product constructs to drive penetration. Partnerships as a strategy has been gaining traction, both in the life insurance and non-life insurance spaces. A key enabler for insurance companies, going forward, would be increased adoption of big data solutions, including cloud computing, artificial intelligence, machine learning, among others.

KEY FINANCIALS

(₹ in Crore)

	FY 2020-21 (PY)	FY 2021-22 (CY)
Individual first year premium	2,076	2,442
Group First year Premium	2,488	3,223
Renewal Premium	5,212	6,475
Total Gross Premium	9,775	12,140
Opex (Excluding Commission)	1,362	1,548
Opex to Premium (Excluding Commission)	13.9%	12.7%
Opex to Premium (Including Commission)	19.1%	17.4%
Profit Before Tax¹	151	175
Profit After Tax¹	102	117

¹ Consolidated numbers, including Aditya Birla Sun Life Pension Management Company Limited

ADITYA BIRLA HEALTH INSURANCE CO. LIMITED (HEALTH INSURANCE)

Aditya Birla Health Insurance Co. Limited (ABHICL) was incorporated in 2015 as a joint venture between Aditya Birla Capital Limited (ABCL) and MMI Strategic Investments (Pty) Ltd. with each holding 51% and 49% shares, respectively. ABHICL commenced its operations in October 2016, and is engaged in the business of health insurance. It continues to be the fastest growing Health Insurance company with differentiated core offerings like incentivised wellness with Industry-first 100% return of premium (HealthReturns™) along with a differentiated health and wellness framework.

INDUSTRY OVERVIEW

India's health insurance industry has been witnessing sustained growth. The industry has been growing at a 3-year CAGR of 16.5% in 2022 and the pandemic has created greater growth opportunities for the insurance market. The existing health insurance schemes can potentially cover 70% of the population – nearly 95 Crore individuals, though actual coverage is far lower. All households eligible for government subsidised insurance are not currently covered. Additionally, at least 30% of the population (40 crore individuals) called the missing middle are devoid of any health insurance. These create significant headroom for growth of overall HI industry. The industry registered premium of ₹80,471 Crore in FY 2021-22, which translates into growth of 26% Y-o-Y. Standalone Health Insurers (SAHI) have outperformed the industry and grew at 32% in FY 2021-22, with gain in market share of 1.2% (CY market share 25.9% vs. LY 24.7%). SAHI have grown at CAGR of 32% in last 3 years.

Health Insurance companies can be broadly divided into 3 categories i.e. 1) PSU Insurers with ~44% market share; 2) Private multi-line insurers with market share of ~30% with large players such as ICICI Lombard, HDFC Ergo and Bajaj Allianz focusing on health vertical and 3) Standalone Health Insurers (SAHI): Star Health, NIVA Bupa, Care Health Insurance,

Manipal Cigna and Aditya Birla Health Insurance with a market share of ~26%. This segment has registered growth of 32% in FY 2021-22 with a 120 bps improvement in market share.

Health insurance has 3 broad customer segments namely 1) Group segment for corporates with ~45% of the market, dominated by PSU insurers; 2) Retail segment with ~47% of the market, which has seen relatively higher growth and 3) Government segment, which forms ~8% of the industry.

For FY 2021-22, ABHI market share stood at ~2.1% (~8.3% among stand-alone health insurers). SAHI players are expected to grow faster than the industry average for the next 3-4 years. ABHI driven by its 'Health First' business model backed by a strong brand, differentiated core offering and health data based hyper-personalised engagement is well placed to capitalise on the growth opportunity in health insurance.

PERFORMANCE REVIEW

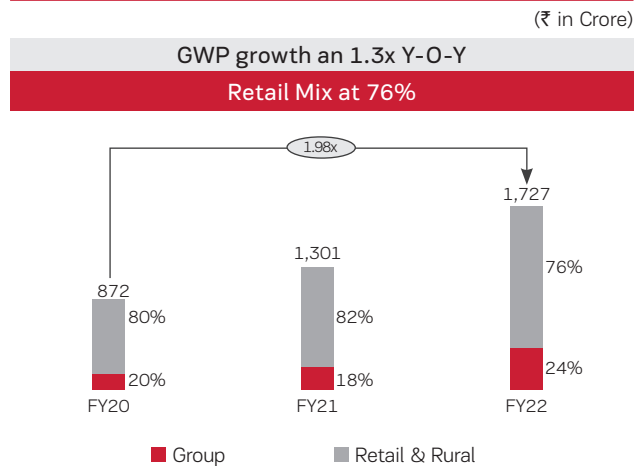
The strength of the Company's business model was evident by its strong performance across financial and non-financial parameters this year. The stated goal of the Company was to target breakeven in Q4 of FY 2021-22 way ahead of its industry. ABHI continues to be one of the fastest growing HEALTH INSURANCE COMPANY with gross premium of ₹1,727 Crore in FY 2021-22 a 33% year-on-year growth. ABHI covers 18.8 Million lives and which grew 1.4x year-on-year. Retail business grew by 23% and contributed to 76% of total GWP in FY 2021-22.

ABHI purpose is to Empower and motivate families to prioritise their health and live fulfilling lives. In order to fulfill the said purpose, ABHI has created a differentiated 'health first' business model by moving from the traditional 'buy and forget' to 'buy and engage', thus serving as an enabler and influencer of customer health in addition to fulfilling the traditional role of funding healthcare expenses. Its differentiated core offerings

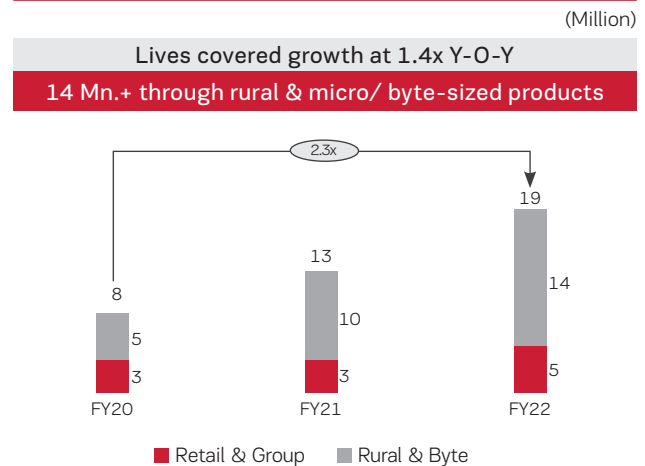


like incentivised wellness with the industry-first 100% return of premium (HealthReturns™) along with differentiated health and wellness framework also emphasises a holistic health management approach, focusing on disease prevention and wellness management. The health-data based 'well-being' score, which covers over 180 data points and enables the Company to risk stratify its customers across high, medium and low, is now live for 10 Lakh+ customers. ABHI has been the first to enable a health and wellness ecosystem access to its customers, including access to health coaches, telemedicine, mental wellness, among others.

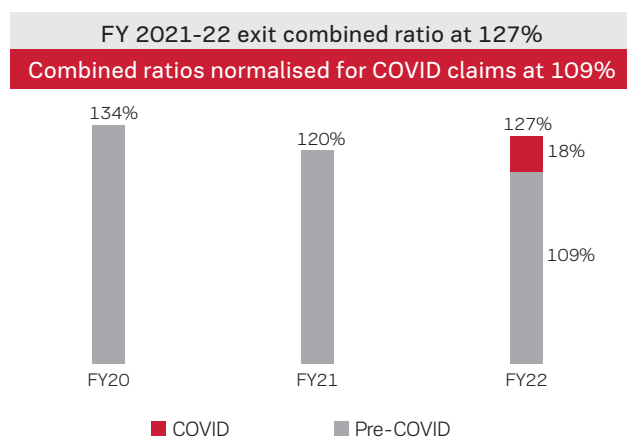
Revenue



Lives Covered

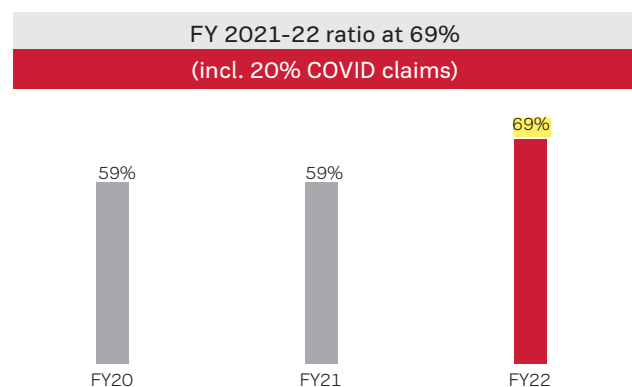


Combined Ratio*



*Combined ratio as per reported financials

Claims Ratio¹



1-Claims ratio at N/365

The product suite includes key products like Activ Care, Activ Health, Activ Assure, Activ Secure, 1 Crore Super Health Plus Top-up and Global Health Secure. Majority of the products have presence in both retail and group platforms

Along with Activ Health, we launched V2 with enhanced features like 100% HealthReturns™, Chronic Lite, among 9 other products were relaunched with regulatory updates and additional features like robotic treatments, fewer exclusions. This has contributed to gaining fast traction and momentum.

Standard IRDAI and regulatory products like Corona Kavach, Corona Rakshak, Group COVID and Arogya Sanjeevani are also offered as part of the product suite in both retail and group platforms.

Over 50 byte-sized, contextual products were launched through digital online alliances and have also enabled agile customer acquisition like 1-click products contributing significantly to its customer base. The Company is constantly working towards customer segmentation and mapping of customers and distributors by leveraging data enrichment and analytics across the customer lifecycle to identify the right product offerings.

In FY 2021-22, ABHI underwrote a gross premium of ₹1,727 Crore compared to ₹1,301 Crore in FY 2020-21. The retail business contributed ~76% of the total GWP in FY 2021-22 of which 93% was issued digitally. ABHI posted a net ₹311 Crore loss in 2021-22 primarily attributable to funding of new business growth, creation of new distribution network and higher COVID related claims.

OUTLOOK

Healthcare has become one of India's largest sectors both in terms of revenue and employment. It is growing at a remarkable pace owing to increased digital adoption, wide coverage, increasing variety of services and increasing expenditure by public as well as private players. With challenges in other retail

lines of business, general insurers have aggressively started pursuing the health opportunity.

The strategy remains focused on driving profitable growth that is entrenched in the purpose of motivating Indian families to live healthy and fulfilling lives. Going forward, we will focus on customer acquisition and retention at scale; Health Risk (Claims Ratio) and Combined Ratio Management and Health Management. These will be the key pillars to driving value-accretive growth. We will strive to achieve this objective on the back of well-diversified distribution networks and strong capabilities around tech-enabled digital health ecosystem and incentive-based wellness framework through partners and digital assets.

(₹ in Crore)		
Key Performance Parameters	FY 2020-21 (PY)	2021-22 (CY)
Retail Premium¹	1,061	1,308
Group Premium	239	418
Gross Written Premium	1,301	1,727
Revenue	1,202	1,631
Profit Before Tax (IND AS)	(199)	(311)
Combined Ratio (%)	120%	127%
Combined Ratio Pre-Covid (%)	-	109%

¹ Retail Premium, including rural creditor premium

ADITYA BIRLA INSURANCE BROKERS LIMITED (GENERAL INSURANCE BROKING)

Aditya Birla Insurance Brokers Limited (ABIBL) is a leading composite general insurance intermediary, licenced by the Insurance Regulatory and Development Authority of India (IRDA). The Company specialises in providing general insurance broking and risk-management solutions for corporate and individuals alike. The Company also offer reinsurance solutions to insurance companies and have developed enduring relationships with Indian and global insurers operating in India, South Asia, the Middle East and Southeast Asia.

INDUSTRY OVERVIEW

The Indian insurance industry earned a total premium of ₹5.35 Lakh Crore for FY 2021-22 of which ₹3.14 Lakh Crore were from Life Insurance segment (first year premium) and ₹2.21 Lakh Crore were from the general insurance segment. The sheer size and growth potential due to low penetration and growing economy makes it one of the most attractive investment opportunities. However, penetration and density have remained low, indicating the need to address challenges, which impede growth.

Gross premium underwritten by the Non-Life Insurers in India has grown by 11% from ₹1,99,724 Crore to ₹2,20,772 Crore (Source: GI Council). Health insurance for the first time overtook Motor (OD & TP) as the largest insurance segment buoyed

by a growth in group health premiums (32% year-on-year), government health schemes (39% year-on-year) and retail health (16% year-on-year). Hence the top 4 contributors in non-life industry premium were health insurance, motor insurance (OD & TP), crop insurance and fire insurance segments, respectively with about 33%, 32%, 13% and 10% shares, respectively. While property segment showed a nominal Y-O-Y growth of 7%, health segment showed a robust year-on-year growth of 25% mainly on account of hardened premiums due to high claims made on the group insurance front, coupled with sustained demand for retail Health Insurance Policies and increased government spending on Health Insurance. Motor insurance showed a muted 4% growth due to severe supply constraints of new cars due to the global shortage of semi-conductor chips. (Source: GI Council).

PERFORMANCE REVIEW

Aditya Birla Insurance Broker Ltd. (ABIBL) has been consistently outperforming the general insurance industry and gaining market share. Its premium placement grew by 17% year-on-year from ₹4,852 Crore in FY 2020-21 to ₹5,687 Crore in FY 2021-22. Its market share in direct non-life industry premium has shown growth from 2.37% to 2.49%.

ABIBL's revenue grew by 17% from ₹591 Crore to ₹691 Crore and profit before tax increased by 22% from ₹71 Crore in



FY 2020-21 to ₹86 Crore in FY 2021-22. ABIBL delivered robust return on equity at 55% in FY 2021-22.

OUTLOOK

Insurance broking is the only channel that represents customers and not insurers. This unique role of the broking channel is recognised by the regulator, insurers and customers. Despite the robust growth over the years, penetration and density have continued to remain low and impede higher growth, indicating the need to address challenges. Based on the industry and business performance mentioned, the broking channel is still evolving and needs to meet risk management requirements of customers comprehensively.

ABIBL will continue to focus on expanding its customer base in a cost-effective manner to grow its business. Various

initiatives were implemented for promotion and growth of the motor insurance business, with an increased focus on targeting renewal and rollover policies. Emphasis is being laid on enhancing corporate business by targeting large corporate clients through a sector-specific approach. Further, ABIBL aims to utilise the post-COVID scenario to capitalise and build on its digital assets, which are used across all lines of business by several stakeholders.

KEY FINANCIALS

(₹ in Crore)

	FY21	FY22	Δ
Premium Placement	4,852	5,687	↑17%
Revenue	591	691	↑17%
PBT	71	86	↑22%

ADITYA BIRLA MONEY LIMITED (STOCKS & SECURITIES)

Aditya Birla Money Limited (ABML) is a one-stop shop for customers for their entire investment and trading needs. ABML offer a full range of services relating to investment in stocks, mutual funds, IPOs, SGBs, PMS, among others and trading in equity, commodity and currency derivatives. The product and service innovations enable differentiated experiences for customers.

INDUSTRY OVERVIEW

Stock markets have managed to hold on well considering the year was marked by the historic event of the Russia-Ukraine conflict, expectation of sharp interest rate hikes, economy still recovering from post covid era and persistent FII selling. Despite all these challenges, Nifty delivered 18.9% return in FY 2021-22 while Nifty Midcap 100 was up by 25.3% and Small cap 100 by 28.6%. During FY 2021-22, FIIs were net sellers of ₹1.4 lakh Crore while DIIs have matched up similar amount on buy side, recording a healthy 76% year-on-year growth in new client addition. Riding on retail investor optimism and strong domestic investor flows, industry cash volumes increased 19% year-on-year.

During this period, retail investors have held their nerve and have now become a formidable force in domestic equity markets. The monthly run-rate of demat account opening has grown ~ 8x from 4 Lakh in FY 2019-20 to 30+ Lakh now. Penetration has increased from 3.9% to 6%+ year-on-year. Demat accounts penetration has surged at a rapid pace owing to an increase in smartphone usage, easier digital onboarding of customers and attractive returns delivered by the equity markets in the post-Covid era. Owing to aggressive client acquisition by brokerage houses and positive experience in stock markets,

the participation of retail investors in Indian stock markets is expected to further increase.

During the year, full phase implementation of peak margin continued in order to keep leverage positions under check. This impacted cash volumes with monthly cash ADTO turning volatile but still growing by 9.6% over FY 2020-21. The peak margin norms however shifted the trading volumes to the derivative segment. The average derivative ADTO jumped by a staggering 2.6x in FY 2021-22 to ₹71 Lakh Crore. This pace was further accelerated in February 2022 witnessing ADTO of ₹81.7 lakh Crore while March saw ADTO of ₹91.2 lakh Crore.

PERFORMANCE REVIEW

ABML recorded revenue of ₹233 for FY 2021-22 as compared to ₹192 Crore during the previous year, an increase of 21% led by higher broking interest and income. The Profit Before Tax stood at ₹36 Crore for the year ended 31st March 2022 as compared to ₹22 Crore in the previous year, an increase of 59%. ABML delivered return on equity at ~43% in FY 2021-22.

ABML constantly strives for product innovations to elevate customer experience. It has launched the Open Store platform, which will allow our customers to seamlessly access select third-party research and advisory platforms. The ongoing initiatives to improve trading app with UI/UX changes and addition of relevant features led to ~26% increase in the average daily customers who trading through the mobile app.

OUTLOOK

The overall medium term macro environment remains challenging, as the RBI in its first bi-monthly monetary policy, revised its inflation estimate higher (5.7% vs. earlier forecast of

4.5%), GDP growth estimate lower (7.2% vs. previous estimate of 7.8%) for FY 2022-23. Globally, high inflation continues to be one of the biggest risks along with central bankers accelerating the pace of rate hikes and tightening liquidity. The US Federal reserve has maintained its hawkish stance. The high-frequency indicators are nearing or above pre-pandemic level and are showing resilience.

The broking industry has gone through significant transformation over the years. Among the key changes are digitisation, focus on value-added services and moving from transactional to fee based revenue models. The industry is also expected to see higher volumes over the next few years as retail investors have tasted success in investing/trading. Moreover, the financialisation of savings and equitisation of the financial savings is still at a very nascent stage with demat account penetration at just ~6%.

The Company will continue to focus on technology, drive client acquisition, increase business partner network, rationalise cost and provide efficient trading tools and value-added research recommendations to clients. The overall strategic focus is to create product and service differentiators across all segments.

KEY FINANCIALS

	(₹ in Crore)		
	FY21	FY22	Δ
# Customers (Active)	1.2 Lakh	1.3 Lakh	↑ 5%
Revenue	192	233	↑ 21%
PBT	22	36	↑ 59%

RISK MANAGEMENT

At ABC and its subsidiaries, we attach great importance to the identification, measurement and control of risks. All the functions are responsible for the management of their respective risks. The Board of Directors and its Risk Management Committee monitor the process of Risk Management and give suitable directions to the management to adopt appropriate Risk Control measures.

Traditional Risk and Control indicators serve an important purpose for Financial Institutions to determine their risk appetite. Technology has made it possible to use more and more data in analysing risk scenarios and possible impact they have on Business Strategies. At Aditya Birla Capital, we have created a framework which combines the traditional approach to Risk management with a modern data driven approach.

Against the backdrop of the current credit environment and general macro factors playing out across sectors, we remain confident of our integrated risk and governance approach, which has demonstrated the capability to withstand economic and credit cycles, as well as dynamically adopt new scenarios and learnings into the risk and governance framework. We

are well positioned to accelerate our growth across all lines of business, given our strong risk architecture, coupled with our strong management capability, robust capital and liquidity management and high governance standards.

INTERNAL CONTROL SYSTEMS

The Company has in place an adequate internal audit framework to monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent and reasonable assurance on the adequacy and effectiveness of the organisation's risk management, internal control and governance processes. The framework is commensurate with the nature of the business, size, scale and complexity of its operations.

The internal audit plan is developed based on the risk profile of business activities of the organisation. The audit plan covers process audits of different functions. The audits are carried out by an independent external firm. The audit plan is approved by the Audit Committee, which regularly reviews compliance.

CAUTIONARY STATEMENT

Certain statements made in this Management Discussion and Analysis may not be based on historical information or facts and may be 'forward-looking statements' within the meaning of applicable securities laws and regulations, including, but not limited to, those relating to general business plans and strategy of Aditya Birla Capital Limited ('ABCL', 'The Company' or 'Your Company'), future outlook and growth prospects, competition and regulatory environment, and the management's current views and assumptions which may not remain constant due to risks and uncertainties and hence, actual results may differ materially from these forward-looking statements.

This Management Discussion and Analysis does not constitute a prospectus, offering circular or offering memorandum, or an offer to acquire any of the Company's equity shares or any other security, and should not be considered as a recommendation that any investor should subscribe for or purchase any of the Company's shares. The Company, as such, makes no representation or warranty, express or implied, as to, and does not accept any responsibility or liability with respect to the fairness, accuracy, completeness or correctness of any information or opinions contained herein. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments, information or events or otherwise. Unless otherwise stated in this Management Discussion and Analysis, the information contained herein is based on the management information and estimates. The financial figures have been rounded off to the nearest Rupee One Crore. The events and developments up-to 31st March, 2022 have been covered in the Management Discussion and Analysis.



Board's Report

Dear Members,

The Board of Directors of Aditya Birla Capital Limited ("your Company" or "the Company" or "ABCL") is pleased to present the 15th (Fifteenth) Annual Report and the Audited Financial Statements (Consolidated and Standalone) of the Company for the financial year ended 31st March 2022 ("financial year under review").

FINANCIAL SUMMARY AND HIGHLIGHTS

The highlights of the Consolidated and Standalone Financial Statements are detailed hereunder.

The Company's financial performance for the financial year ended 31st March 2022 as compared to the previous financial year ended 31st March 2021 is summarised below:

(₹ In Cr)

Particulars	Consolidated		Standalone	
	2021-22	2020-21	2021-22	2020-21
Revenue from operations	22,229.91	19,254.27	452.71	107.89
Profit before share of Joint Venture Companies, exceptional items and Tax	1,945.82	1,277.28	419.05	72.29
Share of Profit of Associate/Joint Venture Companies	340.90	268.41	-	-
Profit/(Loss) before Tax	2,286.72	1,545.69	419.05	72.29
Tax Expense	626.65	440.04	74.36	(0.74)
Profit/(Loss) after Tax Attributable to:	1,660.07	1,105.65	344.69	73.03
Owners of the Company	1,705.97	1,126.54	344.69	73.03
Non-Controlling Interest	(45.90)	(20.89)	-	-
Other Comprehensive Income Attributable to:	(35.69)	60.19	0.03	0.25
Owners of the Company	(3.54)	26.57	0.03	0.25
Non-Controlling Interest	(32.15)	33.62	-	-
Total Comprehensive Income Attributable to:	1,624.38	1,165.84	344.72	73.28
Owners of the Company	1,702.43	1,153.11	344.72	73.28
Non-Controlling Interest	(78.05)	12.73	-	-
Profit/(Loss) attributable to owners of the Company	1,705.97	1,126.54	344.69	73.03

The above figures are extracted from the Consolidated and Standalone Financial Statements prepared in accordance with Indian Accounting Standards ("IND AS") as notified under Sections 129 and 133 of the Companies Act, 2013 ("the Act") read with the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

For the financial year ended 31st March 2022, on a Standalone basis revenue of the Company was ₹ 453 Crore and Net Profit was ₹ 345 Crore.

Key Highlights of the Company's Consolidated Performance for the Financial Year Ended 31st March 2022 are as under:

- Strong growth across businesses leading to delivery of highest ever consolidated profit despite being a Covid-hit year
- Consolidated Revenue: ₹ 22,230 Crore (grew 15 % year on year)
- Consolidated Net Profit: ₹ 1,706 Crore (grew 51% year on year)
- Active customer base at 35 Million (grew 36% year on year) aided by focus on granular retail growth across all businesses of the subsidiaries

Board's Report (Contd.)

- Overall AUM across asset management, life insurance and health insurance at over ₹ 3,70,608 Crore (grew 10% year on year)
- Overall lending book (NBFC and Housing Finance) at ~ ₹ 67,185 Crore (grew 11% year on year)
- Gross premium (across Life and Health Insurance) at ₹ 13,867 Crore (grew 25% year on year)

The financial results of the Company and its Subsidiaries are elaborated upon in the Management Discussion and Analysis Report, which forms part of this Annual Report.

ACCOUNTING METHOD

The Consolidated and Standalone Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards as notified under Sections 129 and 133 of the Act read with the Companies (Accounts) Rules, 2014, as amended and other relevant provisions of the Act.

In accordance with the provisions of the Act, applicable Accounting Standards, the SEBI Listing Regulations, the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March 2022, together with the Auditors' Report form part of this Annual Report.

The Audited Financial Statements (including the Consolidated Financial Statements) of the Company as stated above and the Financial Statements of each of the Subsidiaries of the Company, whose financials are consolidated with that of the Company, are available on the Company's website at <https://www.adityabirlacapital.com/Investor-Relations>.

MATERIAL EVENTS DURING THE YEAR

Impact on the Business Continuity of the Company and Subsidiaries amidst the Spread of COVID-19

The outbreak of COVID-19 pandemic continued with the second wave and third wave during the financial year under review.

The Company and its Subsidiaries continued their operations under their respective Business Continuity Plans (BCP) and implemented a business normalisation plan thereby mitigating the business impact. While following COVID-19 protocols as mandated by the Authorities, the Company and its Subsidiaries gave utmost importance to the health and well being of its employees and continued the operations in business continuity mode using technology and digital tools at all levels.

Vaccination was identified as a key component in the fight against the COVID-19 pandemic. To safeguard the health of employees and their families, the Company also embarked on a vaccination drive for them and extended complete care and assistance during the pandemic.

Towards the end of the year, COVID-19 infections started ebbing and conditions started normalising resulting in resumption of normal business operations by the Company and its Subsidiaries in line with staggered relaxations notified by the Authorities. The details of BCP with reference to COVID-19 are covered comprehensively under the Business Continuity section.

HOLDING/SUBSIDIARIES/JOINT VENTURES/ ASSOCIATES COMPANIES

Holding Company

During the financial year under review, Grasim Industries Limited continued to remain the Holding Company of the Company. Grasim Industries Limited is listed at BSE Limited and National Stock Exchange of India Limited. As per Regulation 16(1)(c) of SEBI Listing Regulations, the Company is considered as a Material Subsidiary of Grasim Industries Limited.

Subsidiaries

As a Core Investment Company, the Company is primarily a Holding Company and holds investments in its Subsidiaries. The Company conducts its business through its Subsidiaries in the various business segments in which they operate. As on 31st March 2022, the Company had 19 (Nineteen) Indian Subsidiaries and 5 (Five) Foreign Subsidiaries (including step down Subsidiaries).

Provisions of Regulations 24 and 24A of SEBI Listing Regulations, with reference to Subsidiaries were duly complied with to the extent applicable.

During the financial year under review, the major changes with respect to the Subsidiaries of the Company were as under:

- 3,88,80,000 equity shares of face value of ₹5 each (which included 28,50,880 held by the Company) of Aditya Birla Sun Life AMC Limited ("ABSLAMC"), a material subsidiary of the Company were offered for sale in its initial public offer (IPO) at a price of ₹712 per share. The IPO was fully subscribed and ABSLAMC's equity shares were listed on the Stock Exchanges on 11th October 2021. As at 31st March 2022, the Company's shareholding in ABSLAMC stood at 50.01%.
- On 31st December 2021, ABCAP Trustee Company Private Limited ("ABCAP"), a wholly-owned Subsidiary of the Company (non-material and inoperative Subsidiary) filed an application for voluntary striking-off its name from the Register of Companies. As at 31st March 2022, the notice for striking off in Form No. STK-7 under Section 248(5) of the Companies Act, 2013 is yet to be received.
- New Horizon Fund SPC (a Foreign Subsidiary of ABSLAMC), was deregistered with effect from 30th September 2021. Hence, it ceased to be a step down Subsidiary of the Company.



Board's Report (Contd.)

MATERIAL SUBSIDIARIES

As required under Regulations 16(1)(c) and 46 of the SEBI Listing Regulations, the Board has approved and adopted the Policy for determining Material Subsidiaries. The Policy is available on the Company's website at <https://www.adityabirlacapital.com/investor-relations/policies-and-code>.

During the financial year under review, Aditya Birla Sun Life Insurance Company Limited, Aditya Birla Finance Limited, Aditya Birla Sun Life AMC Limited and Aditya Birla Housing Finance Limited were the Material Subsidiaries of the Company as per Regulation 16(1)(c) of the SEBI Listing Regulations.

JOINT VENTURES/ASSOCIATES

As per the provisions of the Act, the Company did not have any Joint Ventures/Associates during the financial year under review.

REGISTRATION AS A CORE INVESTMENT COMPANY ("CIC")¹

The Company is registered as a Non-Deposit taking Systemically Important - Core Investment Company ("CIC-ND-SI") pursuant to the receipt of Certificate of Registration from the Reserve Bank of India ("RBI") dated 16th October 2015, under Section 45-IA of the Reserve Bank of India Act, 1934 ("RBI Act") and Master Direction – Core Investment Companies (Reserve Bank) Directions 2016 as amended ("RBI Master Directions").

TRANSFER TO RESERVES

For the financial year ended 31st March 2022 an amount of ₹ 68.94 Crore was transferred to Special Reserve in terms of Section 45-IC of the RBI Act.

DIVIDEND

The Directors do not recommend any dividend for the financial year under review. In terms of the provisions of Regulation 43A of the SEBI Listing Regulations, the Company has formulated and adopted a Dividend Distribution Policy. The policy is available on the Company's website at <https://www.adityabirlacapital.com/investor-relations/policies-and-code>.

SHARE CAPITAL

As on 31st March 2022, the Company's paid-up Equity Share Capital was ₹24,16,31,19,860 divided into 2,41,63,11,986 Equity Shares of ₹10 each.

During the financial year under review, the Company allotted 2,99,715 Equity Shares pursuant to exercise of Stock Options and Restricted Stock Units granted under ABCL Incentive Scheme for Stock Options and Restricted Stock Units – 2017 and 7,34,293 Equity Shares pursuant to exercise of Stock Options, Restricted Stock Units and Performance Restricted Stock Units granted under Aditya Birla Capital Limited Employee Stock Option Scheme 2017 respectively (collectively referred as "ESOP Schemes").

Pursuant to the allotment of Equity Shares under the aforesaid ESOP Schemes, the paid-up Equity Share Capital of the Company increased from ₹24,15,27,79,780 as on 31st March 2021 to ₹24,16,31,19,860 as on 31st March 2022.

Mr. Amber Gupta, Company Secretary and Compliance Officer of the Company has been appointed as the Nodal Officer and Mr. Pramod Bohra, Joint Vice President, has been appointed as the Deputy Nodal Officer for and on behalf of the Company for the purpose of verification of claims and co-ordination with Investor Education and Protection Fund Authority.

Their details are available on the website of the Company at <https://www.adityabirlacapital.com/investor-relations/shareholder-centre>.

DEPOSITORY

As on 31st March 2022, out of the Company's paid-up Equity Share Capital comprising of 2,41,63,11,986 Equity Shares, 2,38,88,49,562 Equity Shares (98.86%) were held in dematerialised mode.

The Company's Equity Shares are compulsorily tradable in electronic form.

RESOURCE MOBILISATION

During the financial year under review, no funds have been mobilised by way of Non-Convertible Debentures (NCD) or Term Loans/Working Capital Demand Loan (WC DL) from banks or through Commercial Paper. The Company is a debt free Company.

INVESTMENT IN SUBSIDIARIES

During the year under review, the Company subscribed to Equity Share Capital in the following Subsidiaries:

Name of Subsidiary	Amount of capital infused (Equity Shares) (₹ in Cr)
Aditya Birla Health Insurance Co. Limited	222.87

Further, details of investment in Subsidiaries are stated in the notes to the Financial Statements forming part of this Annual Report.

¹ (Statutory Disclaimer: Please note that RBI does not accept any responsibility or guarantee of the present position as to the financial soundness of the Company or the correctness of any of the statements or representations made or opinions expressed by the Company and for repayment of deposits/discharge of liabilities by the Company.)

Board's Report (Contd.)

CREDIT RATING

The Company has neither issued any debt instruments nor undertaken any fixed deposit programme or any scheme or proposal involving mobilisation of funds in India or abroad during the financial year under review.

However, the Company has continued to avail the below ratings from Credit Rating agencies to meet any unforeseen fund requirements and ensure continuation of ratings through any of the following instruments:

Sr. No.	Nature of Instrument	Name of the Instrument	Name of Credit Rating Agency	Amount Rated (₹ in Cr)	Current Rating
1	Short Term Instrument	Commercial paper	CRISIL	300	A1+
2	Short Term Instrument	Commercial paper	ICRA Ltd	300	A1+
3	Long Term Instrument	Non-Convertible Debenture	ICRA Ltd	200	AAA

PUBLIC DEPOSITS

The Company, being a CIC-ND-SI, has not accepted any deposits from the public during the financial year under review in accordance with Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

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

The Company is registered as a Core Investment Company with RBI. Thus, particulars of loans, guarantees and investments under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, are not applicable to the Company.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

As the Company is a Core Investment Company investing in Subsidiaries, the particulars regarding conservation of energy and technology absorption as required to be disclosed pursuant to provision of Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not relevant to its activities.

However, some of the steps taken by the Company along with its Subsidiaries for conservation of energy include:

- The Company and its Subsidiaries are committed to reducing negative environmental impact.

- The Company along with Subsidiaries tied up with ViaGreen, an organisation that helps us in waste management and recycling.
- Most of the offices of the Company and its Subsidiaries have installed LED lights making them very energy-efficient. Rooftop solar panel has been installed at Bengaluru and Pune offices.
- As a step towards further reducing the environmental impact, the documents for Board and Committee meetings of the Company and its Subsidiaries are transmitted electronically using a secure web-based application, thereby saving paper.
- The energy saving measures taken also include selecting and designing offices to facilitate maximum natural light utilisation, video-conferencing facilities across all offices to reduce the need of employee travel, digital learning initiatives for employees, optimised usage of lights and continuous monitoring and control of the operations of the air conditioning equipment as well as elimination of non-recyclable plastic in offices.

FOREIGN EXCHANGE EARNINGS AND OUTGO

There were no foreign exchange earnings during the financial year under review as well as during the previous financial year. The foreign exchange outgo during the financial year under review was ₹0.09 Crore as compared to ₹0.51 Crore, during the previous financial year.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details, as required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are attached as **Annexure I** to this report.

Details as required under Section 197(12) of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, with respect to information of employees of the Company will be provided upon request by a Member. In terms of the provisions of Section 136(1) of the Act, the Annual Report is being sent to all the Members of the Company whose email address(es) are registered with the Company/Depository Participants via electronic mode, excluding the aforesaid Annexure which shall be made available for inspection by the Members via electronic mode. If any Member is interested in obtaining a copy thereof, the Member may write to the Company Secretary at the Registered Office of the Company in this regard or send an email to abc.secretarial@adityabirlacapital.com.



Board's Report (Contd.)

BUSINESS RESPONSIBILITY REPORT

The Company forms part of the top 1000 listed entities on BSE and NSE as on 31st March 2022. Accordingly pursuant to Regulation 34(2) of SEBI Listing Regulations, Business Responsibility Report forms part of this Annual Report, describing the initiatives taken by the Company and its Subsidiaries from environmental, social and governance perspective. The report is also available on the Company's website at <https://www.adityabirlacapital.com/%20investor-relations/financial-reports>.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

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

CHANGE IN NATURE OF BUSINESS

During the financial year under review, there has been no change in the nature of business of the Company.

EMPLOYEE STOCK OPTION PLAN

Employee Stock Options have been recognised as an effective instrument to attract talent and align the interest of employees with that of the Company, providing an opportunity to the employees to share in the growth of the Company and to create long term wealth in the hands of employees, thereby acting as a retention tool.

In view of the above, the Company had formulated "Aditya Birla Capital Limited Employee Stock Option Scheme 2017" ("Scheme 2017") for the employees of the Company and its Subsidiaries.

The Company also adopted "ABCL Incentive Scheme for Stock Options and Restricted Stock Units – 2017" ("ABCL Incentive Scheme") (collectively referred to as the "ESOP Schemes"), pursuant to the Composite Scheme of Arrangement between erstwhile Aditya Birla Nuvo Limited and Grasim Industries Limited and the Company and their respective Shareholders and Creditors.

The aforesaid ESOP Schemes are in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (collectively referred to as "SEBI (SBEB) Regulations").

The Company also adopted "Aditya Birla Capital Limited Stock Appreciation Rights Scheme 2019" ("SARs Scheme 2019"), which is a cash based plan linked to the actual stock price movement over the plan tenure. Further details on the same

are provided in the Corporate Governance Report which forms part of this Annual Report.

There were no material changes made to the aforesaid schemes during the financial year under review.

The details/disclosure(s) on the aforesaid ESOP Schemes as required to be disclosed under the SEBI (SBEB) Regulations are available on the Company's website at <https://www.adityabirlacapital.com/investor-relations/financial-reports>.

Certificates from the Secretarial Auditors on the implementation of the ESOP Schemes will be made available via electronic mode at the ensuing 15th (Fifteenth) Annual General Meeting ("AGM") of the Company for inspection by the Members.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 34(2) of SEBI Listing Regulations, the Management Discussion and Analysis Report for the financial year under review forms part of this Annual Report.

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report as stipulated under Regulation 34(3) read with Schedule V of the SEBI Listing Regulations forms part of this Annual Report. The requisite certificate from M/s. Makarand M. Joshi & Co., Practising Company Secretaries on compliance with the requirements of Corporate Governance forms part of this Annual Report.

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES

A report on the performance and financial position of each of the Company's Subsidiaries as per Section 129(3) of the Act read with the Companies (Accounts) Rules, 2014, in the prescribed Form AOC-1 is attached as **Annexure II** to the Board's Report.

RISK MANAGEMENT

Risk Management is at the core of our business and ensuring we have the right risk-return trade-off in line with our risk appetite is the essence of our Risk Management practices while looking to optimise the returns that go with that risk.

The Board has constituted a Risk Management Committee as required under RBI Master Directions read with Regulation 21 of the SEBI Listing Regulations to frame, implement and monitor the Risk Management Plan of the Company.

The Company has in place a Risk Management Policy ("RMC Policy") which has been uploaded on the website of the Company at <https://www.adityabirlacapital.com/investor-relations/policies-and-code>.

Board's Report (Contd.)

The objectives and the scope of the Risk Management Committee broadly include:

- Risk Identification;
- Risk Assessment;
- Risk Response and Risk Management Strategy; and
- Risk Monitoring, Communication and Reporting.

The Management Discussion and Analysis Report sets out the risks identified and the mitigation plans thereof.

The financial year 2020-21 witnessed disruption and challenges due to the pandemic and consequent lockdowns which continued in financial year 2021-22 also. The Company and its Subsidiaries showed good resilience due to the strong Business Continuity Plan and Pandemic Plans in place.

The Company is a Core Investment Company and its operations are limited to those of a Core Investment Company. The risks therefore largely relate to investments made in its Subsidiaries. The operations of each of the Subsidiaries, the risks faced by them and the risk mitigation tools used to manage them are reviewed periodically by their Risk Management Committees and Boards of Directors. The same are also reviewed by the Risk Management Committee and Board of Directors of the Company.

Over the years, the Company and its Subsidiaries have built a strong Risk Management Framework supported by well-established policies and procedures and a talented pool of Risk Professionals. The Company was able to face the unprecedented challenges during the year and emerged stronger during these turbulent times due to some of these policies and frameworks.

The Subsidiaries of the Company also have well-established Risk Management Frameworks designed to identify, assess, monitor and mitigate risks inherent in their business. The framework enables effective Risk Management through a structure of Committees, policies, internal controls and reporting.

The organisational structure to manage the risk consists of "Three lines of defense":

First is: Line Management (Functional Heads) to ensure that accountability and ownership is as close as possible to the activity that creates the risks;

Second is: Risk Oversight including the Risk and Compliance Function and Risk Management Committee;

Third is: Independent Assurance through Internal Audits being conducted under the supervision of the Audit Committee.

Risk Management Committee, Asset Liability Management Committee, Investment Committee and Audit Committee have been set-up to ensure monitoring of risks and provide Governance as applicable. These Committees are prima facie governed by their Charters.

Business Continuity

The Company and its Subsidiaries have well-documented Business Continuity Management Programmes which have been designed to ensure continuity of critical processes during any disruption.

The continual disruptions caused by the COVID-19 pandemic and frequent lockdowns tested the Business Continuity Plan of the Company and its Subsidiaries. Nevertheless, the Company and its Subsidiaries continued to operate in line with the procedures outlined in its Business Continuity Plan, which was modified to take care of the evolving situation and a Pandemic Plan was developed keeping in view the interest of various stakeholders like employees, customers, partners, distributors, etc. within the overall regulatory requirements and guidelines. As a result, the Company and its Subsidiaries were able to continue to operate and serve customers while taking care of the health of their employees.

The Business Continuity Plan was also supplemented with a Business Normalisation plan. This enabled the Company and its Subsidiaries to resume Business Operations wherever the conditions had normalised. As the COVID-19 pandemic continues to evolve, the efforts will be to support an effective return to work while ensuring safety of employees, distribution partners and customers.

The world seems to be moving beyond the Pandemic now and all the offices of the Company and its Subsidiaries have resumed normal business operations from their offices located throughout the country. However, there is still an element of uncertainty from different COVID variants emerging globally. We continue to monitor the situation and will act in the best interest of our stakeholders based on how things evolve.

In view of the increased move to digital and adoption of new technologies, there was a continued focus on Cyber Security and the Company and its Subsidiaries continued to invest in a strong Cyber Defence Programme.

The Risk Management teams of the Company and its Subsidiaries are keeping a look out on emerging Risk landscape and revisiting our strategies to deal with these Risks and also to capitalise upon the opportunities presented in the new scenario.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the financial year under review, all transactions entered into by the Company with related parties were in ordinary course of business and on arm's length basis and were not considered material as per the provisions of Section 188 of the Act read with the Companies (Meetings of Board and its



Board's Report (Contd.)

Powers) Rules, 2014 and Regulation 23 of the SEBI Listing Regulations. Hence, disclosure in Form AOC-2 under Section 134(3)(h) of the Act, read with the Rule 8 of the Companies (Accounts of Companies) Rules, 2014, is not applicable.

Prior approval of the Audit Committee is obtained for Related Party Transactions ("RPTs") including omnibus approval for transactions which are of a repetitive nature and entered into in the ordinary course of business and at arm's length. A statement on RPTs specifying the details of the transactions pursuant to each omnibus approval granted, is placed on a quarterly basis for review by the Audit Committee.

Pursuant to Regulation 23(9) of SEBI Listing Regulations, disclosures of RPTs on a consolidated basis are submitted to the Stock Exchanges on a half-yearly basis and published on the Company's website at <https://www.adityabirlacapital.com/investor-relations/announcements-and-updates>.

There were no material transactions entered into with related parties during the period under review, which may have had any potential conflict with the interests of the Company at large.

The details of transactions with related parties of the Company for the financial year under review, are given in notes to the Financial Statements, which form part of this Annual Report.

During the year under review, Securities and Exchange Board of India ("SEBI") has notified amendments to Regulation 23 of SEBI Listing Regulations which came into effect from 1st April 2022. The Policy on Related Party Transactions was amended with effect from 1st April 2022 to align with the amended provisions and is available on the Company's website at <https://www.adityabirlacapital.com/investor-relations/policies-and-code>.

INTERNAL FINANCIAL CONTROLS

The Company and its Subsidiaries have well-established internal control systems in place which are commensurate with the nature of its business and size, scale and complexity of its operations. Standard Operating Procedures (SOP) and Risk Control Matrices designed to provide a reasonable assurance are in place and are being continuously monitored and updated.

The Company along with its Subsidiaries also periodically engage outside experts to carry out independent review of the effectiveness of various business processes. The observations and best practices suggested are reviewed by the management and Audit Committee and appropriately implemented with a view to continuously strengthen internal controls.

INTERNAL AUDIT

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

The Company has implemented a RBIA Programme in accordance with the requirements of RBI circular dated 3rd February 2021. Internal audits are undertaken on a periodic basis to independently validate the existing controls as per scope assigned to the Internal Audit Function. The Internal audit program is approved by the Audit Committee at the beginning of the year to ensure that the coverage of the areas is adequate. Internal Audit Reports are regularly reviewed by the management and corrective action is initiated to strengthen controls and enhance the effectiveness of existing systems.

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) in the preparation of the Annual Accounts for the financial year ended 31st March 2022, the applicable Accounting Standards have been followed and there were no material departures from the same;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2022 and of the profit/loss of the Company for the financial year ended on that date;
- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors had prepared the Annual Accounts on a 'going concern basis';

Board's Report (Contd.)

- v) the Directors had laid down Internal Financial Controls and that such Internal Financial Controls were adequate and were operating effectively; and
- vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment / Re-Appointment / Resignation of Directors

As on 31st March 2022, the Board of Directors of the Company ("the Board") comprised 8 (Eight) Directors including 1 (One) woman Director.

No Director was appointed/has resigned from the Board during the financial year under review.

Retirement by Rotation

Pursuant to Section 152 of the Act read with the Articles of Association of the Company, Mr. Kumar Mangalam Birla (DIN: 00012813), Non-Executive Non-Independent Director retires from the Board by rotation and being eligible, offers himself for re-appointment at the ensuing AGM of the Company.

The Nomination, Remuneration and Compensation Committee of the Company and the Board of Directors have recommended the re-appointment of Mr. Kumar Mangalam Birla.

The information as required to be disclosed under Regulation 36(3) of the SEBI Listing Regulations in case of re-appointment of Mr. Kumar Mangalam Birla is provided in the Notice of the ensuing AGM.

Declaration by Independent Directors

All Independent Directors have submitted their declaration of independence, pursuant to the provisions of Section 149(7) of the Act and Regulation 25(8) of the SEBI Listing Regulations, stating that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

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

All Independent Directors of the Company have registered their name in the data bank maintained with the Indian Institute of

Corporate Affairs in terms of the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Key Managerial Personnel

In terms of the provisions of Sections 2(51) and 203 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Ajay Srinivasan, Chief Executive Officer (CEO), Mrs. Pinky Mehta, Chief Financial Officer (CFO) and Mr. Amber Gupta, Company Secretary and Compliance Officer are the Key Managerial Personnel of the Company.

Fit and Proper Criteria

All the Directors meet the fit and proper criteria stipulated under the RBI Master Directions, as amended.

ANNUAL PERFORMANCE EVALUATION

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

Pursuant to the provisions of the Act and SEBI Listing Regulations and in terms of the Framework of the Board Performance Evaluation, the Nomination, Remuneration and Compensation Committee and the Board of Directors have carried out an annual performance evaluation of the Board, performance of various Committees of the Board, Individual Directors, and the Chairman. The manner in which the evaluation has been carried out has been set out in the Corporate Governance Report, which forms part of this Annual Report.

Outcome of the Evaluation

The Board of the Company was satisfied with the functioning of the Board and its Committees. The Committees are functioning well and besides covering the Committees' terms of reference, as mandated by applicable laws, important issues are brought up and discussed in the Committee Meetings. The Board was also satisfied with the contribution of Directors in their individual capacities. The Board has full faith in the Chairman leading the Board effectively and ensuring participation and contribution from all the Board Members.

MEETINGS OF THE BOARD AND ITS COMMITTEES

The Board meets at regular intervals to discuss and decide on the Company's performance and strategies. During the financial year under review, the Board met 7 (Seven) times on 14th April 2021, 14th May 2021, 16th June 2021, 5th August 2021, 23rd September 2021, 1st November 2021 and 3rd February 2022.



Board's Report (Contd.)

Further details on the Board, its Meetings, composition and attendance are provided in the Corporate Governance Report, which forms part of this Annual Report.

Audit Committee

The Company has constituted an Audit Committee with its composition, quorum, powers, role and scope in line with the applicable provisions of the Act, SEBI Listing Regulations and RBI Master Directions.

During the financial year under review, the Audit Committee reviewed the internal controls put in place to ensure that the accounts of the Company are properly maintained and that the accounting transactions are in accordance with prevailing laws and regulations. In conducting such reviews, the Committee found no material discrepancy or weakness in the internal control system of the Company.

Further details on the Audit Committee, its Meetings, composition and attendance are provided in the Corporate Governance Report, which forms part of this Annual Report.

During the financial year under review, all recommendations made by the Audit Committee were accepted by the Board.

Nomination, Remuneration and Compensation Committee

The Company has constituted a Nomination, Remuneration and Compensation Committee ("NRC"), with its composition, quorum, powers, role and scope in line with the applicable provisions of the Act, SEBI Listing Regulations and RBI Master Directions.

Further details on the NRC, its Meetings, composition and attendance are provided in the Corporate Governance Report, which forms part of this Annual Report.

The NRC has formulated a policy on remuneration under the provisions of Section 178(3) of the Act, which is attached as **Annexure III** to the Board's Report and the same is uploaded on the website of the Company at <https://www.adityabirlacapital.com/investor-relations/policies-and-code>.

Other Committees

The Board of Directors has also constituted the following Committees:

- Corporate Social Responsibility Committee
- Stakeholders' Relationship Committee
- Risk Management Committee
- PIT Regulations Committee
- IT Strategy Committee
- Asset Liability Management Committee
- Asset Monetisation Committee

More information on all of the above Committees including details of their Meetings, composition and attendance are provided in the Corporate Governance Report, which forms part of this Annual Report.

ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) of the Act, the Annual Return in Form MGT-7 for the Company for the financial year 2021-22 is available on the Company's website at <https://www.adityabirlacapital.com/investor-relations/financial-reports>.

AUDITORS

Statutory Auditors, their Report and Notes to Financial Statements

Pursuant to the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014, SEBI (Listing Regulations) and Circular no. RBI/2021-22/25 Ref. No. DoS. CD.ARG/SEC.01/08.91.001/2021-22 dated 27th April 2021 issued by RBI on Guidelines for appointment of Statutory Auditors ("RBI Circular") as amended, B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) were appointed as Statutory Auditors of the Company for a term of 3 (Three) years from the conclusion of 14th (Fourteenth) AGM till the conclusion of 17th (Seventeenth) AGM of the Company.

The Company has received a letter from B S R & Co. LLP, confirming that they are not disqualified from continuing to act as Statutory Auditors of the Company and they comply with the eligibility criteria/requirements specified under the RBI Circular for FY 2022-23.

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

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

Secretarial Audit and Secretarial Compliance Report

Pursuant to the requirements of Section 204(1) of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Makarand M. Joshi & Co., Practising Company Secretaries, to conduct the Secretarial Audit for the financial year under review. The Secretarial Audit Report in Form MR-3 for the financial year under review, as received from M/s. Makarand M. Joshi & Co., Company Secretaries, is attached as **Annexure IV** to the Board's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Pursuant to Regulation 24A of the SEBI Listing Regulations, the Annual Secretarial Compliance Report for the financial year under review will be submitted to the Stock Exchanges and uploaded on the website of the Company at <https://www.adityabirlacapital.com/investor-relations/announcements-and-updates>.

Cost Records and Auditors

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

CORPORATE SOCIAL RESPONSIBILITY

In accordance with Section 135 of the Act, the Company has constituted a Corporate Social Responsibility ("CSR") Committee.

The CSR Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy ("CSR Policy") indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy is available on the Company's website at <https://www.adityabirlacapital.com/investor-relations/policies-and-code>.

During the financial year under review, the Company was not required to make any expenditure towards CSR projects, in absence of average net profit for three immediately preceding financial years calculated in accordance with the provisions of Section 198 of the Act. Accordingly, no CSR activity was undertaken by the Company. Considering that the Company was not required to contribute any amount towards CSR activities, report on activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 has not been furnished.

Further details on the CSR Committee are provided in the Corporate Governance Report, which forms part of this Annual Report.

WHISTLE BLOWER POLICY/VIGIL MECHANISM

In compliance with the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI Listing Regulations, the Company has formulated a Whistle blower policy/vigil mechanism for Directors and Employees to report concerns, details of which are covered in the Corporate Governance Report, which forms part of this Annual Report.

The said policy is available on the Company's website at <https://www.adityabirlacapital.com/investor-relations/policies-and-codes>.

POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

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

The Company has complied with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

RBI REGULATIONS

The Company has complied with all the regulations of RBI to the extent applicable as a CIC-ND-SI.

During the year under review, RBI has issued guidelines for Framework for Scale Based Regulation for Non-Banking Financial Companies ("SBR Framework") which will be effective from 1st October 2022. As per the SBR Framework, the Company being a Core Investment Company shall be classified under Middle Layer. The Company shall comply with the regulatory guidelines applicable to NBFCs in Middle Layer, as may be issued by RBI from time to time.

HUMAN RESOURCES

The Company along with its Subsidiaries has always aspired to be an organisation and a workplace which attracts, retains and provides a canvas for talent to operate. Its vision of being a leader and a role model in a broad based and integrated financial services business and a culture that is purpose driven gives meaning to our people.

We believe that meaning at work is created when people relate to the purpose of the organisation, feel connected to their leaders and have a sense of belonging. Our focus stays strong on providing our people a work environment that welcomes diversity, nurtures positive relationships, provides challenging work assignments and provides opportunities based on meritocracy for people to grow and build their careers with us in line with their aspirations.



Board's Report (Contd.)

As on 31st March 2022, the employee strength of the Company was 27 and along with the Subsidiaries it had 30,878 employees.

The workforce along with Subsidiaries comprises of more than 68% millennials and 27% women as on 31st March 2022.

Talent Management

Building a strong future ready talent pool and robust leadership succession pipeline continue to be priority areas for us in Talent Management. We continued to give prominence to identifying and developing our high potential employees across every line of business and have steered towards more holistic, comprehensive and future oriented development interventions for them. We have immense focus on creating well rounded leaders who are passionate about value creation for customers and execution excellence.

Significant attention has been given to greater alignment, synergies and stronger collaboration amongst businesses and leaders across levels.

In the last 2 years:

- More than 100 members have undergone capability building in the areas of Breakthrough Thinking and Innovation
- Cross functional teams led by our Senior Management team are working towards launching new initiatives to augment service excellence
- More than 50% of identified successors in middle and senior management moved into their destination roles
- 60 members from our talent pool in middle management were covered in our flagship leadership development program preparing them to take on larger roles.

Additionally, focus on building future ready skills in the areas of Digital, Technology, Risk and Analytics has been ongoing for last year. Through various initiatives and partnerships with global organisations, we have continued our focus on building skills in these areas.

Employee Wellness and Engagement

Our endeavour to provide a happy, vibrant and engaging work environment continued this year. We welcomed employees back to work and significant attention was given to help them restart and settle comfortably through support mechanisms and flexibility.

Revitalising a culture of connect and camaraderie has been yet another area of significant attention for us. Bringing people together through events, townhalls, leadership connect sessions and celebration of milestones enabled this.

Our leaders and managers across levels are also deeply involved in identifying and implementing actions towards enhancing employee engagement, the results of our employee engagement survey serving as input for this.

We are also reinforcing the importance of health and wellbeing through wellness programs and initiatives. We continued to support our employees and their family members through medical infrastructure support and assistance programs during Wave 2 and 3 of COVID. Assisting employees and their family members get access to the COVID vaccine was of prime importance. Through exclusive vaccination camps across our office locations in India, we ensured a smooth and seamless process for our employees and their family members to get vaccinated.

Our comprehensive wellness program for employees launched last year gained impetus and saw greater uptake. With wider offerings and health management initiatives, our aim is to ensure that every employee invests in improving their health and wellness.

Learning

The Company's and its Subsidiaries' philosophy is to provide every employee with continuous opportunities to learn & grow. our learning interventions create an organisation wide impact as these are focused on enabling employees to do better at work.

An AI enabled learning app provides employees easy access to super personalised content that meets their unique individual requirements. More than 31,000 relevant courses, videos & webinars were hosted on Gyanodaya Virtual Campus (GVC) which is Aditya Birla Group's e-Learning platform for employees. Employees leveraged these resources to enhance their skills and knowledge.

Additionally, with more than 3,000 E Learning courses, 25,000 video-based modules and 2,000 micro-learning modules, & 1,400 Sustainability courses our employees have the flexibility to learn anytime and from anywhere. While self-paced learning is available 24x7x365, one can also attend live virtual instructor led sessions through our in-house corporate university-ABC University. It creates and delivers need-based learning solutions on behaviour, sales effectiveness, functional and leadership development.

SUSTAINABILITY

Sustainability is one of the key focus areas for us and being a CIC, the Company drives the sustainability practices in its Subsidiaries, centrally. The sustainability efforts are aligned with Aditya Birla Group's sustainability strategy and purpose statement. The Company has identified three main categories to implement sustainability across its Subsidiaries namely,

Board's Report (Contd.)

Environment, Social and Governance. We have introduced 25 industry specific ESG score cards based on UN's Equator Principles in the infrastructure lending business. One of our subsidiaries raised Rs. 1,000 Crore in green loan from International Finance Corporation to finance renewable energy projects. Through its Subsidiary, the Company has also launched an ESG focused equity fund with an AUM of more Rs. 1,000 crores as of March 31, 2022. Financial inclusion and serving the under banked has been a key focus area for our Subsidiaries which are engaged in lending to SMEs, supply chain finance for small vendors, affordable housing, rural insurance and micro-SIPs with our portfolio expanding to urban, semi urban and rural parts of India. Enterprise Risk Management function plays an integral part to manage sustainability risk across all businesses, Chief Compliance and Risk Officer (CCRO) guides and governs the sustainability strategy across the businesses, the governance policies of all our Subsidiaries are uniform.

The detailed Sustainability Report will be made available on the website of the Company at <https://www.adityabirlacapital.com/investor-relations/sustainability-reports>.

SECRETARIAL STANDARDS OF INSTITUTE OF COMPANY SECRETARIES OF INDIA

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

CODE FOR PROHIBITION OF INSIDER TRADING

Pursuant to SEBI (Prohibition of Insider Trading) Regulation 2015, as amended, the Company has a Board approved code of conduct to regulate, monitor and report trading by Insiders and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

Further details on the same are covered in the Corporate Governance Report, which forms part of this Annual Report.

AWARDS AND RECOGNITIONS

During the financial year under review, the Company and its Subsidiaries have been felicitated with awards and recognitions across various functional areas which has been elaborated under Awards and Recognitions section in this Annual Report.

OTHER DISCLOSURES

In terms of applicable provisions of the Act and SEBI Listing Regulations, the Company discloses that during the financial year under review:

- i. there was no issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except under Employee Stock Option Scheme referred to in this Report.

- ii. there was no Scheme for provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- iii. there was no public issue, rights issue, bonus issue or preferential issue, etc.
- iv. there was no issue of shares with differential rights.
- v. there was no transfer of unpaid or unclaimed amount to Investor Education and Protection Fund (IEPF).
- vi. no significant or material orders were passed by the Regulators or Hon'ble Courts or Tribunals which impact the going concern status and Company's operations in future.
- vii. there were no proceedings for Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.
- viii. there was no failure to implement any Corporate Action.
- ix. there were no borrowings from Banks or financial institution.

ACKNOWLEDGEMENTS

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

The Board also acknowledges the support and contribution of Company's bankers, Stock Exchanges, Registrar of Companies, Depositories, the Reserve Bank of India, Securities and Exchange Board of India, Central and State Governments and other regulatory bodies and the shareholders who have always supported and helped the Company to achieve our objectives.

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

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

Kumar Mangalam Birla

Chairman

DIN: 00012813

Date: 12th May 2022
Place: Mumbai



Annexure I

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. During the financial year under review, sitting fees were paid to the Directors of the Company for attending the Meetings of the Board of Directors and of the Committees of which they are Members. This remuneration, by way of fees, is not related to the performance or profit of the Company. In view of this, the ratio of remuneration of each Director to the median employees' remuneration is not computed.
- ii. Percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and Company Secretary ("managerial personnel") of the Company during the financial year 2021-22 was as under:

Sr. No.	Name	Designation	% increase in remuneration in the financial year 2021-22 (Please see note below)
1	Mr. Ajay Srinivasan	Chief Executive Officer	Nil
2	Mrs. Pinky Mehta	Chief Financial Officer	20.00
3	Mr. Amber Gupta	Company Secretary and Compliance Officer	29.70

Note: Payment made towards Variable Pay and Long-term incentive plan (LTIP/Deferred Compensation) is excluded.

- iii. In the financial year 2021-22, there was an increase of 10.04% in the median remuneration of employees.
- iv. As at 31st March 2022, there were 27 permanent employees on the rolls of the Company.
- v. Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2021-22 was 9.56% whereas the increase in the managerial personnel remuneration for the same financial year was 1.86%. The increase in remuneration of managerial personnel (other than CEO) is based on industry benchmarking for similar profile and experience and performance.
- vi. It is hereby affirmed that the remuneration paid is as per the Executive Remuneration Philosophy/ Policy of the Company.

Annexure II

AOC-1

Statement pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to Subsidiaries for the year ended 31st March 2022

Part - A – Subsidiaries*

Sr. No	1	2	3	4	5
Name of Subsidiaries	Aditya Birla Finance Limited	Aditya Birla Housing Finance Limited	Aditya Birla Money Limited	Aditya Birla Insurance Brokers Limited	Aditya Birla Money Mart Limited
Date since when Subsidiary acquired	22-Apr-10	31-Dec-12	23-Feb-10	15-Apr-10	06-Aug-09
Currency	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Share Capital (Equity)	662.10	501.20	5.64	5.13	93.20
Other Equity	9,198.32	1,219.79	68.80	124.56	8.63
Total Assets	56,969.20	12,590.70	1,266.84	295.85	176.41
Total Liabilities	47,108.79	10,869.71	1,192.40	166.17	74.58
Investments	1,694.04	-	436.01	45.04	86.39
Revenue from Operations	5,784.86	1,215.16	231.31	684.52	-
Profit/(Loss) before Tax	1,487.12	253.25	35.68	86.02	12.50
Tax Expenses	378.79	55.96	9.55	21.96	3.03
Profit/(Loss) for the Year	1,108.33	197.29	26.13	64.06	9.47
Proposed/Interim Dividend	109.25	-	-	35.91	-
Percentage Holding as on 31 st Mar 2022	100.00%	100.00%	73.70%	50.002%	100.00%
Exchange Rate as on 31 st Mar 2022	-	-	-	-	-

Sr. No	6	7	8	9	10
Name of Subsidiaries	Aditya Birla Money Insurance Advisory Services Limited	ABCAP Trustee Company Private Limited (Under strike-off)	Aditya Birla Sun Life Trustee Private Limited	Aditya Birla Wellness Private Limited	Aditya Birla Financial Shared Services Limited
Date since when Subsidiary acquired	06-Aug-09	25-Mar-16	10-Oct-12	23-Jun-16	03-Aug-09
Currency	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Share Capital (Equity)	4.97	0.05	0.02	11.67	0.05
Other Equity	4.49	(0.05)	1.30	9.34	1.69
Total Assets	13.16	-	1.53	24.72	99.76
Total Liabilities	3.70	-	0.21	3.72	98.02
Investments	-	-	1.43	9.79	0.01
Revenue from Operations	16.38	-	0.05	13.25	-
Profit/(Loss) before Tax	2.75	(0.01)	0.07	2.11	0.47
Tax Expenses	-	-	0.01	-	-
Profit/(Loss) for the year	2.75	(0.01)	0.06	-	0.47
Proposed/Interim Dividend	-	-	-	-	-
Percentage Holding as on 31 st Mar 2022	100.00%	100.00%	50.85%	51.00%	100.00%
Exchange Rate as on 31 st Mar 2022	-	-	-	-	-

β denotes figure is less than Rs. 50,000

* As per Companies Act, 2013



Annexure II (Contd.)

Sr. No	11	12	13	14	15	16	17	18
Name of Subsidiaries	Aditya Birla Health Insurance Co. Limited	Aditya Birla Sun Life Insurance Company Limited	Aditya Birla ARC Limited	Aditya Birla Stressed Asset AMC Private Limited	Aditya Birla Sun Life Pension Management Limited	Aditya Birla Trustee Company Private Limited	Aditya Birla Capital Technology Services Limited formerly known as Aditya Birla MyUniverse Limited	Aditya Birla PE Advisors Private Limited
Date since when Subsidiary acquired	28-Mar-16	23-Mar-17	10-Mar-17	22-May-18	23-Mar-17	28-Nov-08	11-Dec-08	02-Jul-08
Currency	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Share Capital (Equity)	435.12	1,901.21	100.00	14.80	69.00	0.05	1.80	3.50
Reserves and Surplus	87.09	647.42	47.74	9.18	(12.61)	0.37	(39.20)	0.64
Total Assets	1,829.85	63,683.43	464.86	25.48	59.21	0.45	100.10	4.35
Total Liabilities	1,307.64	61,134.79	317.12	1.50	2.82	0.03	137.49	0.21
Investments	1,237.97	60,795.73	379.31	22.66	54.36	0.44	86.24	2.84
Revenue from Operations	1,260.00	16,943.45	72.05	6.15	0.31	-	21.13	-
Profit/(Loss) before Tax	(311.44)	140.90	28.80	5.42	(2.70)	β	(1.66)	(0.41)
Tax Expenses	-	14.06	7.13	1.37	0.03	β	-	-
Profit/(Loss) for the Year	(311.44)	126.84	21.67	4.05	(2.73)	β	(1.66)	(0.41)
Proposed/Interim Dividend	-	-	-	-	-	-	-	-
Percentage Holding as on 31 st Mar 2022	51.00%	51.00%	100.00%	100.00%	51.00%	100.00%	100.00%	100.00%
Exchange Rate as on 31 st Mar 2022	-	-	-	-	-	-	-	-

Sr. No	19	20	21	22
Name of Subsidiaries	Aditya Birla Sun Life AMC Limited	Aditya Birla Sun Life AMC (Mauritius) Limited	Aditya Birla Sun Life Asset Management Company Pte. Ltd., Singapore	Aditya Birla Sun Life Asset Management Company Ltd., Dubai
Date since when Subsidiary acquired	10-Oct-12	10-Oct-12	10-Oct-12	10-Oct-12
Currency	₹ Crore	US\$ in Mn	₹ Crore	US\$ in Mn
Share Capital (Equity)	144.00	0.05	0.34	13.60
Reserves and Surplus	2,056.61	1.19	9.05	(4.98)
Total Assets	2,434.31	1.26	9.56	9.48
Total Liabilities	233.70	0.02	0.17	0.86
Investments	2,190.00	-	-	-
Revenue from Operations	1,263.47	0.20	1.50	5.24
Profit/(Loss) Before Tax	882.28	0.05	0.34	2.11
Tax Expenses	221.92	β	0.01	-
Profit/(Loss) for the Year	660.36	0.04	0.33	2.11
Proposed/Interim Dividend	329.76	-	-	-
Percentage Holding as on 31 st Mar 2022	50.01%	50.01%	50.01%	50.01%
Exchange Rate as on 31 st Mar 2022	-	BS- 75.7862	BS- 55.9655	BS- 75.7862
	-	P&L - 74.5114	P&L - 55.2472	P&L - 74.5114

β denotes figure is less than Rs. 50,000

* As per Companies Act, 2013

Annexure II (Contd.)

Notes

1. Aditya Birla Sun Life AMC Limited (ABSLAMC) holds 100% management shares of India Advantage Fund Limited (IAFL), having no beneficial interest or ownership on IAFL's income or gains as the same belongs to the investors of Collective Investment Schemes offered by IAFL. Similarly, Aditya Birla Sun Life Asset Management Company Pte Ltd., Singapore holds 100% management shares of International Opportunities Fund – SPC and by virtue of that it is a subsidiary of the Company. Hence these companies are not included in AOC-1.
2. On 31st December 2021, ABCAP Trustee Company Private Limited (ABCAP), a wholly-owned Subsidiary of the Company (non-material and inoperative Subsidiary) filed an application for voluntary striking-off of its name from the Register of Companies. As at 31st March 2022, the notice for striking off in Form No. STK-7 under Section 248(5) of the Companies Act, 2013 is yet to be received.
3. Aditya Birla Sun Life Pension Management Limited is a wholly owned Subsidiary of Aditya Birla Sun Life Insurance Company Limited. Aditya Birla Money Insurance Advisory Services Limited is a wholly owned Subsidiary of Aditya Birla Money Mart Limited. Aditya Birla Sun Life AMC (Mauritius) Limited, Aditya Birla Sun Life Asset Management Company Pte. Ltd., Singapore and Aditya Birla Sun Life Asset Management Company Ltd., Dubai are wholly owned Subsidiaries of Aditya Birla Sun Life AMC Limited.

Part – B

Joint Ventures & Associates – Not Applicable

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

Ajay Srinivasan
Chief Executive Officer

P. H. Ravikumar
Director
(DIN: 00280010)

S. C. Bhargava
Director
(DIN: 00020021)

Pinky Mehta
Chief Financial Officer

Amber Gupta
Company Secretary

Date: 12th May 2022
Place: Mumbai



Annexure III

Executive Remuneration Philosophy/Policy

Aditya Birla Capital Limited (“the Company”), an Aditya Birla Group Company has adopted this Executive Remuneration Philosophy/Policy as applicable across Group Companies. This Philosophy/Policy is detailed below.

Executive Remuneration Philosophy/Policy

At Aditya Birla Capital Limited, we expect our executive team to foster a culture of growth and entrepreneurial risk-taking. our Executive Remuneration Philosophy/Policy supports the design of programs that align executive rewards – including variable pay, incentive programs, long-term incentives, ESOPs, retirement benefit programs – with the long-term success of our stakeholders.

I. Objectives of the executive remuneration program

Our executive remuneration program is designed to attract, retain, and reward talented executives who will contribute to our long-term success and thereby build value for its shareholders.

Our executive remuneration program is intended to:

1. Provide for monetary and non-monetary remuneration elements to our executives on a holistic basis.
2. Emphasise “Pay for Performance” by aligning incentives with business strategies to reward executives who achieve or exceed Group, business and individual goals.

II. Covered executives

Our Executive Remuneration Philosophy/Policy applies to the following:

1. Directors of the Company;
2. Key Managerial Personnel: Chief Executive Officer and equivalent, Chief Financial Officer and Company Secretary; and
3. Senior Management.

III. Appointment criteria and qualifications

The Committee while making appointments to the Board assess the approximate mix of diversity, skills, experience and expertise. The Committee shall consider the benefits of diversity in identifying and recommending persons to Board membership and shall ensure no member is discriminated on the grounds of religion, race, origin, sexual orientation or any other physical or personal attribute.

IV. Business and talent competitors

We benchmark our executive pay practices and levels against peer Companies in similar Industries in India.

V. Executive pay positioning

We aim to provide competitive remuneration opportunities to our executives by positioning target total remuneration (including perks and benefits, annual incentive pay-outs, long-term incentive pay-outs at target performance), ESOPs and target total cash compensation (including annual incentive pay-outs) at target performance directionally between median and top quartile of the primary talent market. We recognise the size and scope of the role and the market standing, skills and experience of incumbents while positioning our executives.

VI. Executive pay-mix

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

1. Fixed Cash compensation (Basic Salary + Allowances)
2. Annual Incentive Plan
3. Long-Term Incentives
4. Perks and Benefits
5. ESOP's

Annual incentive plan:

We tie annual incentive plan pay-outs of our executives to relevant financial and operational metrics achievement and their individual performance. We annually align the financial and operational metrics with priorities/focus areas for the business.

Long-term incentive:

Our Long-term incentive plans incentivize stretch performance, link executive remuneration to sustained long-term growth and act as a retention and reward tool.

We use RSU, ESOP's, SARS and cash plan as the primary long-term incentive vehicles for its executives as we believe that they best align executive incentives with stakeholder interests and for retention of key talent.

VII. Performance goal setting

We aim to ensure that for both annual incentive plans and long-term incentive plans, the target performance goals shall be achievable and realistic.

Threshold performance (the point at which incentive plans are paid out at their minimum, but non-zero, level) shall reflect a base-line level of performance, reflecting an estimated 75% probability of achievement.

Target performance is the expected level of performance at the beginning of the performance cycle, taking into account all known relevant facts likely to impact measured performance.

Maximum performance (the point at which the maximum plan payout is made) shall be based on an exceptional level of achievement, which is decided and approved on a yearly basis.

VIII. Executive benefits and perquisites

Our executives are eligible to participate in our broad-based retirement, health and welfare, and other employee benefit plans. In addition to these broad-based plans, they are eligible for perquisites and benefits plans commensurate with their roles. These benefits are designed to encourage long-term careers with the Group.

Other remuneration elements

Each of our executives is subject to an employment agreement. Each such agreement generally provides for a total remuneration package for our executives including continuity of service across the Group Companies.

We limit other remuneration elements, for e.g. Change in Control (CIC) agreements, severance agreements, to instances of compelling business need or competitive rationale and generally do not provide for any tax gross-ups for our executives.

Risk and compliance

We aim to ensure that the Group's remuneration programs do not encourage excessive risk taking. We review our remuneration programs keeping in mind the balance between risk and payout and a large portion of the variable remuneration is deferred spread over three to four years in line with the risk involved.

Claw back clause

In an incident of restatement of financial statements, due to fraud or non-compliance with any requirement of the Companies Act, 2013 and the rules made thereafter, we shall recover from our executives, the remuneration received in excess, of what would be payable to him/her as per restatement of financial statements pertaining to the relevant performance year.

Implementation

The Group and Business Centre of Expertise teams will assist the Nomination, Remuneration and Compensation Committee in adopting, interpreting and implementing the Executive Remuneration Philosophy/Policy.



Annexure IV

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

For Financial Year Ended 31st March 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Aditya Birla Capital Limited
Indian Rayon Compound,
Veraval - 362266

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Aditya Birla Capital Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Unmodified Opinion

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2022 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company

for the financial year ended on 31st March 2022 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment; (Overseas Direct Investment and External Commercial Borrowings) (Not Applicable to the Company during the Audit Period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable to the Company during the Audit Period)
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not Applicable to the Company during the Audit Period)

Annexure IV (Contd.)

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not Applicable to the Company during the Audit Period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable to the Company during the Audit Period).

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder (Hereinafter referred as "Listing Regulations").

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test -check basis the Company has complied with all Master Directions, Master Circulars, Notifications, Guidelines issued by Reserve Bank of India to the extent applicable to the Company.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards made there under for all the above laws.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent

Directors. The changes in the composition of the Board of Director that took place during the audit period were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines.

We further report that during the audit period the Company has allotted 10,34,008 Equity Shares under the Employee Stock Option Schemes of the Company.

For **Makarand M. Joshi & Co.**
Practicing Company Secretaries

Makarand M. Joshi
Partner
FCS No. 5533
CP No. 3662
PR. No: 640/2019
UDIN: F005533D000311355

Date: 12th May 2022
Place: Mumbai

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



Annexure IV (Contd.)

ANNEXURE A

To,

The Members,

Aditya Birla Capital Limited

Indian Rayon Compound,

Veraval - 362266

Our Secretarial Audit Report for the financial year ended 31st March 2022 of even date is to be read along with this letter.

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

For **Makarand M. Joshi & Co.**
Practicing Company Secretaries

Makarand M. Joshi

Partner

FCS No. 5533

CP No. 3662

P.R. No: 640/2019

UDIN: F005533D000311355

Date: 12th May 2022

Place: Mumbai

Report on Corporate Governance

OUR VISION

"To be a leader and role model in a broad-based and integrated financial services business."

Our customers place a lot of trust when they choose us as a partner for fulfilment of their needs - be it buying a dream home or investing their hard-earned money in our mutual funds or for meeting their retirement or child's education or protection needs or taking a business loan for expansion. Our endeavor is to become a preferred financial services brand of choice for all our customers' needs across their life - a brand that customers will not only just trust but also happily endorse. Keeping this in mind, we have created a unique strategy and

structure to present our spectrum of businesses and offerings under one brand. From a customer perspective, this offers simplicity and convenience. For our employees, we offer a world of opportunities across all our financial services businesses and to our shareholders, this gives the reassurance that we will attract and retain our customers, cost effectively, across their life-cycle needs while driving as much synergy as we can across the platform.

Your Company along with its Subsidiaries continuously strives to achieve excellence in Corporate Governance through its values – Integrity, Commitment, Passion, Seamlessness and Speed.

OUR VALUES

Integrity



Acting and taking decisions in a manner that is fair and honest. Following the highest standards of professionalism and being recognised for doing so. Integrity for us means not only financial and intellectual integrity, but encompasses all other forms as are generally understood.

Commitment



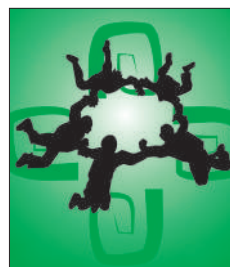
On the foundation of integrity, doing all that is needed to deliver value to all stakeholders. In the process, being accountable for our own actions and decisions, those of our team and those on the part of the organisation for which we are responsible.

Passion



An energetic, intuitive zeal that arises from emotional engagement with the organisation that makes work joyful and inspires each one to give his or her best. A voluntary, spontaneous and relentless pursuit of goals and objectives with the highest level of energy and enthusiasm

Seamlessness



Thinking and working together across functional groups, hierarchies, businesses and geographies. Leveraging diverse competencies and perspectives to garner the benefits of synergy while promoting organisational unity through sharing and collaborative efforts.

Speed



Responding to internal and external customers with a sense of urgency. Continuously striving to finish before deadlines and choosing the best rhythm to optimise organisational efficiencies.



Report on Corporate Governance (Contd.)

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

"OUR VALUES PROVIDE US WITH OUR ROOTS AND THEY PROVIDE US WITH OUR WINGS."

Mr. Kumar Mangalam Birla
Chairman, Aditya Birla Group

The Aditya Birla Group is one of the pioneers in the field of Corporate Governance. As a part of the Group, your Company is committed to continuously adopt and adhere to the best governance practices, to achieve the goal of making the Company a value-driven organisation.

Your Company along with its Subsidiaries is one of the young and new age business ventures of the Aditya Birla Group having a strong parentage and is a leading financial services conglomerate.

Your Company's governance practices are a product of self-desire, reflecting the culture of trusteeship that is deeply ingrained in its value system and reflected in its strategic thought process. At a macro level, your Company's governance philosophy rests on five basic tenets, viz., Board accountability to the Company and Members, strategic guidance and effective monitoring by the Board, protection of minority interests and rights, equitable treatment of all Members and transparency and timely disclosures.

The Corporate Governance framework of your Company is based on an effective and independent Board, separation of the Board's supervisory role from the Senior Management team and constitution and functioning of Board Committees, as required under applicable laws.

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

COMPLIANCE WITH CORPORATE GOVERNANCE GUIDELINES

The details of compliance with the requirements stipulated under Chapter IV read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") and Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016 ("RBI Master Directions"), as applicable with respect to Corporate Governance are as follows:

I. BOARD OF DIRECTORS

Composition

The Board of Directors of your Company ("the Board") comprised of 8 (Eight) Directors including 4 (Four) Non-Executive Directors (including one Nominee Director) and 4 (Four) Independent Directors, of whom one is a Woman

Director. The Chairman of the Board, Mr. Kumar Mangalam Birla, is a Non-Executive and Non-Independent Director. The composition of the Board is in conformity with the requirements of the Companies Act, 2013 ("the Act") and Regulation 17 of the SEBI Listing Regulations. In terms of the provisions of the Act and SEBI Listing Regulations, the Directors submit necessary disclosures regarding the positions held by them on the Board and/ or Committees of other Companies, from time to time.

On the basis of such disclosures, it is confirmed that as on the date of this report, none of the Directors: -

- a) hold Directorships in more than 10 (Ten) public Companies;
- b) hold Directorships in more than 7 (Seven) listed entities;
- c) serve as an Independent Director in more than 7 (Seven) listed entities;
- d) is a Member of more than 10 (Ten) Committees or Chairperson of more than 5 (Five) Committees (i.e. Audit and Stakeholders Relationship Committee) across all the public Companies in which he/ she is a Director; and
- e) are related to each other.

All Independent Directors on the Board are Non-Executive Directors as defined under the Act and SEBI Listing Regulations. The maximum tenure of the Independent Directors is in compliance with the Act and SEBI Listing Regulations. All the Independent Directors have confirmed that they meet the criteria of independence as stipulated under the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. Based on the disclosures received from the Independent Directors, it is hereby confirmed that in the opinion of the Board, the Independent Directors fulfil the conditions specified under the Act and SEBI Listing Regulations and are independent of the management and are also in compliance with the limit on Independent Directorships of listed Companies as prescribed under Regulation 17A of the SEBI Listing Regulations.

Mr. Kumar Mangalam Birla, the Chairman of the Board, is not related to Mr. Ajay Srinivasan, Chief Executive Officer of the Company, as per the definition of the term "relative" defined under the Act.

The brief profile of the present Directors on the Board is available on the Company's website at <https://www.adityabirlacapital.com/about-us/board-of-Directors>.

Report on Corporate Governance (Contd.)

The details of the Directors of the Company with regard to their outside Directorships, Committee positions, including that in listed entities, as on 31st March 2022 were as follows:

Name of the Director	Category of Directorship held in your Company	No. of outside Directorship(s) held ¹	Outside Committee positions held ²		Names of other listed entities where Director holds Directorship (excluding the Company and the category of Directorship held in such other listed entity) ³
			Member	Chairperson	
Mr. Kumar Mangalam Birla (DIN:00012813)	Non-Executive Non-Independent Member of Promoter Group of the Company	7	-	-	1. Century Textile and Industries Limited* 2. Grasim Industries Limited* 3. UltraTech Cement Limited* 4. Hindalco Industries Limited* 5. Aditya Birla Sun Life AMC Limited* 6. Aditya Birla Fashion and Retail Limited*
Dr. Sanjiv Misra (DIN:00013625)	Non-Executive Non-Independent	2	-	-	1. Grasim Industries Limited*
Mr. Sushil Agarwal (DIN:00060017)	Non-Executive Non-Independent	7	1	-	1. Vodafone Idea Limited*
Mr. Arun Adhikari (DIN:00591057)	Independent	5	4	-	1. UltraTech Cement Limited# 2. Vodafone Idea Limited# 3. Voltas Limited# 4. Aditya Birla Fashion and Retail Limited#
Mr. P. H. Ravikumar (DIN:00280010)	Independent	5	4	2	1. Bharat Forge Limited# 2. Escorts Limited#
Mr. S. C. Bhargava (DIN:00020021)	Independent	7	5	-	1. A K Capital Services Limited#
Mrs. Vijayalakshmi Iyer (DIN:05242960)	Independent	9	8	2	1. ICICI Securities Limited# 2. Poonawala Fincorp Limited (Formerly Magma Fincorp Limited)# 3. Religare Enterprises Limited# 4. Computer Age Management Services Limited# 5. GIC Housing Finance Limited#
Mr. Romesh Sobti (DIN:00031034)	Non-Executive Non-Independent (Nominee Director) – Representative of Jomei Investments Limited - equity investor of the Company	2	1	-	1. Adani Green Energy Limited#

*Category of Directorship is Non-Independent and Non-Executive

Category of Directorship is Independent

Notes:

1. Excluding Directorship in your Company, Foreign Companies, Private Limited Companies and Companies incorporated under Section 8 of the Act.
2. Only two Committees viz., Audit Committee and Stakeholders Relationship Committee of all Public Limited Companies are considered.
3. Only Equity Listed Companies are considered.



Report on Corporate Governance (Contd.)

Details of Skills/ Expertise/ Competencies of the Board

The Directors on Board of the Company are adequately skilled, have relevant expertise as per Industry norms and have rich experience.

Your Company's Board has identified the following skills/ expertise/ competencies to function and discharge its responsibilities effectively:

Industry Knowledge		Marketing	
Innovation/ Technology		Sustainability	
Financial Expertise		Risk Management	
Corporate Governance, Legal & Compliance		Human Resource Development	
Strategic Expertise		General Management	

While all the Board Members possess the skills identified, their area of core expertise is given below:

Directors Skills/ Expertise/ Competencies

Name of the Director	Skills identified and area of core expertise									
Mr. Kumar Mangalam Birla										
Dr. Sanrupt Misra										
Mr. Sushil Agarwal										
Mr. Arun Adhikari										
Mr. P. H. Ravikumar										
Mr. S. C. Bhargava										
Mrs. Vijayalakshmi Iyer										
Mr. Romesh Sobti										

The Board collectively displays the following qualities:

- Integrity: fulfilling a Director's duties and responsibilities;
- Curiosity and Courage: asking questions and persistence in challenging management and fellow Board Members where necessary;
- Interpersonal skills: working well in a group, listening well, tact and ability to communicate their point of view frankly;

- Interest: in the organisation, its business and the people;
- Instinct: good business instincts and acumen, ability to get to the crux of the issue quickly;
- Belief in diversity;
- Active participation: at deliberations in the Meetings.

The Board of Directors of your Company are professionals, possessing wide experience and expertise in their areas of function and with their collective wisdom fuel your Company's growth.

Non-Executive Directors' Compensation and Disclosures

Sitting fees paid to the Directors for attending Meetings of the Board/ Committees have been approved by the Board. No commission was recommended/ paid to any of the Directors during the financial year under review. Details of the Sitting fees paid to Directors are given separately in this Report.

Board's Functioning and Procedure

Your Company's Board plays a pivotal role in ensuring good governance and functioning of your Company. The Board's role, functions, responsibilities and accountabilities are well defined. All relevant information is regularly placed before the Board. The Members of the Board have complete freedom to express their opinion and decisions are taken after detailed discussions.

The Board meets at least once in every quarter to review the quarterly results and other items on the agenda and additional Meetings are held to address specific needs and business requirements of your Company. The information as required under Schedule V (c) of the SEBI Listing Regulations is made available to the Board.

The Company makes available video conferencing facility or other audio visual means for attending the Meetings of the Board and Committees. In accordance with the relaxations provided by the Securities and Exchange Board of India ("SEBI") and Ministry of Corporate Affairs ("MCA"), during the financial year under review all meetings of the Board and its Committees were held through audio-video visual mode.

The notice of Board/ Committee Meetings is given in advance to all the Directors (other than if held by shorter notice for which consent is obtained). The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Agenda of the Board/ Committee Meetings is set by the Company Secretary in consultation with the Chairman and Chief Executive Officer of the Company. Agenda papers are circulated a week prior to the date of the Meeting to enable the Board/ Committee Members take informed decisions at the Meetings. The Agenda for the Board and Committee Meetings covers items set out as per the guidelines in the SEBI Listing Regulations to the extent it is relevant and applicable. Prior approval is also obtained from the Board for circulating agenda items with shorter notice for matters that are in the nature of Unpublished Price Sensitive Information ("UPSI").

7 (Seven) Board Meetings were held during the financial year under review.

Meetings and Attendance During the Financial Year Under Review:

Date of Board Meeting	Board Strength	No. of Directors Present
14 th April 2021	8	7
14 th May 2021	8	7
16 th June 2021	8	7
5 th August 2021	8	8
23 rd September 2021	8	7
1 st November 2021	8	8
3 rd February 2022	8	8

The Board has unfettered and complete access to all information within your Company. Members of the Board have complete freedom to express their views on agenda items and can discuss any matter at the Meeting with the permission of the Chairperson. The Board periodically reviews all the relevant information, which is required to be placed before it pursuant to Regulation 17 read with Part A of Schedule II of the SEBI Listing Regulations and in particular reviews and approves business plans, annual budgets and capital expenditure. The Board provides strategic direction and oversight to ensure that your Company is managed in a manner that fulfils stakeholders' aspirations and societal expectations.

The details of attendance of each Director at the Board Meetings held during the financial year under review and at the previous Annual General Meeting ("AGM") of the Company held on 20th August 2021 virtually are as under:

Name of the Director	No. of Board Meetings		Attended Last AGM
	Held during tenure	Attended	
Mr. Kumar Mangalam Birla	7	4	No
Dr. Sanjiv Misra	7	7	Yes
Mr. Sushil Agarwal	7	7	Yes
Mr. Arun Adhikari	7	6	Yes
Mr. S. C. Bhargava	7	7	Yes
Mr. P. H. Ravikumar	7	7	Yes
Mrs. Vijayalakshmi Iyer	7	7	Yes
Mr. Romesh Sobti	7	7	Yes

Code of Conduct for Board Members and Senior Management

In compliance with Regulations 17(5) and 26(3) of the SEBI Listing Regulations, the Company has adopted a Code of Conduct for the Board Members and Senior Management of the Company ("the Code"). The Code is applicable to all the Board Members and Senior Management of the Company. The Code is available on your Company's website at <https://www.adityabirlacapital.com/investor-relations/policies-and-code>.



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The Senior Management Personnel of the Company have made disclosures to the Board confirming that there are no material financial and/ or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large.

All the Board Members and Senior Management Personnel have confirmed compliance with the Code during the financial year under review and a declaration to that effect signed by the Chief Executive Officer of the Company forms a part of this Annual Report.

Board Induction, Training and Familiarisation

A letter of appointment together with an induction kit is given to the Independent Directors at the time of their appointment setting out their roles, functions, duties and responsibilities. As per Regulation 46(2) of the SEBI Listing Regulations, the terms and conditions of appointment of Independent Directors are available on the Company's website at <https://www.adityabirlacapital.com/about-us/board-of-directors>.

The Directors are familiarised with your Company's businesses and its operations. Interactions are held between the Directors and Senior Management of your Company from time to time. Directors are familiarised with the organisational set-up, functioning of various departments, internal control processes and relevant information pertaining to your Company. The details of the said familiarisation programmes are available on your Company's website at [https://www.adityabirlacapital.com/about-us/board-of Directors](https://www.adityabirlacapital.com/about-us/board-of-Directors).

Performance Evaluation of the Board

A formal mechanism has been adopted for evaluating the performance of the Board, the Committees thereof, individual Directors and the Chairman of the Board. The evaluation is based on criteria which include, amongst others, providing strategic perspective, time devoted and preparedness for Meetings, quality, quantity and timeliness of the flow of information between the Board Members and the Management, contribution at the Meetings, effective decision making ability, role and effectiveness of the Committees, etc. The Directors duly completed and submitted the questionnaires providing feedback on functioning of the Board as a whole, Committees and Chairman of the Board.

Further details are mentioned in the Board's Report.

Performance Evaluation Criteria for Independent Directors

The Directors other than Independent Directors of your Company evaluate the following:

- performance of Independent Directors
- fulfilment of the independence criteria as specified in SEBI Listing Regulations and their independence from the management.

The evaluation is based on the following criteria as to how an Independent Director:

1. Invests time in understanding the Company and its unique requirements;
2. Brings in external knowledge and perspective to the table for discussions at the Meetings;
3. Expresses his/ her views on the issues discussed at the Board; and
4. Keeps himself/ herself current on areas and issues that are likely to be discussed at the Board level.

Separate Meeting of Independent Directors

In accordance with the provisions of Schedule IV of the Act and Regulation 25(3) of the SEBI Listing Regulations a Meeting of the Independent Directors of your Company was held on 14th March 2022 without the presence of the Non-Independent Directors and the Members of the Management. The Meeting was attended by all 4 (Four) Independent Directors. They discussed matters including the performance/ functioning of the Company, reviewed the performance of the Chairman and other Non-Executive Directors, assessed the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties, etc.

Prohibition of Insider Trading

In terms of the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations") and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 ("PFUTP Regulations") your Company adopted a Code of Conduct to Regulate, Monitor and Report trading by Designated Persons in listed or proposed to be listed securities of the Company ("Insider Code"). The Insider Code aims at preserving and preventing misuse of unpublished price sensitive information. All Designated Persons of your Company (as defined under the Insider Code) are covered under the Insider Code, which provides inter alia for obtaining pre-clearances for trading in the securities of your Company.

The Company has in place, a tracking mechanism for monitoring trade in the equity shares of the Company by Designated Persons identified under the Insider Code. The Board has also adopted a Code of Practices and Procedures for Fair Disclosure

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of UPSI of the Company ("Code for Fair Disclosure") which includes details of your Company's policy for determination on 'legitimate purposes' as per the requirements of the PIT Regulations and is available on the website of the Company at <https://www.adityabirlacapital.com/investor-relations/policies-and-code>.

Mr. Amber Gupta, Company Secretary is the "Compliance Officer" in terms of the Insider Code.

II. COMMITTEES OF THE BOARD

Your Board has constituted the Committees with specific terms of reference as per the requirements of the SEBI Listing Regulations, the Act, RBI Master Directions and other applicable provisions. The Board accepted all recommendations of the Committees of the Board, during the financial year under review.

The Committees play a vital role in the effective compliance and governance of the Company in line with their specified and distinct terms of reference and role and responsibilities. The Chairpersons of the respective Committees report to the Board on the deliberations and decisions taken by the Committees. The minutes of the Meetings of all Committees are placed before the Board for its perusal on a regular basis.

The Committees of the Board are elaborated hereunder:

1. AUDIT COMMITTEE

A qualified and independent Audit Committee has been constituted pursuant to the provisions of Section 177 of the Act, Regulation 18 of the SEBI Listing Regulations and RBI Master Directions.

The Audit Committee acts as a link between the Management, the Statutory and Internal Auditors and the Board.

All the Members of the Audit Committee are financially literate. The Chairperson and Members of the Audit Committee have accounting or related financial management expertise.

The Statutory and Internal Auditors of your Company are invited to attend the Audit Committee Meetings. In addition, other Senior Management Personnel are also invited to the Audit Committee Meetings from time to time, for providing such information as may be necessary.

The Chairperson of the Audit Committee, Mrs. Vijayalakshmi Iyer, attended the Annual General Meeting of the Company held on 20th August 2021.

The Audit Committee monitors and effectively supervises your Company's financial reporting process with a view to provide accurate, timely and proper disclosures and maintain the integrity and quality of financial reporting.

The Audit Committee has all the powers as specified in Section 177 of the Act and Regulation 18 read with Part C of Schedule II of the SEBI Listing Regulations to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, as considered necessary.

The terms of reference of the Audit Committee include:

1. Approval or any subsequent modification of transactions of the Company with related parties;
2. Scrutiny of inter-corporate loans and investments, if any;
3. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the Subsidiaries exceeding ₹ 100 crore or 10% of the asset size of the Subsidiaries, whichever is lower including existing loans/ advances/ investments;
4. Valuation of undertakings or assets of the Company, wherever it is necessary;
5. Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
6. Appointing any external firm to conduct special reviews of the Company (financial or legal) subject to the approval of the Board;
7. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
8. Reviewing, with the management, the annual Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Act;



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- Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with stock exchanges and other legal/ regulatory requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Qualification(s)/ modified opinion(s) in the draft audit report;
9. Reviewing, with the Management, the quarterly Financial Statements/ results before submission to the Board for approval;
 10. Laying down the criteria for granting the omnibus approval in line with the policy on related party transactions of the Company;
 11. Satisfying itself regarding the need for omnibus approval and that such approval is in the interest of the Company;
 12. Reviewing, at least on quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given, if any;
 13. Reviewing, with the Management, the statement of uses/ application of funds raised through an issue (Public issue, Rights issue, Preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the agency monitoring the utilisation of proceeds of a Public or Right issue, and making appropriate recommendations to the Board to take up steps in this matter;
 14. Reviewing Management Discussion and Analysis of financial condition and results of operations;
 15. Reviewing the statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
 16. Reviewing the Financial Statements, in particular, the investments made by the unlisted Subsidiaries.
 17. Evaluating the Internal Financial Controls and Risk Management Systems;
 18. Discussing with Internal Auditors any significant findings and follow up there on;
 19. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 20. Reviewing internal audit reports relating to internal control weaknesses; and
 21. Reviewing management letters/ letters of internal control weaknesses issued by the Statutory Auditors, if any;
 22. Reviewing ageing analysis of entries pending reconciliation with outsourced vendors, if any and monitoring the systems in place for internal audit of all outsourced activities, if any;
 23. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
 24. Approval of payment to Statutory Auditors, Internal Auditors and Tax Auditors for any other services rendered by them;
 25. Reviewing and monitoring the Statutory and Internal Auditors independence and performance, and effectiveness of audit process;
 26. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 27. Reviewing the findings, adequacy and structure of the internal audit function, including the credentials of the appointed third-party firm, if any, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 28. Formulating the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the Internal Auditor;
 29. Reviewing with the Management, the adequacy of the internal control systems;

30. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
32. Reviewing the effectiveness of the system for monitoring compliance with laws and regulations;
33. Reviewing compliance with the provisions of PIT Regulations as maybe amended from time to time at least once in a financial year and verify that systems for internal control are adequate and are operating effectively;
34. Looking into the reasons for substantial defaults, if any, in the payment to the debenture holders (if any), shareholders (in case of non-payment of declared Dividends) and creditors;
35. Reviewing the Company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting, accounting, auditing and other related matters and ensuring that these arrangements allow independent investigation of such matters and initiation of appropriate follow-up action and reviewing the functioning of the Whistle-blower mechanism/overseeing the Vigil Mechanism;
36. Carrying out/ performing such other responsibilities, acts, deeds, and things as may be delegated to the Committee and as maybe entrusted by the Board of Directors/ arising out of statutory provisions from time to time.

During the financial year under review, the Audit Committee reviewed the internal controls put in place to ensure that the accounts of your Company are properly maintained and that the accounting transactions are in accordance with prevailing laws and regulations. In conducting such reviews, the Committee found no material discrepancy or weakness in the internal control system of your Company.

Meetings, Composition and Attendance during the financial year under review

During the financial year under review, the Audit Committee met 6 (Six) times on 14th May 2021, 16th June 2021, 20th July 2021, 5th August 2021, 1st November 2021 and 3rd February 2022.

The composition and attendance at the Meetings were as under:

Name and position held in the Committee	Category/ Designation	No. of Meetings	
		Held during tenure	Attended
Mrs. Vijayalakshmi Iyer (Chairperson)	Independent	6	6
Mr. P. H. Ravikumar (Member)	Independent	6	4
Mr. S. C. Bhargava (Member)	Independent	6	6
Mr. Sushil Agarwal (Member)	Non-Executive Non-Independent	6	6

The Company Secretary acts as the Secretary to the Committee.

2. NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE

The Nomination, Remuneration and Compensation Committee has been constituted pursuant to the provisions of Section 178 of the Act, Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations and RBI Master Directions.

The terms of reference of the Nomination, Remuneration and Compensation Committee include:

1. Recommending to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
2. Ensuring the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors and Senior Managers of the quality required to run the Company successfully;
3. Ensuring the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
4. Ensuring the remuneration provided to Directors and Senior Managers includes a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
5. Recommending to the Board, all remuneration, in whatever form, payable to Senior Management;
6. Formulating appropriate policies and instituting processes which enable the identification of individuals who are qualified to become Directors and who may be appointed in Senior Management and recommend to the Board of Directors their appointment and removal from time to time;



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7. Reviewing and implementing succession and development plans for Managing Director/Chief Executive Officer, Executive Directors and Senior Managers
8. Devising a policy on Board diversity;
9. Formulating the criteria for determining qualifications, positive attributes and independence of Directors;
10. Establishing evaluation criteria and conducting the process of performance evaluation of each Director in a structured manner;
11. Establishing evaluation criteria of Board and Board Committees;
12. Reviewing and making recommendations to the Board with respect to any incentive-based compensation and equity-based plans that are subject to Board or shareholder approval (including broad-based plans);
13. Deciding whether to extend or continue the term of appointment of the Independent Director, on the basis of the report on performance evaluation of Independent Directors;
14. Formulating, supervising and monitoring the process of issuance/ grant/ vesting/ cancellation of Employee Stock Options and such other instruments as may be decided to be granted to the eligible grantees under the respective Employee Stock Options Scheme(s), from time to time, as per the provisions of the applicable laws;
15. Evaluating the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director and basis the same, recommending to the Board the appointment of an Independent Director;
16. Scrutinizing the declarations received under 'Fit and Proper' Criteria for proposed/ existing Directors based on the information provided in the signed declaration and to deciding on the acceptance or otherwise of the Directors, where considered necessary;
17. Carrying out/ performing such other responsibilities, acts, deeds, and things as may be delegated to the Committee and as maybe entrusted by the Board of Directors/ arising out of statutory provisions from time to time.

Meetings, Composition and Attendance during the financial year under review

During the financial year under review, the Committee met 6 (Six) times on 14th May 2021, 5th August 2021, 30th September 2021, 1st November 2021, 8th December 2021 and 3rd February 2022.

During the financial year under review the Nomination, Remuneration and Compensation Committee was reconstituted. Mrs. Vijayalakshmi Iyer, Independent Director was appointed as a Member of the Committee and Mr. Sushil Agarwal ceased to be a Member of the Committee. The Chairman of the Nomination, Remuneration and Compensation Committee, Mr. Arun Adhikari, attended the Annual General Meeting of the Company held on 20th August 2021.

The composition and attendance at the Meetings were as under:

Name and position held in the Committee	Category/ Designation	No. of Meetings	
		Held during tenure	Attended
Mr. Arun Adhikari (Chairman)	Independent	6	6
Mr. S. C. Bhargava (Member)	Independent	6	6
Dr. Santrupt Misra (Member)	Non-Executive Non-Independent	6	6
Mr. Sushil Agarwal (ceased to be a Member w.e.f. 4 th August 2021)	Non-Executive Non-Independent	1	1
Mrs. Vijayalakshmi Iyer (Appointed as a Member w.e.f. 5 th August 2021)	Independent	4	4

The Company Secretary acts as the Secretary to the Committee.

Employee Stock Options Schemes adopted by the Company**a. Aditya Birla Capital Limited Employee Stock Option Scheme 2017 ("Scheme 2017")**

The Scheme 2017 was formulated by the Nomination, Remuneration and Compensation Committee with an aim to provide competitive remuneration opportunities to employees of your Company and its Subsidiaries, which was approved by the Board at its Meeting held on 26th June

2017, and by the Members of the Company vide Special Resolution passed at the held AGM on 19th July 2017 and in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended ("SEBI SBEB Regulations"). For extending the benefits of the Scheme 2017 to the employees of the Company's Subsidiaries, a separate Special Resolution was also passed by the Members of the Company at the said AGM held on 19th July 2017.

During the financial year under review, the Company issued and allotted 7,34,293 Equity Shares of ₹ 10/- each, upon exercise of Stock Options, Restricted Stock Units and Performance Restricted Stock Units by the eligible grantees, in terms of the provisions of the Scheme 2017, statutory provisions including SEBI SBEB Regulations and other applicable laws, as applicable from time to time and the rules and procedures set out by your Company in this regard.

b. ABCL Incentive Scheme for Stock Options and Restricted Stock Units 2017 ("ABCL Incentive Scheme")

Pursuant to the Composite Scheme of Arrangement between (erstwhile) Aditya Birla Nuvo Limited ("ABNL"), Grasim Industries Limited ("Grasim") and the Company and their respective Shareholders and Creditors ("the Composite Scheme") and pursuant to Sections 230-232 of the Act, the Nomination, Remuneration and Compensation Committee approved the ABCL Incentive Scheme.

During the financial year under review, the Company issued and allotted 2,99,715 Equity Shares of ₹ 10/- each, upon exercise of Stock Options and Restricted Stock Units by the eligible grantees, in terms of the provisions of the ABCL Incentive Scheme, statutory provisions including SEBI SBEB Regulations and other applicable laws, as applicable from time to time and the rules and procedures set out by your Company in this regard.

The details on the above Employee Stock Option Scheme(s) as required to be disclosed under the SEBI SBEB Regulations are available on your Company's website at <https://www.adityabirlacapital.com/investor-relations/financial-reports>.

c. Stock Appreciation Rights Scheme 2019 ("SARs Scheme 2019")

Your Company has also instituted "Aditya Birla Capital Limited Stock Appreciation Rights Scheme

2019" which is a cash based plan linked to the actual stock price movement over the plan tenure. In order to compensate the loss to an employee due to the lapse of Stock Options/ Restricted Stock Units/ Performance Restricted Stock Units in the event of transfer of the employee to any Group Company (as mentioned under the SARs Scheme 2019), your Company implemented the SARs Scheme 2019 for such employees.

The SARs Scheme 2019, does not give rise to any right towards any Equity Share of the Company and hence, is not covered under the provisions of SEBI SBEB Regulations. On exercise of the SARs granted under the said scheme, the employee exercising the SARs becomes entitled to receive cash, in terms of the scheme. Nil RSU SARs and 59,856 Options SARs were granted during the financial year under review pursuant to the SARs Scheme 2019.

Remuneration Policy

Your Company has adopted an Executive Remuneration Philosophy/ Policy.

The same forms part of this Annual Report and is also available on the website of the Company at <https://www.adityabirlacapital.com/investor-relations/policies-and-code>.

Your Company has in place a Directors and Officers liability Insurance Policy for the Company and its Subsidiaries, covering all Directors including Independent Directors of your Company.

3. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee has been constituted pursuant to the provisions of Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations.

The terms of reference of the Stakeholders Relationship Committee include:

1. Monitoring and resolving the grievances of the security holders of the Company received from the Shareholders, Debenture holders of the Company, other security holders, if any, SEBI, the Stock Exchanges, the MCA - Registrar of Companies. etc. including complaints related to transfer/ transmission of Shares, non-receipt of Annual Report, non-receipt of declared Dividends, issue of new/ duplicate Certificates, General Meetings, etc; and the action taken by the Company for redressal of the same;



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2. Reviewing measures taken for effective exercise of voting rights by security holders;
3. Reviewing adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;
4. Reviewing various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends, if any, and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the security holders of the Company, as applicable;
5. Reviewing the results of any investigation/ audit conducted by any statutory authority;
6. Approving allotment of Shares, Debentures or any other securities as per the authority conferred/ to be conferred to the Committee by the Board of Directors from time to time;
7. Approving requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization, rematerialization, etc. of Shares, Debentures and other securities, if any;
8. Authorizing the officers of the Company to approve the requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization, rematerialization, etc. of Shares, Debentures and other securities, if any;
9. Approving and ratifying the action taken by the authorized officers of the Company in compliance of the requests received from the shareholders/investors for issue of duplicate/replacement/consolidation/ sub-division, dematerialization, rematerialization, and other purposes for the Shares, Debentures and other securities of the Company, if any;
10. Monitoring the status and process of dematerialization and rematerialization of Shares, Debentures and other securities of the Company, if any;
11. Giving directions for monitoring the stock of blank stationery and for printing of stationery required by the Secretarial Department of the Company from time to time for issuance of Share Certificates, Debentures Certificates, allotment letters, dividend warrants, pay orders, cheques and other related stationery;
12. Carrying out/ performing such other responsibilities, acts, deeds, and things as may be delegated to the Committee and as maybe entrusted by the Board of Directors/ arising out of statutory provisions from time to time.

Meetings, Composition and Attendance during the financial year under review

During the financial year under review, the Stakeholders Relationship Committee met 4 (Four) times on 14th May 2021, 2nd August 2021, 26th October 2021 and 31st January 2022.

The composition and attendance at the Meetings were as under:

Name and position held in the Committee	Category/ Designation	No. of Meetings	
		Held during tenure	Attended
Mrs. Vijayalakshmi Iyer (Chairperson)	Independent	4	4
Dr. Santrupt Misra (Member)	Non-Executive Non-Independent	4	4
Mr. Sushil Agarwal (Member)	Non-Executive Non-Independent	4	4

Mrs. Vijayalakshmi Iyer, the Chairperson of the Committee attended the Annual General Meeting of the Company held on 20th August 2021. The Company Secretary acts as the Secretary to the Committee and is the Compliance Officer of the Company and also responsible for redressal of investor complaints.

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility ("CSR") Committee has been constituted pursuant to the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended.

The terms of reference of the Corporate Social Responsibility Committee include:

1. Formulation of CSR policy indicating the activities to be undertaken by the Company as per regulatory requirements and recommending the same to the Board;
2. Recommending to the Board the annual action plan and the amount to be spent on CSR activities;
3. Reviewing and approving, the CSR projects/ programs to be undertaken by the Company either directly or through Aditya Birla Capital Foundation ("ABCF") or through implementation partners as deemed suitable, during the financial year and specifying modalities for its execution and implementation schedules for the same, in terms of the CSR Policy of the Company;
4. Monitoring the implementation of the CSR policy;
5. Monitoring and reporting mechanism for the projects or programmes;
6. Reviewing the need for impact assessment, if any, for the projects undertaken by the Company and undertaking the same if needed;

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7. Reviewing implementation of the action plan; and
8. Carrying out/ performing such other responsibilities, acts, deeds, and things as may be delegated to the Committee and as maybe entrusted by the Board of Directors/ arising out of statutory provisions from time to time.

Meetings, Composition and Attendance during the financial year under review

During the financial year under review, the CSR Committee met once on 21st March 2022.

The composition and attendance at the Meeting was as under:

Name and position held in the Committee	Category/ Designation	No. of Meetings	
		Held during tenure	Attended
Mr. Arun Adhikari (Chairperson)	Independent	1	1
Mr. S. C. Bhargava (Member)	Independent	1	1
Mr. P. H. Ravikumar (Member)	Independent	1	1
Dr. Sanrupt Misra (Member)	Non-Executive Non-Independent	1	1

Mrs. Rajashree Birla, Chairperson of Aditya Birla Centre for Community Initiatives and Rural Development, Dr. Pragnya Ram, Group Executive President, CSR and Mr. Ajay Srinivasan, Chief Executive Officer of the Company, are permanent invitees to the Meetings of CSR Committee.

The Company Secretary acts as the Secretary to the Committee.

During the financial year under review, your Company was not required to make any expenditure towards CSR projects, in absence of average net profit for three immediately preceding financial years calculated in accordance with the provisions of Section 198 of the Act.

5. RISK MANAGEMENT COMMITTEE

The Risk Management Committee has been constituted pursuant to the provisions of Regulation 21 of the SEBI Listing Regulations and RBI Master Directions, to frame, implement and monitor the Risk Management Plan of the Company.

The terms of reference of the Risk Management Committee include:

1. Overall responsibility to monitor and approve the Risk Management Framework;
2. Ensuring proper identification of the risk associated with cyber security;

3. Assisting the Board in determining the measures that can be adopted to mitigate the risk;
4. Ensuring that appropriate measures are being taken to achieve prudent balance between risk and reward in both ongoing and new business activities and continuously aim to add value to the Company's stakeholders by growing business that supports inclusive growth;
5. Assisting the Board in creating long-term stakeholder value by implementing a business strategy that considers every dimension of ethical, social, environmental, cultural, and economic spheres;
6. Formulating a detailed risk Risk Management Policy which shall include:
 - a. A framework for identification of internal and external risks faced by the entity including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
 - b. Measures for Risk Mitigation including systems and processes for internal control of identified risks;
 - c. Business Continuity Plan;
7. Ensuring appropriate methodology, processes and systems are in place to monitor and evaluate all risks that the Company is exposed to, including credit, operational risk, liquidity risk, etc.;
8. Monitoring and overseeing implementation of the Risk Management Policy, including evaluating the adequacy of Risk Management Systems;
9. Periodically reviewing the significant outsourcing arrangements and vendor/ service provider performance;
10. Periodically reviewing the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
11. Approving the appointment, removal and terms of remuneration of the Chief Risk Officer ("CRO"), if any;
12. Carrying out/ performing such other responsibilities, acts, deeds, and things as may be delegated to the Committee and as maybe entrusted by the Board of Directors/ arising out of statutory provisions from time to time.



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Meetings, Composition and Attendance during the financial year under review

During the financial year under review, the Risk Management Committee met 3 (Three) times on 28th September 2021, 8th December 2021 and 17th March 2022.

The composition and attendance at the Meetings were as under:

Name and position held in the Committee	Category/ Designation	No. of Meetings	
		Held during tenure	Attended
Mr. Arun Adhikari (Chairman)	Independent	3	2
Dr. Santrupt Misra (Member)	Non-Executive Non-Independent	3	3
Mr. Romesh Sobti (Member)	Non-Executive Non-Independent (Nominee)	3	3

Mr. A Dhananjaya, Chief Risk Officer is invited to the Meetings of the Risk Management Committee.

The Company Secretary acts as the Secretary to the Committee.

Risk Management Policy of the Company is available on the website of the Company at <https://www.adityabirlacapital.com/investor-relations/policies-and-code>.

6. PIT REGULATIONS COMMITTEE

The PIT Regulations Committee has been constituted pursuant to the provisions of the PIT Regulations, the PFUTP Regulations, the Insider Code and the Code for Fair Disclosure.

The Terms of Reference of PIT Regulations Committee include:

- Identifying/ reviewing the list of persons to be included in the list of Designated Persons under the Insider Code, at regular intervals, on the basis of their role, function and access to UPSI in the Company as well as the Subsidiaries of the Company;
- Reviewing the functioning of the mechanism adopted for monitoring trade in the securities of the Company by the Designated Persons as identified under the Insider Code;
- Ensuring maintenance of adequate and effective internal controls including maintaining a structured digital data base of 'Designated Persons', containing

names of persons or entities, with whom information is shared under the PIT Regulations along with PAN, with adequate internal controls and checks, such as time stamping and audit trails to ensure non-tampering of the database and compliance with the PIT Regulations.

- Considering and approving the inclusion of additional transactions, as 'Legitimate purpose' for sharing of information by the Company, in furtherance of the Company's and Stakeholder's interest other than as provided under the Code for Fair Disclosure;
- Reviewing the adequacy and effectiveness of the internal controls in place for restrictions on communication or procurement of UPSI;
- Carrying out inquiry in relation to leak of UPSI/ potential breach of the Insider Code by the suspected Designated Person(s);
- Reviewing and reporting to the Audit Committee and the Board of Directors of the Company, at the beginning of each financial year, the compliance of the Insider Code and PIT Regulations;
- Carrying out/ performing such other responsibilities, acts, deeds, and things as may be delegated to the Committee and as maybe entrusted by the Board of Directors/ arising out of statutory provisions from time to time.

Meetings, Composition and Attendance during the financial year under review

During the financial year under review, the PIT Regulations Committee met 3 (Three) times on 14th May 2021, 2nd August 2021 and 31st January 2022.

The composition and attendance at the Meetings were as under:

Name and position held in the Committee	Category/ Designation	No. of Meetings	
		Held during tenure	Attended
Mrs. Vijayalakshmi Iyer (Chairperson)	Independent	3	3
Mr. S. C. Bhargava (Member)	Independent	3	3
Dr. Santrupt Misra (Member)	Non-Executive Non-Independent	3	3
Mr. Ajay Srinivasan (Member)	Chief Executive Officer	3	3
Mrs. Pinky Mehta (Member)	Chief Financial Officer	3	3

Report on Corporate Governance (Contd.)

The Company Secretary acts as the Secretary to the Committee.

The PIT Regulations Committee has further constituted a PIT Disciplinary Committee comprising of Chief Compliance & Risk Officer, Chief Financial Officer and Chief Human Resources Officer for the purpose of deciding upon the actions to be taken in case of violations of the Insider Code. The decisions and actions, if any, taken by the PIT Disciplinary Committee are reported to the PIT Regulations Committee at its subsequent meetings. The details of violations and actions taken, if any, are also reported to the Stock Exchanges as required under the PIT Regulations.

7. ASSET-LIABILITY MANAGEMENT COMMITTEE

The Asset-Liability Management Committee has been constituted under RBI's Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies read with RBI Master Directions, as amended (collectively referred to as "RBI Framework").

The terms of reference of the Asset-Liability Management Committee include:

1. Governance of Liquidity Risk Management by:
 - a. Ensuring adherence to the risk tolerance/ limits set by the Board; and
 - b. Implementing the Liquidity Risk Management Strategy and Capital Planning
2. Internal Controls – To ensure appropriate internal controls, systems and procedures for adherence to Liquidity Risk Management Policies and procedure;
3. Reviewing the Liquidity Risk Measurement basis various approaches;
4. Monitoring Liquidity Risk basis various tools;
5. Reviewing the Credit Sanction Process for high value proposals;
6. Reviewing the pricing of assets and liability and monitor the sensitivity of interest rates;
7. Ensuring liquidity through maturity matching;
8. Monitoring market Risk Management Systems, compliance with the Asset Liability Management Policy and prudent gaps and tolerance limits and reporting systems set out by the Board of Directors and ensuring adherence to the RBI Guidelines issued in this behalf from time to time;
9. Monitoring the business strategy of the Company (on the assets and liabilities sides) in line with the Company's budget and decided Risk Management objectives;
10. Reviewing the effects of various possible changes in the market conditions related to the balance sheet and recommend the action needed to adhere to the Company's internal limits;
11. Balance Sheet planning from risk-return perspective including the strategic management of interest rate and liquidity risks;
12. With respect to liquidity risk, decide on the desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and oversee the liquidity positions of all branches;
13. Carrying out/ performing such other responsibilities, acts, deeds, and things as may be delegated to the Committee and as maybe entrusted by the Board of Directors/ arising out of statutory provisions from time to time.

Meetings, Composition and Attendance during the financial year under review

During the financial year under review, the Asset-Liability Management Committee met 3 (Three) times on 15th September 2021, 13th October 2021 and 28th March 2022.

The composition and attendance at the Meetings were as under:

Name and position held in the Committee	Category/ Designation	No. of Meetings	
		Held during tenure	Attended
Mr. Ajay Srinivasan (Chairperson)	Chief Executive Officer	3	3
Mr. P. H. Ravikumar (Member)	Independent	3	3
Dr. Sanrupt Misra (Member)	Non-Executive Non-Independent	3	2
Mr. Sushil Agarwal (Member)	Non-Executive Non-Independent	3	2
Mrs. Pinky Mehta (Member)	Chief Financial Officer	3	3
Mr. A. Dhananjaya (Member)	Chief Compliance and Risk Officer	3	2

The Company Secretary acts as the Secretary to the Committee.

8. IT STRATEGY COMMITTEE

The IT Strategy Committee has been constituted pursuant to Reserve Bank of India ("RBI") Master Direction on Information Technology Framework for the NBFC Sector read with RBI Master Directions, as amended.



Report on Corporate Governance (Contd.)

The terms of reference of the IT Strategy Committee include:

1. Establishment of the Information Security Management System ("ISMS") objectives;
2. Reviewing and approving the Company's Information Technology and Cyber Security Policy, Privacy Policy and Business Continuity Policy;
3. Demonstrating Management support for relevant initiatives on the above subject area;
4. Reviewing major Information and Cyber security, Business Continuity and Privacy incidents; and
5. Reviewing if any significant risk to be reported to the Board.
6. Reviewing and approving the Information Technology ("IT") Strategy and Policy documents and ensuring that the Management has put an effective strategic planning process in place;
7. Ascertaining that Management has implemented processes and practices that ensure that the IT delivers value to the business;
8. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
9. Monitoring the method that management uses to determine the IT resources and roles and responsibilities needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
10. Ensuring proper balance of IT investments for sustaining Company's growth and becoming aware about exposure towards IT risks and control constituting an effective governance mechanism and Risk Management Processes for all outsourced IT operations.
11. Carrying out/ performing such other responsibilities, acts, deeds, and things as may be delegated to the Committee and as maybe entrusted by the Board of Directors/ arising out of statutory provisions from time to time.

Meetings, Composition and Attendance during the financial year under review

During the financial year under review, the IT Strategy Committee met 3 (Three) times on 16th June 2021, 7th December 2021 and 16th March 2022.

The composition and attendance at the Meetings were as under:

Name and position held in the Committee	Category/ Designation	No. of Meetings	
		Held during tenure	Attended
Mr. P. H. Ravikumar (Chairperson)	Independent	3	3
Mrs. Vijayalakshmi Iyer (Member)	Independent	3	3
Mr. Ajay Srinivasan (Member)	Chief Executive Officer	3	2
Mr. A. Dhananjaya (Member)	Chief Compliance and Risk Officer	3	3
Mrs. Pinky Mehta (Member)	Chief Financial Officer	3	2
Mr. Mukesh Malik (Member)	Chief Operating Officer	3	3
Mr. Subhro Bhaduri (Member)	Chief Human Resources Officer	3	1
Mr. Amber Gupta (Member)	Company Secretary	3	3
Mr. Ramesh Narayanaswamy (Member) (ceased to be a Member w.e.f. 20 th January 2022)	Chief Technology Officer	2	2
Mr. Makesh Chandramohan (Member)	Chief Information Security Officer	3	3

The IT Strategy Committee has further constituted an IT Steering Committee, an execution level Committee, comprising of Chief Technology Officer of the Company and its Subsidiaries. The IT Steering Committee meets on a quarterly basis and the decisions and actions, if any, taken by it are reported to the IT Strategy Committee at its subsequent meetings.

9. ASSET MONETIZATION COMMITTEE

An Asset Monetization Committee was constituted by the Board of Directors of the Company at its Meeting held on 17th March 2021, in relation to the proposed initial public offering ("IPO") of Aditya Birla Sun Life AMC Limited ("ABSLAMC"), a material Subsidiary of the Company.

The Committee was constituted and authorised to work and co-ordinate with ABSLAMC IPO Committee and

recommend to the Board the final course of action and structure of the IPO of ABSLAMC for its approval and to review/ approve various matters in connection with the proposed IPO of ABSLAMC.

Meetings, Composition and Attendance during the financial year under review

During the financial year under review, the Committee met 5 (Five) times on 5th April 2021, 14th April 2021, 17th August 2021, 22nd September 2021 and 4th October 2021.

The composition and attendance at the meetings were as under:

Name and position held in the Committee	Category/ Designation	No. of Meetings	
		Held during tenure	Attended
Mr. P. H. Ravikumar (Chairperson)	Independent	5	5
Mr. Sushil Agarwal (Member)	Non-Executive Non-Independent	5	5
Mr. Arun Adhikari (Member)	Independent	5	2
Mr. Ajay Srinivasan (Member)	Chief Executive Officer	5	5

III. WHISTLE BLOWER POLICY/VIGIL MECHANISM

Pursuant to Section 177(9) of the Act and Regulation 22 of SEBI Listing Regulations and other applicable provisions, the Company has formulated a Whistle Blower Policy. The Whistle Blower Policy/ Vigil Mechanism provides a mechanism for Directors and employees to report instances and concerns about unethical behaviour, actual or suspected fraud or violation of your Company's Code of Conduct. Adequate safeguards are provided against victimisation of those who avail the mechanism and direct access to the Chairperson of the Audit Committee is provided to them. During the financial year under review, no person was denied access to the Audit Committee. The Policy is in line with the Company's Code of Conduct, Vision and Values and is available on your Company's website at <https://www.adityabirlacapital.com/investor-relations/policies-and-code>.

IV. SUBSIDIARY COMPANIES

The Audit Committee reviews the consolidated Financial Statements/ results of the Company and investments made by its unlisted Subsidiaries. The minutes of the Board Meetings of the unlisted Subsidiaries as applicable are periodically placed before the Board. The Management of all the unlisted Subsidiaries periodically brings to the notice of the Board, a statement of all significant transactions and arrangements entered into by the unlisted Subsidiaries as applicable. As per the definition of "Material Subsidiary"

under Regulation 16 of SEBI Listing Regulations, Aditya Birla Sun Life Insurance Company Limited, Aditya Birla Finance Limited, Aditya Birla Sun Life AMC Limited and Aditya Birla Housing Finance Limited are the material Subsidiaries of the Company.

The Company has formulated a "Policy for determining material Subsidiary Companies" of the Company and has complied with all the obligations relating to its material Subsidiaries under SEBI Listing Regulations. This policy is available on your Company's website at <https://www.adityabirlacapital.com/investor-relations/policies-and-code>.

Further in accordance with Regulation 24(1) of the SEBI Listing Regulations, Mr. Arun Adhikari, Independent Director of the Company is an Independent Director on the Board of Aditya Birla Sun Life Insurance Company Limited and Mr. S. C. Bhargava, Independent Director of the Company is an Independent Director on the Board of Aditya Birla Finance Limited. In compliance with the SEBI Listing Regulations, this policy shall be reviewed by the Board at least once every three years.

Your Company and its material unlisted Subsidiaries incorporated in India undertake Secretarial Audit and annex with its Annual Report, a Secretarial Audit Report, given by a Company Secretary in practice. These Secretarial Audit reports form part of this Annual Report.

V. OTHER DISCLOSURES

Details of Non-Compliance by the Company, Penalties and Strictures imposed on the Company by Stock Exchange(s) or SEBI or any other Statutory Authority, on any matter relating to Capital Markets, during the last Three years

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence no strictures/ penalties have been imposed on the Company by the Stock Exchanges or the SEBI or any other Statutory Authority.

Related Party Transactions

During the financial year under review, your Company had entered into related party transactions which were on an arm's length basis and in the ordinary course of business. There were no material transactions with any related party as per the provisions of Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules,



Report on Corporate Governance (Contd.)

2014 and Regulation 23 of the SEBI Listing Regulations. All related party transactions were approved by the Audit Committee of your Company.

Particulars of related party transactions are listed out under the notes to the Financial Statements forming part of this Annual Report.

The policy on Related Party Transactions is available on your Company's website at <https://www.adityabirlacapital.com/investor-relations/policies-and-code>.

Disclosure of Accounting Treatment

Your Company has followed all the applicable Accounting Standards while preparing the Financial Statements.

Management Discussion and Analysis

1. The Management Discussion and Analysis forms part of this Annual Report and is in accordance with the requirements laid out in Regulation 34(2)(e) of SEBI Listing Regulations.
2. No material transaction has been entered into by the Company with its related parties that may have a potential conflict with interests of the Company.

Proceeds from Public Issues, Right Issues, Private Placement, Preferential Issues, etc.

The Company discloses to the Audit Committee, the uses/ applications of proceeds/ funds raised from public issues, private placement of Equity Shares, etc., if any, as part of quarterly review of financial results and the details are also filed with the Stock Exchanges on a quarterly basis, as applicable, pursuant to Regulation 32 of the SEBI Listing Regulations. During the year under review, the Company has fully utilized the funds which were raised pursuant to the Preferential Issue of the Company during financial year 2019-20. Further details are disclosed under Shareholder Information.

Remuneration of Directors

Independent Directors are paid sitting fees of ₹ 1,00,000/- for each Meeting of the Board, ₹ 75,000/- for each Meeting of the Audit Committee and ₹ 50,000/- for each Meeting of other Committees. Effective from 14th April 2021, the Non-Independent Directors are also paid the aforementioned sitting fees. Your Company does not pay commission to the Directors of the Company.

Further, the Company reimburses the out-of-pocket expenses, if any, incurred by the Directors for attending the Meetings.

Details of shareholding of the Directors and the sitting fees paid to the Directors for attending the Meetings of Board and the Board Committees during the financial year under review were as follows:

Amount in ₹		
Name of the Director	No. of Shares held	Sitting Fees Paid (₹)
Mr. Kumar Mangalam Birla	1,77,398*	4,00,000
Dr. Santrupt Misra	-	16,50,000
Mr. Sushil Agarwal	2,89,585*	17,00,000
Mr. Arun Adhikari	-	11,50,000
Mr. P. H. Ravikumar	1,407	16,00,000
Mr. S. C. Bhargava	-	16,50,000
Mrs. Vijayalakshmi Iyer	2,000	18,50,000
Mr. Romesh Sobti	-	8,50,000

* including shares held as a Karta of HUF

There were no pecuniary relationships or significant material transactions between your Company and Non-Executive Directors during the financial year under review.

Loans and Advances

The Company being a Core Investment Company ("CIC") registered with RBI, is in the business of making investments and providing loans to its Subsidiaries and/ or Group companies, particulars of which are listed out under the notes to accounts to the Financial Statements forming part of this Annual Report. Apart from the aforesaid, no loans and advances were given to any firms/ companies in which any of the Directors are interested.

CEO - CFO CERTIFICATION

Mr. Ajay Srinivasan, Chief Executive Officer of the Company and Mrs. Pinky Mehta, Chief Financial Officer of your Company have issued necessary certificate pursuant to the provisions of Regulation 17(8) of the SEBI Listing Regulations, for financial year 2021-22 which was placed before the Board at its Meeting held on 12th May 2022, and the same forms part of this Annual Report.

COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

The Company has complied with the Corporate Governance requirements specified under Regulations 17 to 27, clauses (b)

Report on Corporate Governance (Contd.)

to (i) and (t) of Regulation 46(2) and Para C, D and E of Schedule V of the SEBI Listing Regulations.

ARCHIVAL POLICY FOR WEBSITE CONTENT

In terms of Regulation 30 of the SEBI Listing Regulations, the Company has formulated a policy on maintaining and preserving timely and accurate records uploaded on the website of the Company. The same is available on the website of your Company at <https://www.adityabirlacapital.com/investor-relations/policies-and-code>.

COMPLIANCE CERTIFICATE

Compliance Certificate from M/s. Makarand M Joshi & Co., Practising Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under Regulation 34 read with Schedule V (E) of the SEBI Listing Regulations forms part of this Annual Report.

DETAILS OF DIRECTORS SEEKING REAPPOINTMENT

The details of the Director seeking re-appointment is provided in the Notice of the 15th AGM.

GENERAL BODY MEETINGS

During the preceding three years, the Company's AGMs were held as under:

Date, Time and Venue of the AGMs:

Year	Date	Time	Venue	Particulars of Special Resolution(s) passed
2018-19	19 th August 2019	11:00 A.M.	Indian Rayon Compound, Veraval - 362 266	Refer Note(a)
2019-20	31 st August 2020	11:00 A.M.	Through Video Conferencing/ Other Audio Visual means	-
2020-21	20 th August 2021	11:00 A.M.	Through Video Conferencing/ Other Audio Visual means	Refer Note(b)

Notes:

(a)

1. Issuance of Securities for an aggregate consideration of up to ₹ 3,500 Crore only (Rupees Three Thousand Five Hundred Crore only).

2. Approval of continuation of directorship of Mr. S. C. Bhargava (DIN: 00020021) as an Independent Director of the Company, up to 31st August 2021, post exceeding 75 years of age.

3. Approval for delivery of documents through a particular mode as may be sought by the Members.

(b)

1. Re-appointment of Mrs. Vijayalakshmi Iyer (DIN: 05242960) as an Independent Director for a second term of five years from 26th June 2022 to 25th June 2027;
2. Re-appointment of Mr. Arun Adhikari (DIN: 00591057) as an Independent Director for a second term of five years from 26th June 2022 to 25th June 2027;
3. Re-appointment of Mr. P. H. Ravikumar (DIN: 00280010) as an Independent Director for a second term of five years from 26th June 2022 to 25th June 2027; and
4. Re-appointment of Mr. S. C. Bhargava (DIN: 00020021) as an Independent Director for a second term of three years from 1st September 2021 to 31st August 2024.

No Extra-Ordinary General Meeting was held during the financial year under review.

Postal Ballot:

During the year under review, the Company had sought the approval of the Shareholders by way of a Special Resolution vide Postal Ballot notice dated 7th May 2021 for dilution of shareholding in ABSLAMC, a material Subsidiary of the Company to less than or equal to fifty percent under Regulation 24(5) of the SEBI Listing Regulations as may be applicable.

Mr. B. Narasimhan (FCS No.:1303/ COP No.:10440), Proprietor, M/s. B N & Associates, Practising Company Secretary and/ or failing him Mr. Dilip Bharadiya (FCS No.:7956/ COP No.:6740), M/s Dilip Bharadiya & Associates, Practising Company Secretaries were appointed as the 'Scrutinizer' to scrutinize the Postal Ballot process by voting through electronic means only (remote e-Voting) in a fair and transparent manner.

The Postal Ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the General Circular nos. 14/2020, 17/2020, 02/2021 and 21/2021 dated 8th April 2020, 13th April 2020 and 13th January 2021 respectively issued by the MCA.



Report on Corporate Governance (Contd.)

The Special Resolution was approved by the Members of the Company in the following manner:

Voting Pattern:

Particulars	% of Votes
Votes in favour of the Resolution	99.999%
Votes against the Resolution	0.001%

The details of the voting results of Postal Ballot in terms of the provisions of Regulation 44(3) of the SEBI Listing Regulations and the Scrutinizer's Report were submitted to the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited on 10th June 2021 and are also available on the website of the Company at <https://www.adityabirlacapital.com/investor-relations/announcements-and-updates>.

Means of Communication

Quarterly Results

The Company's quarterly/ half yearly/ annual financial results are submitted to the Stock Exchanges and published in Business Standard (all editions), and Sandesh (Rajkot edition, Gujarat).

Further, the quarterly/ half yearly/ annual financial results are approved by the Board and the result presentations are sent via e-mail to the Members whose email address is registered with the Company and are also simultaneously made available on Company's website at <https://www.adityabirlacapital.com/investor-relations/quarterly-results>.

In addition to the above, after announcement of results, the Company holds conference calls with investors/ analysts. The transcript of the said conference calls is uploaded on the Company's website at <https://www.adityabirlacapital.com/investor-relations/quarterlyresults>.

Website Disclosure

The Company's website contains a separate section namely "Investor Relations" at <https://www.adityabirlacapital.com/investor-relations> where Shareholders' related information is available and Members can access information as required to be disseminated on the website of the Company pursuant to clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

Whether it also displays official news releases	Yes
Presentations made to investors/ analysts	Yes
Shareholders' Information:	Published as a separate section in this report

NSE Electronic Application Processing System (NEAPS), NSE Digital Exchange Platform and BSE Portal for Electronic Filing

Apart from the financial results, shareholding pattern and quarterly report on Corporate Governance, other intimations/ disclosures required to be made to the Stock Exchanges are electronically filed.

Adoption of Mandatory and Discretionary Requirements

During the financial year under review, the Company complied with all the mandatory requirements of Regulation 34 of the SEBI Listing Regulations.

The Company complied with the following discretionary requirements of the SEBI Listing Regulations:

1. For the financial year 2021-22, the Company's Financial Statements are with unmodified audit opinion.
2. The Internal Auditor directly reports to the Audit Committee.

Other Disclosures:

1. At the 14th (Fourteenth) AGM held on 20th August 2021, B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) ("B S R & Co.") were appointed as Statutory Auditors in place of Deloitte Haskins & Sells, LLP, Chartered Accountants (Firm Registration No.:117366W/W-100018) ("Deloitte"). Total consolidated fees of ₹ 0.82 Crore was paid to Deloitte and all entities in the network firm/ network entity of which the Statutory Auditors were a part of, for all the services rendered to the Company and its Subsidiaries for Q1 FY22.

Further, for Q2 FY22 - Q4 FY22, total consolidated fees of ₹ 1.22 Crore was paid to B S R & Co. and all entities in the network firm/ network entity of which the Statutory Auditors were a part of for all the services rendered to the Company and its Subsidiaries.

2. During the financial year under review, there were no complaints filed, disposed or pending as at the end of financial year, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
3. A certificate from M/s. Makarand M. Joshi & Co., Practicing Company Secretaries, has been received stating/confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI/ MCA or any such statutory authority as on 31st March 2022 and the same forms part of this Annual Report.

Details of Compliance with RBI Master Directions

Policies Adopted

Pursuant to the RBI Master Directions as amended, the Company has adopted Investment Policy, Policy on demand/ call loans, policy for ascertaining 'fit and proper' status of Directors and an outsourcing policy.

Liquidity Risk Management Framework

The Company has adopted a Liquidity Risk Management Framework and is in adherence to the Liquidity Risk Management Guidelines stipulated by RBI. The disclosure on liquidity risk, on a quarterly basis, is also uploaded on the website of the Company at <https://www.adityabirlacapital.com/investor-relations/shareholder-centre> and details of the same are separately disclosed in the notes to the Financial Statements forming part of this Annual Report.

Other Disclosures

- The Company has in place a functional website and the details required to be uploaded on the website as per RBI Master Directions have been duly uploaded.
- The Company has put in place a policy on the fit and proper criteria including process of due diligence at the time of appointment/ renewal of appointment of the Directors.
- Necessary information and declaration/ undertaking from the proposed/ existing directors have been obtained, which have also been scrutinized by the Nomination, Remuneration and Compensation Committee and were also placed before the Board.
- The Company has obtained Deed of Covenants signed by the Directors, in the format specified under RBI Master Directions. Declaration from the Directors that the

information already provided has not undergone change and where there is any change, requisite details shall be furnished by them forthwith has been also obtained.

- A quarterly statement on change of Directors, and a certificate from the Chief Executive Officer on fit and proper criteria in selection of the Directors along with Statutory Auditors' certificate was filed for the quarter ended 31st March 2022.
- Mr. A. Dhananjaya has been appointed as the Chief Risk Officer (CRO) of the Company with clearly specified roles and responsibilities. Further, CRO and the Risk Management Committee also meet without the presence of Chief Executive Officer.
- The Company is in compliance with the requirements arising out of the Master Direction on Information Technology Framework for the NBFC Sector issued by RBI and has constituted an IT Strategy Committee. The Company has adopted an IT Policy and Cyber-security Policy and undertaken a comprehensive risk assessment of IT Systems and Information Systems audit was conducted by an Independent Auditor for the financial year under review.
- Relevant disclosures as applicable under the RBI Master Directions have been made in the Annual Financial Statements for the financial year ended 31st March 2022.
- No penalties have been imposed by RBI and other regulators including strictures or directions on the basis of inspection reports or other adverse findings.
- Statutory Auditors have not expressed any modified opinion(s) or other reservation(s) in their audit report/ limited review report in respect of the financial results.



Shareholder's Information

1. Annual General Meeting

Date and Time : Friday, 26th August 2022 at 11:00 A.M.

Venue : Meeting is being conducted through VC/OAVM pursuant to the MCA Circular dated 5th May 2020 read with general circulars dated 8th April 2020, 13th April 2020, 13th January 2021, 14th December 2021 and 5th May 2022.
Please refer to the Notice of this AGM for more details.

2. Financial Calendar for Reporting

Financial year of the Company : 1st April to 31st March
For the quarter ending 30th June 2022 : On or before 10th August 2022*
For the quarter ending 30th September 2022 : On or before 10th November 2022*
For the quarter ending 31st December 2022 : On or before 10th February 2023*
For the quarter/ year ending 31st March 2023 : On or before 15th May 2023*
16th Annual General Meeting for the year ended March 2023 : August 2023
*Tentative dates

3. Dividend Payment Date

: Not Applicable

4. Registered Office

: Indian Rayon Compound,
Veraval – 362 266, Gujarat, India
Phone: +91 2876 243 257
Email: abc.secretarial@adityabirlacapital.com
Website: www.adityabirlacapital.com
CIN: L67120GJ2007PLC058890

5. (a) Listing Detail

Equity Shares	Global Depositary Shares (GDSs)
1. BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	: 1. Luxembourg Stock Exchange Society de la Bourse de Luxembourg PO. Box 165, L-2011 Luxembourg, Grand Duchy of Luxembourg
2. National Stock Exchange of India Limited Exchange Plaza, Plot No. C-1, G- Block, Bandra-Kurla Complex, Bandra (East), Mumbai- 400 051	

Note: Annual Listing Fees for the financial year 2022-23 has been paid to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). Listing Fees for the GDSs has been paid to Luxembourg Stock Exchange (LSE) for the calendar year 2021.

(b) Overseas Depositary for GDSs

: Citibank N.A.
Depositary Receipt Services
388 Greenwich Street, 6th Floor,
New York, NY – 10013, USA
Tel: +212 816 9082
Fax: +212 816 6876

(c) Domestic Custodian of GDSs

: Citibank N.A.
Custody Services FIFC, 11th Floor, C 54 & 55,
G- Block, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051
Tel: +91 22 6175 7272
Fax: +91 22 2653 2205

Shareholder's Information (Contd.)

6. Stock Code

: Equity Shares - ISIN INE674K01013
: Global Depositary Shares- ISIN US0070261070

Stock Exchanges	Stock Code	Reuters	Bloomberg
BSE Limited	540691	ADTB.BO	-
National Stock Exchange of India Limited	ABCAPITAL	ADTB.NS	ABCAP:IN
Luxembourg Stock Exchange	-	ABCLY	ABCLY:US

7. Stock Price Data

Year/ Month	BSE Limited			National Stock Exchange of India Limited			Luxembourg Stock Exchange	
	High	Low	Close	High	Low	Close	High	Low
	(In ₹)			(In ₹)			(In US\$)	
Apr-'21	131.40	112.50	114.60	131.40	112.50	114.55	1.72	1.51
May-'21	130.90	113.00	121.15	130.85	113.00	121.15	1.75	1.55
Jun-'21	128.40	116.50	117.15	128.45	116.45	117.25	1.73	1.58
July-'21	127.80	113.35	115.80	127.70	113.40	115.80	1.67	1.52
Aug-'21	123.90	98.25	108.00	123.95	98.00	107.85	1.64	1.34
Sep-'21	119.20	105.80	112.75	118.80	105.80	112.75	1.58	1.45
Oct-'21	113.60	96.40	96.75	113.25	96.35	96.70	1.51	1.29
Nov-'21	114.60	96.65	109.00	114.65	96.60	109.10	1.52	1.33
Dec-'21	127.45	107.60	123.90	127.50	107.60	123.90	1.67	1.47
Jan-'22	139.10	111.75	117.60	139.20	111.80	117.65	1.84	1.54
Feb-'22	129.20	98.60	105.65	129.30	98.55	105.55	1.69	1.31
Mar-'22	112.35	96.85	107.65	112.40	96.85	107.65	1.45	1.28

8. Indexed Stock Performance





Shareholder's Information (Contd.)

9. Registrar and Transfer Agents (RTA)

(For share transfers and other communication relating to share certificates, change of address etc.)

: KFin Technologies Limited ("KFin")
[Formerly known as KFin Technologies Private Limited]
Unit: Aditya Birla Capital Limited
Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Serilingampally
Hyderabad – 500 032
Tel: +91 40 6716 1630
Toll Free no- 1800-309-4001
E-mail id - einward.ris@kfintech.com

10. Share Transfer System

: In terms of Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, securities can be transferred only in dematerialised form with effect from 1st April, 2019. Further, Securities Exchange Board of India ("SEBI") had fixed 31st March 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in dematerialised mode.

Shareholders holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into dematerialised form.

More details about the system and procedures are covered below under section "Other useful information for the shareholders".

11. Investor Complaints Details

Nature of Complaints	2021-22		2020-21	
	Received	Redressed	Received	Redressed
Complaints relating to Transfer, Transmission, Demat, Non- receipt of Shares on amalgamation / demerger, Non- Receipt of Annual Report etc.	27	27	8	8

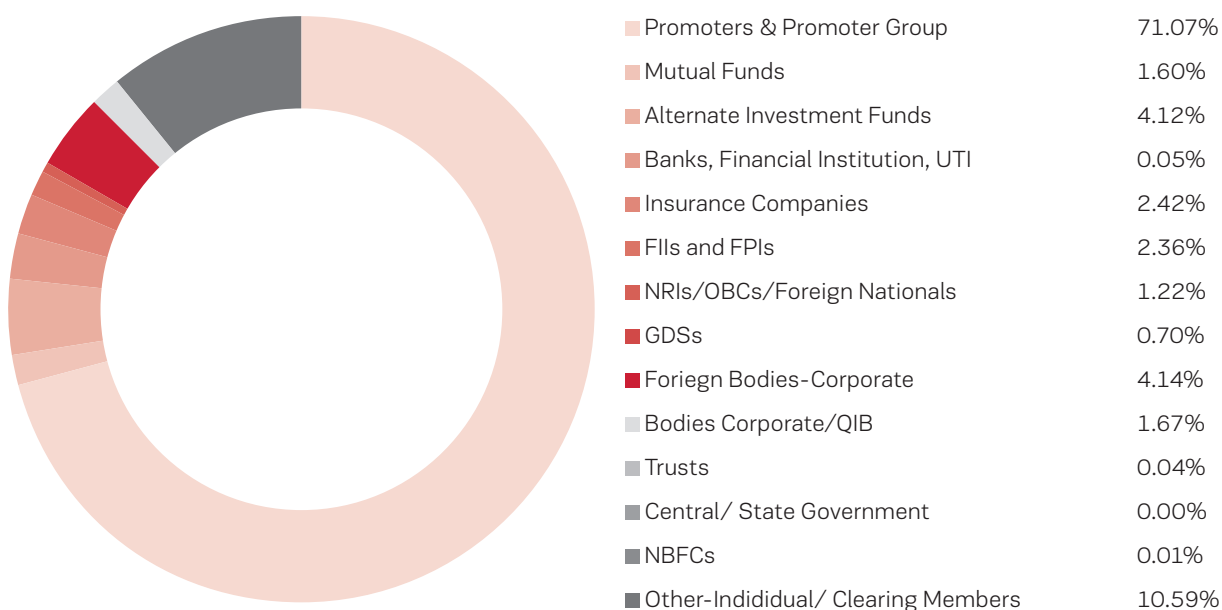
12. Distribution of Shareholding as on 31st March 2022

No. of Shares	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Shares
1-500	4,69,480	84.50	5,62,46,090	2.33
501- 1000	42,593	7.67	3,31,59,450	1.37
1001- 2000	22,592	4.07	3,33,27,734	1.38
2001- 3000	7,673	1.38	1,93,66,164	0.80
3001- 4000	3,590	0.65	1,27,86,408	0.53
4001- 5000	2,736	0.49	1,27,83,917	0.53
5001- 10000	4,033	0.73	2,93,15,989	1.21
10001 & above	2,823	0.51	2,21,93,26,234	91.85
Total	5,55,520	100.00	2,41,63,11,986	100.00

13. Categories of Shareholding as on 31st March 2022

Category of Shareholders	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
Promoter and Promoter Group*	25	0.00	1,71,73,43,195	71.07
Banks, Mutual Funds Financial Institutions and Insurance Companies				
Mutual Funds	75	0.01	3,85,44,392	1.60
Alternate Investment Funds	6	0.00	9,94,42,970	4.12
Banks, Financial Institutions, UTI	152	0.03	11,63,063	0.05
Insurance Companies	18	0.00	5,85,76,473	2.42
Foreign Investors				
FII's and FPIs	144	0.03	5,70,58,834	2.36
NRI's/OCB's/Foreign Nationals	8,951	1.61	2,95,60,260	1.22
GDSs	1	0.00	1,69,20,634	0.70
Foreign Bodies - Corporate	1	0.00	10,00,00,000	4.14
Bodies Corporate/QIB	2,507	0.45	4,04,62,728	1.67
Trusts	46	0.01	10,66,872	0.04
Central/ State Government	3	0.00	12,818	0.01
NBFCs	12	0.00	2,20,348	0.01
Other - Individual/ Clearing Members	5,43,579	97.86	25,59,39,399	10.59
Total	5,55,520	100.00	2,41,63,11,986	100.00

* Includes 3,36,16,128 (1.39%) GDSs held by 5 Promoter Group entities.





Shareholder's Information (Contd.)

14. Dematerialisation of Shares

The Equity Shares of the Company are available for trading in the dematerialised form under both the Depositories viz. National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"). The entire Promoter and Promoter Group holdings are in dematerialised form and the same is in compliance with the SEBI directions.

98.86% of equity shares have been dematerialised as on 31st March 2022.

• Shares held in Demat mode in NSDL	: 92.66%
• Shares held in Demat mode in CDSL	: 6.20%
Total	: 98.86 %

15. Details on use of Public Funds Obtained in the Last Three Years

1. The Company has issued and allotted 4,84,00,000 Equity Shares of face value of ₹10 each on Private placement basis at a per share price of ₹ 145.40, fully paid-up, which inter-alia includes a share premium of ₹ 135.40 aggregating to ₹ 703.88 Crore to PI Opportunities Fund - 1 ("Investor") in pursuance of the subscription agreement entered into between the Company and the Investor. The allotment of the aforesaid shares was made on 30th June 2017. The amount received as consideration was used towards growth, expansion, marketing and general corporate activities, repayment of borrowings and investment in Subsidiaries of the Company and aforesaid proceeds have been fully utilized as on 31st March 2022.
2. The Company has issued and allotted 21,00,00,000 Equity Shares of face value of ₹10 each on preferential basis at a per share price of ₹ 100, fully paid-up, which inter-alia includes a share premium of ₹ 90 aggregating to ₹ 2,100 Crore out of which ₹ 1,000 Crore was received from the Promoter and members of the Promoter Group Companies, ₹ 100 Crore from PI Opportunities Fund - 1 ("PIOF") and ₹ 1,000 Crore was received from Jomei Investments Limited ("JIL") in pursuance of the subscription agreement entered into between the Company and the Investor. The allotment of the aforesaid shares was made on 16th October 2019 to Promoter and members of the Promoter Group Companies and PIOF and on 27th February 2020 to JIL. The amount received as consideration was used for repayment of borrowings and investments in Subsidiaries of the Company and aforesaid proceeds have been fully utilized as on 31st March 2022.

16. Outstanding GDSs/ADRS/ Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity

- : There were 5,05,36,762 outstanding GDSs as on 31st March 2022. Each GDS represents one underlying Equity Share. There are no ADRs, Warrants/Convertible Bonds outstanding as at the year end.

17. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

- : The Company does not have any exposure to commodity price risks and foreign exchange risk.

18. Credit Rating

- : ICRA Ltd. has assigned a rating of "[ICRA] A1+" and CRISIL Ratings has assigned "CRISIL A1+" for the Commercial Paper Programme of the Company for an amount of ₹ 300 Crore (Rupees Three Hundred Crore only) and have revalidated the ratings from time to time. During the financial year under review, ICRA Ltd. assigned a [ICRA] AAA (pronounced as ICRA triple A) (stable) rating for the proposed issue of ₹ 200 Crore (Rupees Two Hundred Crore only) Non-Convertible Debenture (NCD) Programme of the Company.

19. Other Useful Information for the Shareholders

Share Transfer / Transmission / Transposition / Dematerialisation

SEBI effective 1st April 2019, disallowed physical transfer of shares of listed companies and mandated transfers of equity shares in electronic form only. Members holding shares in physical form are requested to convert their holdings to dematerialized form.

In terms of SEBI circular dated 25th January 2022, all service requests for issue of duplicate certificate, claim from unclaimed suspense account, renewal/ exchange of securities certificate, endorsement, subdivision/ splitting/ consolidation of certificate, transmission and transposition which were allowed in physical form shall now be processed in dematerialised form only. Further, in lieu of physical share certificate, a Letter of Confirmation (LOC) carrying all details of shares will be issued by the KFin as per SEBI Circular while processing any of the aforesaid investor service request which shall be valid for a period of 120 days from the date of its issuance. Reminder shall be sent after the end of 45 days and 90 days from the date of issuance of LOC, informing the securities holder/claimant to submit the demat request.

In case the securities holder/claimant fails to submit the demat request within the aforesaid period of 120 days, the securities shall be credited into the Suspense Escrow Demat Account of the Company.

Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR – 4 (Form for various service requests), the format of which is available on the Company's website at <https://www.adityabirlacapital.com/investor-relations> and also on website of the KFin at <https://www.kfintech.com/>.

Further SEBI vide its amendment to SEBI Listing Regulations, dated 25th April 2022, had revised the existing threshold limit for simplified documentation in case of transmission request for securities held in physical mode from the present level of ₹ 2 lakh per listed issuer to ₹ 5 lakh and upto to ₹ 15 lakh from the present level of ₹ 5 lakh per beneficial owner for securities held in the dematerialised mode.

Members can write a letter addressed to KFin at e-mail id: einward.ris@kfintech.com for more details.

Common and simplified norms for investor service request

SEBI has made furnishing of PAN, KYC and Nomination details mandatory by the investors holding shares in

physical forms vide its Circular dated 3rd November 2021 read with circular dated 14th December 2021 ("Circulars").

The Company had sent letters explaining the requirement of above SEBI Circular along with copies of the relevant forms and prepaid envelopes to all physical shareholders at their registered postal address to furnish the details. The said requirement was also communicated by sending emails to the Shareholders who have registered their email id.

Members are advised to ensure that KYC details i.e. PAN, Address, Mobile Number, Bank Account details, E-mail id and Nomination details are duly updated.

Shareholders are requested to update/ intimate changes, if any, pertaining to their PAN, postal address, e-mail address, telephone/ mobile numbers, with necessary documentary evidence to KFin at e-mail id: einward.ris@kfintech.com in Form ISR-1 if shares are held in physical mode or to their Depository Participant ("DP"), if the holding is in electronic mode. The said Form ISR-1 for change / update of details, Form ISR-2 for bankers attestation of signature in case of major mismatch and Form ISR-3 for declaration for opting out of nomination are available for download from the weblink <https://www.adityabirlacapital.com/investor-relations/shareholder-centre> or https://ris.kfintech.com/clientservices/isc/default.aspx#isc_download_hrd.

Nomination

Section 72 of the Act, extends nomination facility to individual holding shares in physical form. Members, in particular, those holding shares in single name, may avail the above facility by furnishing the particulars of their nomination in the nomination form (Form SH-13), which can be downloaded from the Company's website through the weblink at <https://www.adityabirlacapital.com/investor-relations/shareholder-centre>. Shareholders holding shares in demat mode should file their nomination with their DPs for availing this facility.

Permanent Account Number and Aadhaar

Shareholders who hold shares in physical form are advised that SEBI has made it mandatory for all holders and claimants of physical securities to furnish PAN vide SEBI Circular dated 3rd November 2021. Further, SEBI has also made compulsory linking of PAN and Aadhaar by all shareholders in physical mode. The folios in which PAN is not linked to the Aadhaar number of the shareholder as on the notified cut-off date of 31st March 2022 or any other date as may be specified by the CBDT, will be frozen.



Shareholder's Information (Contd.)

Freezing of Folios without PAN, KYC Details and Nomination

Folios wherein KYC and Nomination details are not available on or after 1st April 2023, shall be frozen by KFin/ Company in terms of the Circulars. The frozen folios will be referred by KFin/ Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on 31st December 2025.

Registering of E-mail Address

Members who have not yet registered their e-mail address for availing the facility of e-communication, are requested to register the same with the Company/ KFin or their DPs for easier and faster correspondence.

The Company has also published a newspaper advertisement in Business Standard (All editions) and Sandesh (Rajkot edition) on 5th May 2021 and 23rd July 2021 informing members the process for registration of their e-mail ids.

Members can register their email id by sending duly filed Form ISR-1 to the Company/ KFin, which can be downloaded from the weblink <https://www.adityabirlacapital.com/investor-relations/shareholder-centre> or https://ris.kfintech.com/clientservices/isc/default.aspx#isc_download_hrd.

Loss of Shares

In case of loss/misplacement of shares, investors are requested to immediately inform the same by writing a

letter addressed to KFin at e-mail id einward.ris@kfintech.com along with the proof of holding.

For more details in this regards, Members can write a letter addressed to KFin at e-mail id: einward.ris@kfintech.com.

Non-Resident Shareholders

Non-resident Members are requested to immediately notify the following to the KFin in respect of shares held in physical form by sending duly filled and signed ISR forms and to their DPs in respect of shares held in dematerialized form:

- Indian address for sending all communications, if not provided earlier;
- E-mail id and Phone No. (s), if any.
- Change in their residential status on return to India for permanent settlement;
- Particulars of the Bank Account maintained with a bank in India, if not furnished earlier; (Please send a photocopy of cancelled cheque leaf)
- RBI permission with date to facilitate prompt credit of dividend, if issued by Company in their Bank Accounts.

Unclaimed Shares in Physical Form

Regulation 39 (4) of SEBI Listing Regulations provides the manner of dealing with the shares issued in physical form pursuant to a public issue or any other issue and which remains unclaimed with the Company. In case your shares are lying unclaimed with the Company, you are requested to claim the same by writing a letter to the Company/ KFin.

A report in respect of the Equity Shares lying in the Unclaimed Suspense Account as on 31st March 2022 is as under

Sr. No	Description	Number of Shareholders	(face value of ₹ 10 each)
1	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as of 1 st April, 2021	8,243	8,55,639
2	Number of shareholders and the shares which were transferred to the Unclaimed Suspense Account during the year.	18,279	28,10,899
3	Number of shareholders who have approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year	33	5,248
4	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	33	5,248
5	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as at 31 st March 2022	26,489	36,61,290

The voting rights on the shares in the suspense account as on 31st March 2022, shall remain frozen till the rightful owners of such shares claim the same.

In view of the above, the Company had sent several reminders dated 15th March 2018, 1st February 2019, 16th September 2019 and 8th February 2021 to shareholders informing them the status of their shares and asking them to provide documents to claim the undelivered share certificates. Further, vide letter dated 16th January 2020 the Company has tried to reach out to members holding shares in physical form (including the members whose share certificates are lying undelivered with the Company) to dematerialize their holdings.

Shareholder's Information (Contd.)

Company's Website

You are requested to visit the Company's website <https://www.adityabirlacapital.com/investor-relations/shareholder-centre> for

- Information on investor services offered by the Company.
- Downloading of various forms/formats, viz., ISR-1, ISR-2, ISR-3, ISR-4, Nomination form SH-13, ECS Mandate form, Indemnity, Affidavits, etc.
- Registering/ updating the e-mail address.

NECS Facility

In terms of a notification issued by the Reserve Bank of India, with effect from 1st October 2009, remittance of Dividend through ECS is replaced by National Electronic Clearing Service (NECS). Banks have been instructed to move to the NECS platform. The advantages of NECS over ECS include faster credit of remittance to the beneficiary's account, coverage of more bank branches and ease of operations. NECS essentially operates on the new and unique bank account number, allotted by bank post implementation of Core Banking System of inward instructions and efficiency in handling bulk transactions.

Members are requested to provide their new account number allotted to them by their respective banks after implementation of Core Banking Solution. The account number must be provided to the Company in respect of shares held in physical form and to the depository participants in respect of shares held in electronic form.

Web-Based Query Redressal System

Members may utilise the facility extended by the RTA for redressal of queries, by visiting <https://karisma.kfintech.com/> and clicking on 'INVESTORS SERVICES' option for query registration through free identity registration process. Investors can submit their query in the 'QUERIES' option provided on the above website, which would generate the grievance registration number. For accessing the status/response to the query submitted, the grievance registration number can be used at the option 'VIEW REPLY' after 24 hours. Investors can continue to put an additional query, if any, relating to the grievance till they get a satisfactory reply.

K-PRISM

Members are requested to take note that, KFin has launched K-PRISM, a secure mobile interface through which investors who utilise the corporate registry services of KFin will now

be able to access their application status, download Annual Reports, standard forms and keep track of upcoming General Meetings all on the go, in a hassle free, paper-less process. The mobile application is available for download on the Android Play Store and a desktop version can be accessed at <https://kprism.kfintech.com>. Members can download the mobile application and register themselves (onetime) for availing host of services viz. consolidated portfolio view serviced by KFin, Dividends status and send requests for change of Address, updation of Mobile number, Email address.

Correspondence with the Company

Shareholders/Beneficial Owners are requested to quote their Folio No. /DP ID and Client ID, as the case may be, in all correspondence with the KFin. All correspondences regarding shares of the Company should be addressed to KFin e-mail id: einward.ris@kfintech.com. KFin has also designated toll-free no. i.e. 1800-309-4001 for investor services where they can register their complaints/queries to facilitate speedy and prompt redressal.

Service of Documents in Electronic Form (Green Initiative in Corporate Governance)

In order to conserve paper and environment, the Ministry of Corporate Affairs ("MCA"), Government of India, has allowed and envisaged the companies to send Notices of General Meetings/other Notices, Audited Financial Statements, Board's Reports, Auditors' Reports, etc., henceforth to their shareholders electronically as a part of its Green Initiative in Corporate Governance.

Shareholders can avail e-communication facility by registering their e-mail address with the Company by sending the request on e-mail to abc.secretarial@adityabirlacapital.com / einward.ris@kfintech.com.

Benefits of registering the e-mail address for availing e-communication:

- it will enable you to receive communication promptly;
- it will avoid loss of documents in postal transit; and
- it will help in eliminating wastage of paper, reduce paper consumption and, in turn, save trees.

Feedback: Members are requested to give us their valuable suggestions for improvement of the investor services to the Corporate Office or Registered Office or via email at abc.secretarial@adityabirlacapital.com.



Shareholder's Information (Contd.)

20. Plant Location

The Company is engaged in financial services business and does not have any plant.

21. Investor correspondence

(i) Registered Office

Aditya Birla Capital Limited.
Indian Rayon Compound,
Veraval - 362 266, Gujarat
Tel: +91 2876 243257
Fax: +91 2876 243220
E-mail: abc.secretarial@adityabirlacapital.com

(ii) Corporate Office

Aditya Birla Capital Limited.
One World Centre, Tower I,
18th Floor, Jupiter Mill Compound,
841 Senapati Bapat Marg,
Elphinstone Road, Mumbai- 400 013
Tel: +91 22 4356 7000
Fax: +91 22 4356 7111
E-mail: abc.secretarial@adityabirlacapital.com

(iii) Registrar & Transfer Agent

KFin Technologies Limited
Unit: Aditya Birla Capital Limited
Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Serilingampally, Hyderabad – 500 032
Tel: +91 40 6716 1630
Toll Free no: 1800-309-4001
E-mail : ejinward.ris@kfintech.com

CODE OF CONDUCT DECLARATION

As provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Members of the Board and Senior Management Personnel of the Company have affirmed Compliance with the Code of Conduct for Board and Senior Management Personnel of the Company during the financial year ended 31st March 2022.

Date: 12th May 2022

Ajay Srinivasan
Chief Executive Officer

CEO - CFO CERTIFICATION

To
The Members,
Aditya Birla Capital Limited,

We certify that:

1. We have reviewed the Audited Financial Statements and the cash flow statement of Aditya Birla Capital Limited ("the Company") for the financial year ended 31st March 2022 and to the best of our knowledge and belief:
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading.
 - b) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. To the best of its knowledge and belief, no transactions have been entered into by the Company during the financial year ended 31st March 2022, which are fraudulent, illegal, or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken to rectify the deficiencies.
4. We have indicated to the Auditors and the Audit Committee: -
 - i. Significant changes in the Company's internal control over financial reporting, if any, during the financial year ended 31st March 2022;
 - ii. Significant changes in accounting policies, if any, during the financial year ended 31st March 2022 have been disclosed in the notes to the Financial Statements; and
 - iii. Instances of significant fraud of which we have become aware and involvement therein, if any, of the management or other employees having a significant role in the Company's internal control system over financial reporting.
5. We further confirm that there has been no deviation in the use of proceeds of funds raised by the Company, from the objects/purpose stated in the application/offer letter.

Ajay Srinivasan
Chief Executive Officer

Pinky Mehta
Chief Financial Officer

Date: 12th May 2022



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
Aditya Birla Capital Limited
Indian Rayon Compound, Veraval - 362266

We have examined the compliance of conditions of Corporate Governance by **Aditya Birla Capital Limited** ("the Company") for the year ended on 31st March 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"].

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and representations made by the management, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Makarand M. Joshi & Co.**
Practicing Company Secretaries

Makarand M. Joshi
Partner
FCS No. 5533
CP No. 3662
P.R. No: 640/2019
UDIN: F005533D000324445

Date: 15th May 2022
Place: Mumbai

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Aditya Birla Capital Limited,
Indian Rayon Compound,
Veraval GJ - 362266

We have examined the relevant disclosures provided by the Directors (as enlisted in Table A) to **Aditya Birla Capital Limited** having CIN **L67120GJ2007PLC058890** and having registered office at **Indian Rayon Compound, Veraval - 362266, Gujarat** (hereinafter referred to as 'the Company') for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information, based on (i) Documents available on the website of the Ministry of Corporate Affairs (MCA) (ii) verification of Directors Identification Number (DIN) status on the website of the MCA, and (iii) disclosures provided by the Directors (as enlisted in Table A) to the Company, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India, MCA or any other such statutory authority as on 31st March 2022.

Table A

Sr. No.	Name of the Directors	Director Identification Number	Date of appointment in Company
1.	Mr. Kumar Mangalam Birla	00012813	26 Oct 2017
2.	Dr. Santrupt Misra	00013625	26 Oct 2017
3.	Mr. Subhash Chandra Bhargava	00020021	1 Sept 2016
4.	Mr. Sushil Agarwal	00060017	26 Oct 2017
5.	Mr. Hayagreeva Ravikumar Puranam	00280010	26 Jun 2017
6.	Mr. Arun Adhikari Kumar	00591057	26 Jun 2017
7.	Mrs. Vijayalakshmi Iyer	05242960	26 Jun 2017
8.	Mr. Romesh Sobti	00031034	14 Jan 2021

General Disclaimer: Our Analysis for this certificate does not cover the verification of criteria pertaining to appointment as Independent Director under Section 149 of the Companies Act, 2013.

For **Makarand M. Joshi & Co.**
Practicing Company Secretaries

Kumudini Bhalerao
Partner
FCS No. 6667
CP No. 6690
UDIN: F006667D000310289

Date: 12th May 2022
Place: Mumbai



Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	L67120GJ2007PLC058890
2. Name of the Company	Aditya Birla Capital Limited
3. Registered address	Indian Rayon Compound, Veraval - 362 266, Gujarat, India
4. Website	www.adityabirlacapital.com
5. E-mail id	abc.secretarial@adityabirlacapital.com
6. Financial Year Reported	1 st April 2021 to 31 st March 2022
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	The Company holds a certificate of Registration issued by the RBI to carry on business of a Non-Deposit Systemically Important Core Investment Company (CIC-ND-SI) under Section 45-IA of the Reserve Bank of India Act, 1934. Code: 6420 (Activities of Holding Company)
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	Aditya Birla Capital Limited ("ABCL" or "the Company" or "your Company") is the Holding Company of various subsidiaries having presence across several business sectors including nonbanking financial companies (NBFC), asset management, life insurance, health insurance, housing finance, private equity, insurance broking, wealth management, equity and commodity broking, pension fund management and asset reconstruction business.
9. Total number of locations where business activity is undertaken by the Company	As on 31 st March 2022, the Company and its Subsidiaries had 1,048 branches across 362 locations in India. The step-down Subsidiaries of the Company have presence in Mauritius, Dubai and Singapore.
10. Markets served by the Company	The Subsidiaries of the Company serve customers in India and international locations.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Standalone	Consolidated
1.	Paid-up Equity Capital as on 31 st March 2022		₹ 2,416.31 Crore
2.	Total Turnover	₹ 452.71 Crore	₹ 22,229.91 Crore
3.	Total Profits after taxes	₹ 344.69 Crore	₹ 1,705.97 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	During the financial year under review, your Company was not required to make any expenditure towards Corporate Social Responsibility ("CSR") projects, in absence of average net profit for three immediately preceding financial years calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 ("the Act").	
5.	List of activities in which expenditure in 4 above has been incurred	Not Applicable	

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies?

As on 31st March 2022, the Company had 19 (Nineteen) Indian Subsidiaries and 5 (Five) Foreign Subsidiaries (including step down Subsidiaries).

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such Subsidiary Company(s):

Yes, 6 (Six) Subsidiaries of the Company participate in the business responsibility initiatives of the Company viz. Aditya Birla Finance Limited ("ABFL"), Aditya Birla Housing Finance Limited ("ABHFL"), Aditya Birla Sun Life Insurance Company Limited ("ABSLI"), Aditya Birla Sun Life AMC Limited ("ABSLAMC"), Aditya Birla Insurance Brokers Limited ("ABIBL") and Aditya Birla Health Insurance Co. Limited ("ABHI") [collectively referred as "ABC Companies" or "We" or "Us"].

3. Do any other entity/entities (e.g., suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:

No.

SECTION D: BR INFORMATION**1. Details of Director/Directors responsible for BR****a) Details of the Director/Directors responsible for implementation of the BRR policy/policies**

DIN Number (if applicable)	00020021
Name	Mr. S. C. Bhargava
Designation	Independent Director

b) Details of the BR head

Sr. No.	Particulars	Details
1.	DIN Number (If applicable)	00121181
2.	Name	Mr. Ajay Srinivasan
3.	Designation	Chief Executive Officer
4.	Telephone number	+91 22 4356 7000
5.	e-mail id	ajay.srinivasan@adityabirlacapital.com

2. Principle-wise (as per NVGs) BR Policy/Policies (Reply in Y/N)

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability through their life cycle.
P3	Businesses should promote the wellbeing of all employees.
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

2a. Details of compliances:

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have policy/policies for*	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any National/International Standards? If yes, specify? (50 Words).	Yes								
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/Owner/CEO/Appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified Committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	Employee specific policies are accessible only by employees on intranet HRMS portal and are not shared in the public domain. Other policies of the Company are available on the website of the Company at https://www.adityabirlacapital.com/investor-relations/policies-and-code .								



Business Responsibility Report (Contd.)

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The relevant policies are communicated to key stakeholders								
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Internal Auditors of the Company from time-to-time review implementation of these Policies.								

* Some of the principles have limited applicability to us, considering the overall nature of financial services rendered by the businesses. In such cases, we follow the corresponding policies of Aditya Birla Group.

2b. If answer to Sr. No.1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

Not Applicable

3. Governance related to BR

- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year

The Company assesses its Business Responsibility performance annually. Further, various initiatives and processes as part of BR performance are reviewed on a periodic basis. The key policies of the Company are reviewed on an annual and/or need basis.

- b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes Business Responsibility Report on an annual basis. The Business Responsibility reports are available on the website of the Company viz., <https://www.adityabirlacapital.com/investor-relations>. The Company also publishes Sustainability Reports in accordance with the Global Reporting

Initiative (GRI) Standards. The Sustainability Reports are available on the website of the Company at <https://www.adityabirlacapital.com/investor-relations/Sustainability-Reports>.

SECTION E: PRINCIPLE – WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Venture/Suppliers/Contractors/NGOs/Others?

The Company's governance structure guides the organisation keeping in mind the core values of Integrity, Commitment, Passion, Seamlessness and Speed. The Corporate Principles and Code of Conduct cover all employees of the Company and its Subsidiaries (including probationers and trainees). All the employees are also required to affirm the adherence to Code of Conduct on annual basis.

The Company also has a Code of Conduct that is specifically designed for all the Board Members and Senior Management Personnel. The said Code is approved by the Board of Directors of the Company and is available on the Company's website: i.e., www.adityabirlacapital.com. The Board Member and Senior Management Personnel affirm the adherence to Code of Conduct on annual basis.

The Company insists on adherence to ethical business practices and aforesaid principles by third party agencies during their dealings with the Company.

The Company has also formulated a Whistle blower policy/ Vigil Mechanism for Directors and Employees to report concerns, if any related to violations of the Code of Conduct, details of which are covered in the Corporate Governance Report, which forms part of this Annual Report.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof in about 50 words or so.**

During the financial year under review, 27 (Twenty-Seven) complaints were received from the Shareholders of the Company pertaining to investor service requests, all of which were attended to/resolved.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. **List up to 3 of its products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Company is a Core Investment Company (CIC) registered with Reserve Bank of India. The Subsidiaries of the Company are engaged in various lines of business viz. non-banking financial activities, asset management, life insurance, health insurance, housing finance, private equity, insurance broking, wealth management, equity and commodity broking, pension fund management and asset reconstruction business. Given the nature of business of the Company, it does not have any goods and raw material utilisation as part of its products and services.

However, the Company's Subsidiaries engage in products and services which drive the Environment, Social and Sustainability Agenda.

Product 1 - Through its infrastructure finance vertical, ABFL has been a financier for renewable energy projects, facilitating their business and providing debt funding to mitigate climate change. In alignment to the Intended

Nationally Determined Contributions (INDCs), ABFL is doing its bit to contribute to achieving the target of 175 GW of renewable energy capacity by 2022 and has outstanding loan book of ₹ 1,808.03 Crore towards renewable energy projects as on 31st March 2022. ABFL had received ₹ 1,000 Crore of funding from International Finance Corporation ("IFC") specifically to promote Green and Renewable energy, which is also monitored for compliance in line with IFC Standards for ESG.

Product 2 - An ESG focused equity fund is managed by ABSLAMC with AUM of ₹ 1,060.66 Crore.

Product 3 - ABHFL also provides home loans to first time buyers and to affordable segment in line with PMAY guidelines.

2. **For each such product, provide following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

Not applicable considering the nature of financial services rendered by us.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of the inputs was sourced sustainably? Also provide details thereof, in about 50 words or so.**

Considering the nature of financial products which are service oriented and not material resource intensive sustainable sourcing for Company's products is not applicable.

However, over the past two years we have implemented over 100 new technologies with many industry-first use cases, including WhatsApp for business, Video KYC, ML based audio-visual bots and email bot, video interview with micro expressions for digitalisation of customer journeys and improving scalability and resilience of our digital assets. We have built significant digital onboarding capabilities across lines of business (LOBs) through end-to-end customer journey re-engineering. This has ensured business sustainability during the pandemic. Over 93% of our customers were onboarded digitally across all LOBs in FY22, which helped in contactless customer acquisition.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes, there are tie ups with vendors for services related to Environmental, Social and Sustainability initiatives.



Business Responsibility Report (Contd.)

- 5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also provide details thereof in 50 words or so.**

We conduct recycling activities through our service provider ViaGreen which collects dry waste from offices and branches and which is traded in for environment friendly office stationery made of recycled materials, contribution towards charitable causes and tree plantation drives or cash. Similarly, wet waste are handed over to building management organic waste composter for recycling.

During the financial year under review, around 18,045 kilograms of dry waste was handed over to ViaGreen for recycling. Overall 61 MtCo2 Greenhouse Gas (GHG) emissions were avoided.

Principle 3 - Businesses should promote the well-being of all employees

- 1. Please indicate the Total number of employees.**
The Company had 27 (Twenty-Seven) employees as on 31st March 2022.
- 2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.**
During the financial year under review, no employee was hired on temporary/contractual/casual basis by the Company.
- 3. Please indicate the Number of permanent women employees.**
The Company had 6 (Six) permanent women employees, as on 31st March 2022.
- 4. Please indicate the Number of permanent employees with disabilities.**
ABC Companies are committed to have a diverse and inclusive team and details regarding differently abled persons employed by us are covered in Principle 4 of this report.
- 5. Do you have an employee association that is recognised by management?**
The Company does not have any employee association that is recognised by the Management.
- 6. What percentage of the permanent employees is members of this recognised employee association?**
Not applicable since the Company does not have any employee association that is recognised by the Management.

- 7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sr. No.	Category	No. of complaints filed during the financial year 2021-22	No. of complaints pending as on 31 st March 2022
1.	Child labour/forced Labour/ involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

- 8. What percentage of the under mentioned employees were given safety & skill up-gradation training in the last year?**

Sr. No.	Category of Employees	Safety Training	Skill Upgradation
1.	Permanent Employees	-	92%
2.	Permanent Women Employees	-	93%
3.	Casual/Temporary/ Contractual Employees	-	-
4.	Employees with Disabilities	-	-

Employee health and safety is of prime importance for us. We have a process in place for fire safety and evacuation related training for floor marshals and employees across offices and branches on a periodic basis. We have tie-ups with vendors to educate and demonstrate use of firefighting equipment to our staff. We conduct safety training for women employees where they are trained on situation reaction and self-defense and briefed on legal provisions relevant to their safety. We focus on skilling employees with the requisite knowledge and skill.

We conduct various programmes, designed to meet the changing skill requirements of our employees. These training programmes include orientation sessions for new employees, programmes conducted by various skill-enhancing, role specific functional academies, leadership mentoring programmes and other management development programmes for mid-level and senior executives. We organise various in-house sessions on a regular basis and also sponsor our employees to attend training sessions organised by external professional bodies to facilitate skill upgradation of employees handling relevant functions.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the company mapped its internal and external stakeholders? Yes/No

A framework for mapping our internal as well as external stakeholders and engaging with them has been implemented. The internal stakeholders like employees are reached out through surveys and regular engagements and external stakeholders viz. investors, clients and business partners, etc. are reached out through defined activities such as press releases, analyst/investor meets, client events, participation in events organised by various associations, etc. Regular engagement with our stakeholders not only helps us address their concerns and expectations but facilitates better understanding of how effectively we are delivering on our set business objectives and strategies.

Strengthening stakeholder engagement

Stakeholders	Concerns/Areas of interest	Mode of engagement	Frequency of engagement
 Employees	- Fair wages and rewards - Work-life balance training and skill development - Career growth - Job security - Transparent communications	- Emails and meetings - Internal portals - Employee satisfaction survey - Training programmes - Performance appraisal - Grievance redressal mechanisms	Annual
 Customers	- Post engagement support - Grievances - Advisory - Quality	- Customer feedback - Customer survey - Emails/phone calls/meetings - Customer visits	Annual
 Shareholders	- Financial performance - Returns/dividends	- Press releases - Investor/analyst meets - Investor conferences - Direct investor engagement - Investor grievance redressal	Quarterly and annual
 Regulatory bodies – RBI/ SEBI/ IRDAI	- Performance reports shared with SEBI, RBI and IRDAI - Compliance reports and disclosures - Industry bodies	- Direct engagement - Hosted events - Participation as panellists and industry representatives	As required
 Rating research agencies	- Financial performance - Quarterly results - Industry bodies	- Analyst meets - Investor presentations - Quarterly and annual reports	Quarterly and annual
 Communities and NGOs	- Impact assessment and CSR intervention - Monitoring and evaluation	- Baseline surveys - Focused group interviews - Surveys on various assessment - Program implementation	Continuous monitoring and evaluation



Business Responsibility Report (Contd.)

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders?

Disadvantaged, Vulnerable and Marginalised stakeholders have been identified basis need assessment and engagement with such marginalised communities are also undertaken through Corporate Social Responsibility activities.

Efforts are also taken to ensure that we have a diverse and inclusive team which works together. 27% of workforce is represented by women employees and 11 differently abled people have also been employed. All the employees are given the opportunity to share their workplace experience through a survey on the basis of which action plan is set up for the areas where there are opportunities to improve. During the year under review, the survey generated 85% engagement score, which was 6% higher than the global high-performance norm.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof in 50 words or so.

At Aditya Birla Group, we strongly believe in supporting and caring for underserved communities as part of our organisational DNA. Doing so entails going beyond business priorities and through our projects reaching out to underserved communities and making a meaningful difference to their lives.

We remain committed to bettering the lives of the underprivileged, through our CSR efforts. Our multi-pronged holistic development strategy encompasses healthcare, education, women empowerment, sustainable livelihood and fostering sports. Currently, we work in 10 states touching the lives of 3.25 lakh people. Our key project implementation partners are reputed Non-Governmental Organisations ("NGOs") and other Government bodies. The community is our key stakeholder. We support projects exclusively and jointly with other like-minded organisations whenever required. Our commitment, effort and work continues to win recognition and accolades.

Under COVID care support 17 bed ICU paediatric wards were set up in partnership with Pride India, to strengthen two Government hospitals of Navi Mumbai Municipal Corporation. These hospitals' paediatric wards have been equipped with Ventilator, ECG Machine, Dialysis Machine, RO plant, 2D echo machine etc. These facilities in the ICU wards of both the hospitals will be used for paediatric COVID patients as required.

To focus on mental healthcare, in partnership with Aditya Birla Education Trust, a health centre for counselling and

support services was set up at Pune. Also, a dedicated mental health help line was set up for COVID warriors.

Principle 5: Businesses should respect and promote human rights.**1. Does the policy of the Company on Human Rights cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?**

Aditya Birla Group has put in place a Human Rights Policy which extends to the Company and all its Subsidiaries. We adhere to all statutes which embody the principles of human rights such as prevention of child labour, prevention of sexual harassment, equal employment opportunities, rights to raise grievances over relevant issues etc. We are committed to foster a work environment in which all individuals are treated with respect and dignity.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company has not received any complaints on human rights issues during the financial year under review.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment.**1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?**

The Sustainability vision and efforts are guided by Aditya Birla Group's Sustainability Vision and is extended to the Companies and all its Subsidiaries and their projects as applicable. Environmental responsibility is built into our sustainability strategy, through which sustainable practices across our operations is ensured. This strengthens our focus on the long-term well-being of our employees, customers and the community at large. Through proper water, waste and energy management, we are able to reduce our environmental footprint and minimise the use of natural resources.

2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes, details are covered in the Sustainability Report which is available on the website of the Company at <https://www.adityabirlacapital.com/investor-relations/sustainability-reports>.

3. Does the company identify and assess potential environmental risks? Y/N

We have implemented an Environment, Social and Governance (ESG) Scorecard that enables infrastructure and project finance businesses to identify and assess the ESG risks of the borrowers and projects.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof in, about 50 words or so. If yes, whether any environmental compliance report is filed?

Not applicable since the Company and its Subsidiaries are engaged in the activities relating to financial services.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The Company is committed in reducing negative environmental impact in its operations. In this regard, Auto Power Generated and Conserved System ("APGC") has been installed in office urinals, replacing old battery-powered sensors. Through this initiative, the power required to operate an automatic urinal flushing system is auto generated by the flushing system itself. The disbanding of battery-powered sensors is helping us cut down on heavy battery consumption as well as electric power consumption. APGC conserves power through an advanced micro-chip technology that enables 24x7 continuous and steady power supply for the system to function. This helps save both water and power for the touch-free and hygienic urinals.

We have signed the WASH pledge (Water, Sanitation and Hygiene) and implemented it across our workplace to ensure that all our employees have access to safe water, sanitation and hygiene at the workplace. We have also retrofitted water saving devices at all our office washrooms and pantry areas, thereby reducing water usage by 50%.

We are minimising our energy use. Most of the offices have been installed with LED lights to increase energy efficiency and Bengaluru and Pune offices are equipped with solar rooftop panels. Each panel has a 12 kW and 22 kW capacity, with a 25-year warranty, which saves close to ₹ 5.5 lakh per annum.

The Company, in support of Ministry of Corporate Affairs 'Green Initiative', sends its various notices and documents, including Annual Report, to its members through electronic mode at their registered e-mail addresses, thus saving a large quantity of paper and as a measure of protecting the environment saving many trees.

The Company has also requested shareholders to register their e-mail ids to receive Annual Report and other communications through e-mail instead of physical form.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The environmental regulations to the extent applicable are complied with.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e., not resolved to satisfaction) as on end of Financial Year.

During the financial year under review, no show cause notice or legal notices were received by the Company from Central Pollution Control Board (CPCB)/ State Pollution Control Board (SPCB).

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that its business deals with:

We work closely with trade and industry associations and participates in key initiatives undertaken by the Government and regulators.

Some of the key trade and industry associations include: The Associated Chambers of Commerce and Industry of India (ASSOCHAM), Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce & Industry (FICCI), Bombay Chamber of Commerce and Industry, Indian Banks' Association (IBA), etc.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Through various trade and industry associations, we promote policies and initiatives that aim to create efficient and transparent financial systems for the country, enhance financial and digital literacy and support key sectors of nation building such as infrastructure financing, affordable housing finance, supply chain loans to Micro, Small and Medium Enterprises ("MSMEs"), healthcare and education sector financing etc.

Senior Management of the Company and its Subsidiaries are Members of various Committees constituted by regulators and industry bodies. The engagement with various associations helps us understand industry wide issues and in developing policies that are beneficial to the stakeholders.



Business Responsibility Report (Contd.)

Principle 8: Businesses should support inclusive growth and equitable development.**1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

We have put in place a Policy on Corporate Social Responsibility ("CSR") to guide our efforts on CSR initiatives that contribute to inclusive growth and equitable development. The Company's vision is - "To actively contribute to the social and economic development of the communities in which we operate. In so doing to build a better, sustainable way of life for the weaker and marginalised sections of society and raise the country's human development index".

The CSR Policy articulates positive contribution towards economic, environmental and social well-being of communities through our CSR activities. By providing financial services to people, including underserved communities, we are helping secure their savings, improve their earning potential, enhance their opportunities to access education, healthcare and essential services that allow them to lead more dignified lives. We are contributing to more equitable and sustainable social and economic growth, which is both a national and international development goal.

Given India's accelerated urbanisation, affordable housing is one of our key focus areas under financial inclusion. Our mutual fund business, the Aditya Birla Sun Life Mutual Fund (ABSLMF) is one of the few companies that offer Mutual Fund schemes with the minimum investment amount being as low as ₹ 100. This option is made available in select long-term plans and for first-time investments as well, such as Micro SIPs.

ABSLAMC has strengthened its distribution mix with presence across 284 locations and over 75% of its locations in B-30 cities. To increase its reach, ABSLAMC has tie-ups with ~100 banks. It has empaneled over 87,000 Independent Financial Advisors (IFAs) and over 240 national distributors, besides growing partnerships with a large digital ecosystem. This step has contributed to expanding reach and access to various investment options in smaller cities, which has increased our outreach across semi-urban and rural areas.

As part of its SME lending, ABFL also offers Supply Chain Finance ("SCF"), targeting small suppliers/ MSMEs, which do not have the requisite skills to maintain proper financial data, or which lack the ability to offer collateral security. Our journey of building a robust, end-to-end digital MSME platform is taking shape, which enables sourcing from across the value chain.

Rural India is one of the biggest customer segments for us. We offer Group solutions under our rural insurance division for customers who face potential life risks. ABHI, covered 19 million lives in FY 2021-22 out of which 14 million plus were through rural and micro insurance products.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?

The programmes/projects are undertaken through in-house teams and Aditya Birla Capital Foundation, a Section 8 Company incorporated for execution of CSR project activities on behalf of the Company and its Subsidiaries, in partnership with the project implementation entity as per CSR guidelines.

3. Have you done any impact assessment of your initiative?

Yes, impact assessment as applicable, has been undertaken by an independent agency to ascertain efficiency and effectiveness of the CSR projects.

4. What is the Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

During the financial year 2021-22 the aggregate budget allocation for CSR projects was ₹ 37.64 Crore. As social development projects are long term in nature, contributions are being made in multi financial-year projects i.e. long term in nature in line with the CSR provisions under the Act. Consequently, ₹ 11.45 Crore was transferred to the unspent CSR account which will be disbursed in line with the project milestones. 31 projects spread into focus areas of healthcare, education, women empowerment & sustainable livelihood, sports were undertaken.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

In all the CSR projects undertaken, endeavour is to ensure the sustainability of the project by making the community, a stakeholder of the project to ensure maximum benefit for the community at large.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

The Company being a Core Investment Company, does not have any direct customers/ consumers. There are no customer complaints/ consumer cases pending against the Company as on 31st March 2022.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information).**

Not applicable, since the Company and its Subsidiaries are engaged in the activities relating to financial services. However, all necessary disclosure requirements relating to the services offered by the Subsidiaries are complied with, including the Advertising Standards Code of India ("ASCI"), Securities Exchange Board of India ("SEBI"), Reserve Bank of India ("RBI") and Insurance Regulatory and Development Authority of India ("IRDAI") guidelines as applicable.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

During the last five years, no cases have been filed by any stakeholders against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour.

4. **Did the Company carry out any consumer survey/ consumer satisfaction trends?**

Yes, Consumer Satisfaction Surveys are being conducted by external agencies as well as internal teams periodically to assess consumer satisfaction. One such mechanism, is the Net Promoter Score ("NPS") mechanism, which measures and improves customer satisfaction at key stages of customers' journey across all our businesses. NPS is administered both in a top-down and bottom-up approach and helps us capture the voice of the customer ("VoC"), which enables us to address lapses, enhance the quality of our products and services and understand customers better to deliver unique solutions as per their needs.



Independent Auditor's Report

To the Members of
Aditya Birla Capital Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of Aditya Birla Capital Limited (the 'Company'), which comprise the standalone balance sheet as at 31st March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (referred as 'standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Description of key audit matter

Impairment of investments

See note 2.4 and note 8 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company has investment in subsidiaries, associate and joint ventures (hereinafter referred as Group Companies) amounting to ₹ 9,845.72 crores, which is 98% of the total assets of the Company as on 31st March 2022. These include investments in listed and unlisted securities of the Group Companies. Such investments are assessed for indicators of impairment as per requirements of Ind AS 36 – Impairment of Assets. We have identified impairment testing of investments in Group Companies as a Key Audit Matter due to the proportion and significance of the carrying value of investments in Group Companies to total assets. Further, since measurement of impairment of such investments involves judgement, in particular for investments in unlisted entities in the Group.	Our audit procedures included the following: Design and controls - Understanding of the process, evaluating the design and testing the operating effectiveness in respect of impairment assessment of investments done by management. - Testing management's controls over collation of relevant information used for determining impairment of investments. - Understanding of the process and testing management's controls over involvement of experts and review of reports provided by experts. Substantive tests - Testing appropriate implementation of impairment policy by management. - Tracing the material and important financial information used in the impairment assessment to underlying source details. - Testing the reasonableness and appropriateness of management's estimates considered in impairment assessment of investments.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report (Contd.)

The key audit matter	How the matter was addressed in our audit
The key areas where we identified greater level of management judgement and therefore requiring higher level of audit focus are: - financial information used for impairment assessment; - market information considered for identifying external sources of information; - management's assessment of the investee company's operations, business performance; - modifications, if any, in the auditors' report of such Group companies; and - involvement of external valuer to determine value of the asset.	• Obtaining and reading latest audited financial statements of Group companies and noting key financial attributes / potential indicators of impairment. • Validate the reasonableness of management judgements, by critically evaluating the risks that have been addressed by management in the valuation approach. • Comparing the assumptions to externally derived data in relation to key inputs such as discount rates. • Assessing the appropriateness, basis and reasonableness of the forecasted cash flows based on our understanding of the business. • Considering historical forecasting accuracy, by comparing previously forecasted cash flows to actual results achieved. • Performing sensitivity analysis in relation to the key assumptions. • Testing the mathematical accuracy of management's impairment assessment workings. • Assessing the completeness and accuracy of the disclosures made in the Financial Statements.

Other information

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether 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. We have nothing to report in this regard.

Management's and board of directors responsibilities 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 state of affairs,

profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Independent Auditors' Report (Contd.)

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 are also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements 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 communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other matter

The standalone financial statements of the Company for the year ended 31st March 2021 were audited by the predecessor auditor who had expressed an unmodified opinion vide their report dated 14th May 2021.

Our opinion is not modified in respect of this matter.

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 Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) 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.
 - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 1st April 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) 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, in our opinion and to the best of our information and according to the explanations given to us:
 - a) the Company does not have any pending litigations which would impact its financial position. Refer Note 32 of the standalone financial statements.
 - b) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer note 55 of the standalone financial statements.
 - c) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d)
 - (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in note 60 to the notes to the accounts of standalone financial statements, 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 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 ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.



Independent Auditors' Report (Contd.)

- (iii) Based on such audit procedures as 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 (d) (i) and (d) (ii) contain any material mis-statement.
- e) The Company has neither declared nor paid any dividend during the year.

- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the current year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No. 101248W/W-100022)

Ashwin Suvarna
Partner
Membership No. 109503
UDIN: 22109503AIVQSF9963

Place: Mumbai
Date: 12th May 2022

Annexure - A

To The Independent Auditors' Report on Standalone Financial Statements

(Referred to in our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (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 a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 2 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) 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 revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or 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 is a financial service company, primarily rendering financial services. Accordingly, it does not hold any physical inventories. Hence, clause 3(ii)(a) of the Order is not applicable.
- (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 been sanctioned any working capital from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) 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 made investments, provided guarantee or security, granted loans and advances in the nature of loans, secured or unsecured to companies, limited liability partnership and other parties in respect of which the requisite information is as below in respective clause.
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company's principal business is to give loans. Accordingly, clause 3(iii) (a) of the Order is not applicable.
 - (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
 - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company's principal business is to give loans. Accordingly, clause 3(iii) (e) of the Order is not applicable.
 - (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without



Annexure - A To The Independent Auditors' Report (Contd.)

specifying any terms or period of repayment except for the following loans or advances in the nature of loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"), whereby the Company has defined the repayment term of loans as 12 months with a call option:

	(₹ in crore)		
	All Parties	Promoters	Related Parties
Aggregate of loans/ advances in nature of loan			
- Repayable on demand (A)			189.5*
- Agreement does not specify any terms or period of Repayment (B)			Nil
Total (A+B)			189.5
Percentage of loans/ advances in nature of loan to the total loans			100%

*Repayment term of loans as 12 months with a call option

- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) 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 surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (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 been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management the Company has not obtained any term loan during the year. Hence Clause ix (c) of the Order is not applicable.
- (d) According to the information and explanations given to us the Company has not obtained any funds during the year. Hence clause ix(d) of the Order is not applicable.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

Annexure - A To The Independent Auditors' Report (Contd.)

- (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. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) (a) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii)(b) of the Order is not applicable.
- (c) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii)(c) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and 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 to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) In our opinion and according to the information and explanation provided to us, the Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and has obtained the registration.
- (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and according to information and explanation provided to us by management and based on examination of records, it continues to fulfil the criteria of a CIC.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.
- (xvii) According to the information and explanations provided to us, the Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the 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 the 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

Annexure - A To The Independent Auditors' Report (Contd.)

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 our opinion and according to information and explanation given to us and based on the computation done as per provisions of Section 135 of Companies Act 2013, the Company is not required to spend any amount on Corporate Social Responsibility. Accordingly, clauses 3(xx)(a) of the Order is not applicable.

- (b) In our opinion and according to information and explanation given to us and based on the computation done as per provisions of Section 135 of Companies Act 2013, the Company is not required to spend any amount on Corporate Social Responsibility. Accordingly, clauses 3(xx)(b) of the Order is not applicable.

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No. 101248W/W-100022)

Ashwin Suvama
Partner
Membership No. 109503
UDIN: 22109503AIVQSF9963

Place: Mumbai
Date: 12th May 2022

Annexure - B

To The Independent Auditors' Report on Standalone Financial Statements

(Referred to in our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013

REFERRED TO IN PARAGRAPH 2(A)(F) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE

Opinion

We have audited the internal financial controls with reference to the standalone financial statements of Aditya Birla Capital Limited ("the Company") as of 31st March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's responsibility for internal financial controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 with reference to the standalone financial statements.

Meaning of internal financial controls with reference to financial statements

A company's internal financial controls with reference to 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures

Annexure - B To The Independent Auditors' Report (Contd.)

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

Inherent limitations of internal financial controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility

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

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No. 101248W/W-100022)

Ashwin Suvarna
Partner
Membership No. 109503
UDIN: 22109503AIVQSF9963

Place: Mumbai
Date: 12th May 2022

Standalone Balance Sheet

as at 31st March 2022

(₹ crore)			
Particulars	Note No.	As at 31 Mar 22	As at 31 Mar 21
I ASSETS			
(1) Financial Assets			
(a) Cash and Cash Equivalents	3	1.47	2.07
(b) Bank Balances other than (a) above	4	0.26	0.26
(c) Receivables	5		
(i) Trade Receivables		-	-
(ii) Other Receivables		10.96	9.36
(d) Loans	6	160.36	104.08
(e) Other Financial Assets	7	2.32	2.08
(f) Investments	8	9,845.72	9,554.54
Sub-Total		10,021.09	9,672.39
(2) Non-Financial Assets			
(a) Current Tax Assets (Net)		13.24	17.04
(b) Investment Property	9	14.81	15.24
(c) Property, Plant and Equipment	10	3.85	4.26
(d) Capital Work-in-Progress		-	0.12
(e) Right-to-Use of Assets		8.07	10.79
(f) Other Intangible Assets	11	0.11	0.30
(g) Other Non-Financial Assets	12	16.71	14.96
Sub-Total		56.79	62.71
Total Assets		10,077.88	9,735.10
II LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Payables			
Trade Payables			
(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
(ii) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises (Refer Note No. 44)	13	4.57	8.74
Other Payables			
(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
(ii) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		-	-
(b) Lease Liabilities		8.45	10.99
(c) Other Financial Liabilities	14	23.72	19.87
Sub-Total		36.74	39.60
(2) Non-Financial Liabilities			
(a) Provisions	15	29.10	44.42
(b) Deferred Tax Liabilities (Net)	16	100.26	96.33
(c) Other Non-Financial Liabilities	17	3.59	3.78
Sub-Total		132.95	144.53
(3) Equity			
(a) Equity Share Capital	18	2,416.31	2,415.28
(b) Other Equity	19	7,491.88	7,135.69
Total Equity		9,908.19	9,550.97
Total Liabilities and Equity		10,077.88	9,735.10

Significant Accounting Policies

2

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

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Registration No.: 101248W/W-100022

Ashwin Suvarna
Partner
Membership No.: 109503

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

Ajay Srinivasan
Chief Executive Officer

P. H. Ravikumar
Director
(DIN: 00280010)

S. C. Bhargava
Director
(DIN: 00020021)

Pinky Mehta
Chief Financial Officer

Amber Gupta
Company Secretary

Mumbai, 12th May 2022

Mumbai, 12th May 2022



Standalone Statement of Profit and Loss

for the year ended 31st March 2022

(₹ crore)			
Particulars	Note No.	Year Ended 31 Mar 22	Year Ended 31 Mar 21
REVENUE FROM OPERATIONS			
(a) Interest Income	20	13.91	12.47
(b) Dividend Income	21	243.84	82.94
(c) Net Gain/(Loss) on Fair Value Changes	22	(1.16)	12.48
(d) Gain on Sale of Investments	23	196.12	-
Total Revenue from Operations		452.71	107.89
Other Income	24	1.36	0.88
Total Income		454.07	108.77
EXPENSES			
(a) Finance Costs	25	0.11	0.14
(b) Impairment on Financial Instruments	26	0.23	0.34
(c) Employee Benefits Expenses	27	20.48	21.98
(d) Depreciation and Amortisation	28	0.88	1.35
(e) Other Expenses	29	13.32	12.67
Total Expenses		35.02	36.48
Profit Before Tax		419.05	72.29
Tax Expenses			
Current Tax		70.42	4.38
Deferred Tax		3.94	(5.12)
Total Tax Expenses		74.36	(0.74)
Profit After Tax		344.69	73.03
Other Comprehensive Income	30		
(i) Items that will not be reclassified to Profit or Loss (Net of Tax)		0.04	0.34
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss		(0.01)	(0.09)
Other Comprehensive Income for the Year, Net of Tax		0.03	0.25
Total Comprehensive Income for the Year		344.72	73.28
Earnings Per Equity Share (Face Value of ₹ 10 each)			
Basic - (₹)	31	1.43	0.30
Diluted - (₹)		1.43	0.30
Significant Accounting Policies	2		

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

In terms of our report attached
For **B S R & Co. LLP**
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Registration No.: 101248W/W-100022

Ashwin Suvarna
Partner
Membership No.: 109503

Mumbai, 12th May 2022

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S. C. Bhargava
Director
(DIN: 00020021)

Standalone Statement of Cash Flows

for the year ended 31st March 2022

(₹ crore)

Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	419.05	72.29
Adjustments for:		
Impairment on Financial Instruments	0.23	0.34
Net (Gain)/Loss on Fair Value Changes	1.16	(12.48)
Gain on Sale of Investments	(196.12)	-
Depreciation and Amortisation	0.88	1.35
Expense on Employee Stock Options Schemes	2.21	1.99
Finance Costs	0.11	0.14
Impairment on Long-term Investments	3.10	-
Dividend Income	(243.84)	(82.94)
Interest Income on Financial Assets (Held at Amortised Cost)	(8.27)	(10.47)
Interest Income - Others	(0.52)	(0.09)
Rent Income on Investment Properties	(0.50)	(0.46)
Profit on Sale of Property, Plant and Equipment	(0.01)	(0.01)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(22.52)	(30.34)
Adjustments for:		
Decrease/(Increase) in Loans	(56.51)	(84.35)
Decrease/(Increase) in Receivables	12.30	29.31
Decrease/(Increase) in Other Assets	(1.96)	(3.72)
Increase/(Decrease) in Trade Payables	(4.17)	-
Increase/(Decrease) in Other Liabilities	3.65	0.33
Increase/(Decrease) in Provisions	(15.28)	9.81
Cash (Used in)/Generated from Operations	(61.97)	(48.62)
Income Taxes Paid	(66.11)	(4.12)
Net Cash (Used in)/Generated from Operating Activities	(150.60)	(83.08)
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment and Intangible Assets	(1.83)	(0.84)
Sale of Property, Plant and Equipment	0.18	0.08
Investments in Subsidiaries	(307.87)	(163.22)
Redemption of Investments in Subsidiaries/Associates	251.41	37.02
(Purchase)/Sale of Current Investments (Net)	(37.86)	121.89
Dividend Income from Subsidiaries/Associates	243.84	82.94
Interest Received on Investments in Subsidiaries (Held at Amortised Cost)	3.11	0.71
Rent Income on Investment Property	0.50	0.46
Net Cash Generated from/(Used in) Investing Activities	151.48	79.04

Standalone Statement of Cash Flows (Contd.)

for the year ended 31st March 2022

		(₹ crore)	
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21	
C CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds on account of ESOP exercised (including Securities Premium)	2.82	1.51	
Proceeds Received as Share Application Pending for Allotment (Net)	(1.26)	1.38	
Payment towards Lease Liabilities (including Interest thereon)	(3.04)	(2.99)	
Net Cash (Used in)/Generated from Financing Activities	(1.48)	(0.10)	
Net Increase in Cash and Cash Equivalents	(0.60)	(4.14)	
Cash and Cash Equivalents (Opening Balance)	2.07	6.21	
Cash and Cash Equivalents (Closing Balance)	1.47	2.07	
Notes:			
1 Net cash used in operating activities includes the following:-			
Interest Received	8.91	2.16	
2 Previous year figures have been regrouped/reclassified, wherever applicable.			

Significant Accounting Policies

2

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

In terms of our report attached
For **B S R & Co. LLP**
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For and on behalf of the Board of Directors of
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Pinky Mehta
Chief Financial Officer

Amber Gupta
Company Secretary

Mumbai, 12th May 2022

Mumbai, 12th May 2022

Standalone Statement of Changes in Equity

for the year ended 31st March 2022

(A) EQUITY SHARE CAPITAL

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
Balance at the beginning of the Year	2,415.28	2,413.76
Issued during the Year	1.03	1.52
Balance at the end of the Year	2,416.31	2,415.28

(B) OTHER EQUITY

Particulars	(₹ crore)							
	Share Application Pending for Allotment	Special Reserve	Capital Reserve	Securities Premium Reserve	General Reserve	Share Options Outstanding Account	Surplus as per the Statement of Profit and Loss	Equity Attribut- able to Sharehold- ers of the Company
Balance as at 1st April 2020	-	19.02	801.35	6,059.51	5.16	173.00	(15.08)	7,042.96
Profit/(Loss) for the Year	-	-	-	-	-	-	73.03	73.03
Comprehensive Income for the Year (Refer Note No. 30)	-	-	-	-	-	-	0.25	0.25
Total Comprehensive Income for the Year	-	-	-	-	-	-	73.28	73.28
Application Money Received	1.38	-	-	-	-	-	-	1.38
Transfer to Special Reserve from the Statement of Profit and Loss	-	14.66	-	-	-	-	(14.66)	-
Employee Stock Options Amortisation for the Year	-	-	-	-	-	18.31	-	18.31
Transfer to General Reserve on ESOPs Lapses	-	-	-	-	1.96	(1.96)	-	-
Lapse of Unvested Options	-	-	-	-	-	(0.24)	-	(0.24)
Transferred from Share Options Outstanding on ESOPs Exercised	-	-	-	17.09	-	(17.09)	-	-
Balance as at 31st March 2021	1.38	33.68	801.35	6,076.60	7.12	172.02	43.54	7,135.69

(₹ crore)



Standalone Statement of Changes in Equity (Contd.)

for the year ended 31st March 2022

Particulars	Share Application Pending for Allotment	Special Reserve	Capital Reserve	Securities Premium Reserve	General Reserve	Share Options Outstanding Account	Surplus as per the Statement of Profit and Loss	Equity Attributable to Shareholders of the Company
Balance as at 1st April 2021	1.38	33.68	801.35	6,076.60	7.12	172.02	43.54	7,135.69
Profit/(Loss) for the Year	-	-	-	-	-	-	344.69	344.69
Comprehensive Income during the Year (Refer Note No. 30)	-	-	-	-	-	-	0.03	0.03
Total Comprehensive Income for the Year	-	-	-	-	-	-	344.72	344.72
Application Money Received	(1.26)	-	-	-	-	-	-	(1.26)
Transfer to Special Reserve from the Statement of Profit and Loss	-	68.94	-	-	-	-	(68.94)	-
Employee Stock Options Amortisation for the Year	-	-	-	1.79	-	10.94	-	12.73
Transfer to General Reserve on ESOPs Lapses	-	-	-	-	7.15	(7.15)	-	-
Transferred from Share Options Outstanding on ESOPs Exercised	-	-	-	8.79	-	(8.79)	-	-
Balance as at 31st March 2022	0.12	102.62	801.35	6,087.18	14.27	167.02	319.32	7,491.88

Significant Accounting Policies: 2

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

In terms of our report attached
For **B S R & Co. LLP**
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Registration No.: 101248W/W-100022

Ashwin Suvarna
Partner
Membership No.: 109503

Mumbai, 12th May 2022

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Mumbai, 12th May 2022

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Director
(DIN: 00280010)

Amber Gupta
Company Secretary

S. C. Bhargava
Director
(DIN: 00020021)

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Aditya Birla Capital Limited ("the Company") is a listed public company having its registered office at Indian Rayon Compound, Veraval – 362 266, Gujarat. The Company currently operates as a Non-Deposit Taking Core Investment Company registered with the RBI vide certificate no. B.01.00555, dated 16th October 2015. The Company is a majority owned subsidiary of Grasim Industries Limited.

Information on other related party relationship of the Company is provided in Note No. 37.

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

The financial statements are authorised for issue by the Board of Directors of the Company at its meeting held on 12th May 2022.

The financial statements have been prepared and presented on the going concern basis, the relevant provisions of the act and the guidelines and directives issued by the Reserve Bank of India (RBI) to the extent applicable. The financial statements have been prepared at historical cost, except for the following assets and liabilities, which have been subsequently measured at fair value:

- Derivative Financial Instruments measured at fair value.
- Certain financial assets and liabilities at fair value.
- Employee's Defined Benefits Plans as per actuarial valuation.

To provide more reliable and relevant information about the effect of certain items in the Standalone Balance Sheet and the Standalone Statement of Profit and Loss, the Company has changed the classification of certain items. Previous period/year figures have been re-grouped or reclassified, to confirm to such current period grouping/classifications. There is no impact on Equity or Net Loss due to these regrouping/reclassifications.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Presentation of Financial Statements

The Company presents its financial statements to comply with Division III of Schedule III of the Companies Act, 2013,

which provides general instructions for the preparation of financial statements of a non-banking financial company (NBFC to comply with Ind AS) and the requirements of Ind AS. 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 No. 42.

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

- The normal course of business, and
- The event of default.

2.2 Functional and Presentation Currency

Amounts in the financial statements are presented in Indian Rupees in Crore rounded off to two decimal places as permitted by Division III of Schedule III of the Act, except when otherwise indicated.

2.3 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity, and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs, that are attributable to the acquisition of the financial asset, are added to the fair value. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades), are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost,
- Debt instruments at fair value through other comprehensive income (FVTOCI),

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

- Debt instruments, derivatives and equity instruments, and mutual funds at fair value, through profit or loss (FVTPL), and
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

Debt Instruments at Amortised Cost

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

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

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

Debt Instruments at FVTOCI

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

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

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

Debt Instruments at FVTPL

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

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity Investments

Investments in Subsidiaries, Associates and Joint Ventures are out of scope of Ind AS 109, and, hence, the Company has accounted for its investments in Subsidiaries, Associates and Joint Ventures at cost.

All other equity investments are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. For equity instruments, other than held for trading, the Company has irrevocable option to present in OCI, subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Where the Company classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment.

Equity instruments, included within the FVTPL category, are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Impairment of Financial Assets

The Company recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers;
- Debt investment securities;
- Trade and other receivables;
- Lease receivables;
- Irrevocable loan commitments issued; and
- Financial guarantee contracts issued;

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

With the exception of Purchased or Originated Credit-Impaired (POCI) financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e., that result from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as Stage 1); or
- Full lifetime ECL, i.e., lifetime ECL that results from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument, if the credit risk on that financial instrument has increased significantly since initial recognition (and consequently for credit impaired financial assets). For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Company's policy is always to measure loss allowances for lease receivables as lifetime ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

- For undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Company, if the holder of the commitment draws down the loan, and the cash flows that the Company expects to receive, if the loan is drawn down; and
- For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Company expects to receive from the holder, the debtor or any other party.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Credit-Impaired Financial Assets

A financial asset is 'credit-impaired' when one or more events, that have a detrimental impact on the estimated future cash flows of the financial asset, have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses;

It may not be possible to identify a single discrete event, instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that, as a result of granting the concession, the risk of not receiving the contractual cash flows has reduced significantly, and there are no other indicators of impairment. For financial assets, where concessions are contemplated but not granted, the asset is deemed credit-impaired when there is observable evidence of credit-impairment, including meeting the definition of default. The definition of default (see below) includes unlikelihood to pay indicators and a back-stop, if amounts are overdue for 90 days or more.

Purchased or Originated Credit-Impaired (POCI) Financial Assets

POCI financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Company recognises all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognised in the Statement of Profit and

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

Loss. A favourable change for such assets creates an impairment gain.

Definition of Default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD), which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Company considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Company; or
- the borrower is unlikely to pay its credit obligations to the Company in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

When assessing, if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, e.g., in corporate lending a qualitative indicator used is the admittance of bankruptcy petition by National Company Law Tribunal (NCLT), which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty, are key inputs in this analysis. The Company uses a variety of sources of information to assess default, which are either developed internally or obtained from external sources. The definition of default is applied consistently to all financial instruments, unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial instrument.

Significant Increase in Credit Risk

The Company monitors all financial assets, issued irrevocable loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk, since initial recognition. If there has been a significant increase in credit risk, the Company will measure the loss allowance based on lifetime rather than 12-month ECL. The Company's accounting policy is not to use the practical expedient that the financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Company monitors all financial assets, issued irrevocable loan commitments and financial guarantee

contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the probability of default (PD) will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

Modification and Derecognition of Financial Assets

A modification of a financial asset occurs when the contractual terms, governing the cash flows of a financial asset, are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows, either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan may constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately, but may affect the cash flows depending on whether the covenant is or is not met (e.g., a change to the increase in the interest rate that arises when covenants are breached).

The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where, although, the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms, in most of the cases, include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

When a financial asset is modified the Company assesses whether this modification results in derecognition. In accordance with the Company's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms, the Company considers the following:

- Qualitative factors, such as contractual cash flows after modification, are no longer SPPI,
- Change in currency or change of counterparty, and
- The extent of change in interest rates, maturity, covenants.

If these do not clearly indicate a substantial modification, then;

- A. In the case where the financial asset is derecognised, the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL, except in the rare occasions where the new loan is considered to be originated credit-impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount, because there remains a high risk of default, which has not been reduced by the modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in the past due status under the new terms.
- B. When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:
- the remaining lifetime PD estimated based on the data at initial recognition and the original contractual terms; with
 - the remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Company's ability to collect the modified cash flows

taking into account the Company's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forbore loans will generally only be measured based on 12-month ECL, when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition, the Company calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Company measures ECL for the modified asset, where the expected cash flows, arising from the modified financial asset, are included in calculating the expected cash shortfalls from the original asset.

The Company derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in the Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss.

On derecognition of a financial asset other than in its entirety (e.g., when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement and the part it no longer recognises

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on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part, that is no longer recognised, and the sum of the consideration received for the part no longer recognised, and any cumulative gain/loss allocated to it, that had been recognised in OCI, is recognised in the Statement of Profit and Loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss.

Write Off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts, subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to the financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

Presentation of Allowance for ECL in the Statement of Balance Sheet

Loss allowances for ECL are presented in the Statement of Balance Sheet as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets; and
- for debt instruments measured at FVTOCI: no loss allowance is recognised in the Balance Sheet as the carrying amount is at fair value.

Where a financial instrument includes both a drawn and an undrawn component, and the Company cannot identify the ECL on the loan commitment component separately from those on the drawn component, the Company presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component.

Derecognition of Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises an associated liability.

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

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

Financial Liabilities and Equity Instruments

Classification as Debt or Equity

Debt and equity 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.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after

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deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are classified, at initial recognition:

- At fair value through profit or loss,
- Loans and borrowings,
- Payables, or
- As derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair values, and in the case of loans and borrowings, and payables are recognised net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings, including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent Measurements

The measurement of financial liabilities depends on its classification, as described below:

Financial Liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered by the Company, that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities, designated upon initial recognition at FVTPL, are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition of Financial Liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.4 Fair Value Measurements

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values 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:

- a) In the principal market for the asset or liability, or
- b) 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



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data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities (for which fair value is measured or disclosed in the financial statements) are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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 categorisation (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 Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities, which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

2.5 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

2.6 Investment Property

Investment Property are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects, if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

The Company, based on technical assessment made by the Management, depreciates the building over estimated useful lives of 60 years. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Asset Category	Useful Life as Prescribed by Schedule II of the Companies Act, 2013	Estimated Useful Life
Investment Property	60 Years	60 Years

Though the Company measures investment property, using cost-based measurement, the fair value of investment property is disclosed in Note No. 53. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

2.7 Property, Plant and Equipment (PPE) and Depreciation

On transition to Ind AS, the Company has elected to continue with the carrying value of all its PPE recognised as of 1st April 2017, measured as per the previous GAAP, and use that carrying value as the deemed cost of the PPE.

PPE are stated at acquisition or construction cost less accumulated depreciation and impairment loss. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning.

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If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an asset, if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods, and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repair and maintenance expenses, are charged to the Statement of Profit and Loss, during the period in which they are incurred.

Depreciation on PPE is provided on Straight-Line Method using the rates arrived at based on the useful lives as specified in the Schedule II of the Companies Act, 2013, or estimated by the Management. The Company has used the following useful life to provide depreciation on its PPE.

Asset Category	Useful Life as Prescribed by Schedule II of the Companies Act, 2013	Estimated Useful Life
Office Equipment (Computers)	3 Years	4 Years
Vehicles	6 Years	4 Years
Furniture and Fixtures	10 Years	5 Years

Useful life of assets different from the corresponding life specified in Schedule II has been estimated by the Management supported by technical assessments.

The estimated useful lives and residual values of the PPE are reviewed at the end of each financial year.

PPE, individually costing less than Rupees five thousand, are fully depreciated in the year of purchase.

Depreciation on the PPE added/disposed of/discarded during the year is provided from/up to the date when added/disposed of/discarded.

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

2.8 Intangible Assets and Amortisation

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Intangible Assets recognised as of 1st April 2017, measured as per

the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss, unless such expenditure forms part of carrying value of another asset. Intangible assets are amortised on a straight-line basis over their estimated useful lives.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

Intangible assets and their useful lives are as under:

Assets	Estimate Useful Life
Exclusive Images	3 Years
Computer Software	3 Years

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



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Research and Development Costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefits. Amortisation expenses are recognised in the Statement of Profit and Loss, unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

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, for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but, so that, the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.9 Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment, at least annually, and whenever there is an indication then the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in

2.10 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets, and the arrangement conveys a right-to-use the asset or assets, even if that right is not explicitly specified in an arrangement.

Finance Lease

The Company as a Lessee

Leases, where substantially all the risks and benefits incidental to ownership of the leased item are transferred to the Lessee, are classified as finance lease. The assets acquired under finance lease are capitalised at lower of fair value, and present value of the minimum lease payments at the inception of the lease and disclosed as leased assets. Such assets are amortised over the period of lease or estimated life of such asset, whichever is less. Lease payments are apportioned between the finance charges and reduction of the lease liability based on implicit rate of return. Lease management fees, lease charges and other initial direct costs are capitalised.

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Operating Lease

The Company as a Lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset; (2) the Company has substantially all the economic benefits from use of the asset through the period of the lease; and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises right-of-use ("ROU") asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

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

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

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

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

The Company as a Lessor

Leases, for which the Company is a lessor, are classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

2.11 Employee Benefits

Short-Term Employee Benefits

Liabilities for salaries and wages, including non-monetary benefits and accumulating leave balance in respect of employees' services up to the end of the reporting period, are recognised as liabilities (and expensed), and are measured at the amounts expected to be paid when the liabilities are settled.

The Company also recognises a liability and records an expense for bonuses (including performance-linked bonuses) where contractually obliged or where there is a past practice that has created a constructive obligation.

Defined Contribution Plans

Provident Fund: The Company makes defined contributions to employee provident fund and employee pension schemes administered by government organisations, set up under the applicable statute.

Superannuation Fund: Superannuation schemes administered by a trust set up by Grasim Industries Limited ("the Holding Company").

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Defined Benefits Plans (Gratuity Obligation)

The obligation in respect of defined benefits plans, which covers Gratuity, is provided for on the basis of an actuarial valuation at the end of each financial year. Gratuity is funded with an approved trust.

In respect of Gratuity being post-retirement benefits, re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings, and will not be reclassified to the Statement of Profit and Loss.

Past service costs are recognised in the Statement of Profit and Loss on the earlier of:

- the date of the plan amendment or curtailment, and
- the date that the Company recognises related restricting costs.

The Company recognises the following changes in the net defined benefit obligation under employee benefit expenses in the Statement of Profit and Loss:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); and
- net interest expense or income.

The Company presents the above two components of defined benefit costs in the Statement of Profit and Loss in the line item 'Employee Benefits Expenses'.

The present value of the defined benefit plans liability is calculated using a discount rate, which is determined by reference to market yields at the end of the reporting period on government bonds.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefits plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

Other Long-Term Benefits

The expected costs of other long-term employee benefits, such as long-term service incentive plan benefits (not

being share-based payments), are accrued over the period of employment using the same accounting methodology as used for defined benefits plans. Remeasurement gains and losses, arising from experience adjustments and changes in actuarial assumptions, are charged or credited to the Statement of Profit and Loss in the period in which they arise.

2.12 Employee Share-Based Payments

Equity-Settled Transactions

Equity-settled share-based payments to employees are measured by reference to the fair value of the equity instruments at the grant date using Black-Scholes Model.

The fair value, determined at the grant date of the equity-settled share-based payments, is charged to profit and loss on the straight-line basis over the vesting period of the option, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

In case of forfeiture/lapse stock option, which is not vested, amortised portion is reversed by credit to employee compensation expense. In situation where the stock option expires unexercised, the related balance standing to the credit of the Employee Stock Options Outstanding Account is transferred within equity.

2.13 Foreign Currency Transactions

Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency at the rates of exchange on the reporting date.

Exchange difference on restatement of all other monetary items is recognised in the Statement of Profit and Loss.

2.14 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

- Dividend income is accounted for when the right to receive the income is established.
- Interest income is accounted for all financial instruments measured at amortised cost or at fair value through other comprehensive income, interest income is recorded using the EIR is the rate that

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exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount. The future cash flows are estimated taking into account all the contractual terms of the instrument. The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets measured at fair value through profit and loss ("FVTPL"), transaction costs are recognised in the Statement of Profit and Loss at initial recognition.

Interest income on all trading assets and financial assets, mandatorily required to be measured at FVTPL, is recognised using the contractual interest rate in net gain on fair value changes.

2.15 Borrowings Costs

Borrowing costs, attributable to acquisition and construction of qualifying assets, are capitalised as a part of the cost of such assets up to the date when such assets are ready for its intended use. Other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

2.16 Taxes

a) Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the Indian Income-tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

b) Deferred Tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused

tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date, and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

2.17 Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of



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income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

2.18 Statement of Cash Flows

Statement of Cash Flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The Statement of Cash Flows from operating, investing and financing activities of the Company are segregated.

2.19 Earnings Per Share (EPS)

The basic EPS is computed by dividing the profit after tax for the year attributable to the equity shareholders by the weighted-average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, profit after tax for the year attributable to the equity shareholders and the weighted-average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.20 Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements, in conformity with the Ind AS, requires judgements, estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although, these estimates are based on the Management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates is recognised in the period in which the results are known or materialised. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Judgements

Aditya Birla Capital Limited holds, either directly or through its subsidiaries, more than half of the equity shareholding in the following entities. However, as per the shareholders'

agreement/statute, the Company needs to jointly decide with other shareholders of the respective entity on certain relevant activities.

Hence, the same are being accounted as per equity method of accounting.

a) Aditya Birla Sun Life Trustee Company Private Limited

b) Aditya Birla Wellness Private Limited

Estimates and Assumptions

The key assumptions, concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the 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.

Useful Lives of Property, Plant and Equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the Management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

Measurement of Defined Benefits Obligations

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

Recognition of Deferred Tax Assets

Availability of future taxable profit against which the tax losses carried forward can be used.

Recognition and Measurement of Provisions and Contingencies

Key assumptions about the likelihood and magnitude of an outflow of resources.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

Fair Value Measurement of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable market, where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of input such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Share-Based Payments

The Company measures the cost of equity-settled transactions with employees using Black-Scholes Model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield, and making assumptions about them.

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 complex 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:

- a. The Company's internal credit grading model, which assigns PDs to the individual grades.
- b. 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 LTECL basis and the qualitative assessment.
- c. The segmentation of financial assets when their ECL is assessed on a collective basis.
- d. Development of ECL models, including the various formulas and the choice of inputs.
- e. Determination of associations between macro-economic scenarios and economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs.
- f. Selection of forward-looking macro-economic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

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



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

NOTE: 3 CASH AND CASH EQUIVALENTS

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
Cash on Hand*	-	β
Balances with Banks		
Current Accounts	1.47	2.07
	1.47	2.07

*Amount less than ₹ 50,000 shown as β.

NOTE: 4 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
Money Due for Refund on Fractional Shares	0.26	0.26
	0.26	0.26

NOTE: 5 RECEIVABLES

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
i) Trade Receivables	-	-
ii) Other Receivables (carried at Amortised Cost, except otherwise stated)		
Receivables from Related Parties	10.96	9.36
	10.96	9.36

NOTE: 6 LOANS

(Carried at Amortised Cost, except otherwise stated)

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
Unsecured, Considered Good		
Inter-Corporate Deposits (including Accrued Interest thereon)	161.00	104.50
Less: Impairment Loss Allowance (Refer Note No. 43)	(0.64)	(0.42)
	160.36	104.08

Type of the Borrower	As at 31 Mar 22		As at 31 Mar 21	
	Gross Amount of Loans or Advances in the Nature of Loan Outstandings	Percentage to the Total Loans and Advances in the Nature of Loans	Gross Amount of Loans or Advances in the Nature of Loan Outstandings	Percentage to the Total Loans and Advances in the Nature of Loans
Repayable on Demand				
Promoter	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties (Refer Annexure 1.8)	161.00	100.00%	104.50	100.00%

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
i) Loans in India		
Public Sector	-	-
Others	161.00	104.50
Gross (A)	161.00	104.50
Less: Impairment Loss Allowance (B)	(0.64)	(0.42)
Net (A) - (B)	160.36	104.08
ii) Loans Outside India (A)	-	-
Less: Impairment Loss Allowance (B)	-	-
Net (A) - (B)	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

NOTE: 7 OTHER FINANCIAL ASSETS

(Carried at Amortised Cost, except otherwise stated)

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
Unsecured, Considered Good		
Security Deposits	1.59	2.08
Others	0.73	-
	2.32	2.08

NOTE: 8 INVESTMENTS

		(₹ crore)		
Particulars	As at 31 Mar 22		As at 31 Mar 21	
A. Investments in Subsidiaries/Associates Equity Instruments (At Cost)				
Quoted Investments				
Aditya Birla Money Limited	248.30		248.30	
Less: Diminution in investment of Aditya Birla Money Limited	41.59	206.71	41.59	206.71
Aditya Birla Sun Life AMC Limited (Refer Note No. 49)		33.06		-
Unquoted Investments				
Aditya Birla PE Advisors Private Limited		3.50		3.50
Aditya Birla Financial Shared Service Limited		0.05		0.05
Aditya Birla Capital Technology Services Limited (Refer Note No. 48)	9.27		9.27	
Less: Diminution in investment of Aditya Birla Capital Technology Services Limited	6.05	3.22	3.00	6.27
Aditya Birla Trustee Company Private Limited		0.05		0.05
Aditya Birla Insurance Brokers Limited		0.30		0.30
Aditya Birla Finance Limited		5,612.65		5,612.65
Aditya Birla Money Mart Limited	93.20		93.20	
Less: Diminution in investment of Aditya Birla Money Mart Limited	0.06	93.14	0.06	93.14
Aditya Birla Housing Finance Limited		1,217.66		1,217.66
Aditya Birla Sun Life Insurance Company Limited		1,206.93		1,206.93
Aditya Birla Health Insurance Co. Limited		852.17		629.31
ABCAP Trustee Company Private Limited (Refer Note No. 48)	0.05			
Less: Diminution in investment of ABCAP Trustee Company Private Limited	0.05	-		0.05
Aditya Birla ARC Limited		100.00		100.00
Aditya Birla Stressed Asset AMC Private Limited		14.80		14.80
Total Subsidiaries/Associates Equity Investments (A)	9,344.24		9,091.42	
B. Investments in Joint Ventures Equity Instruments (At Cost)				
Aditya Birla Sun Life Trustee Private Limited		0.02		0.02
Aditya Birla Sun Life AMC Limited (Refer Note No. 49)		-		33.71
Aditya Birla Wellness Private Limited		17.75		17.75
Total Joint Ventures Equity Investments (B)	17.77		51.48	
C. Investments in Preference Shares (At Amortised Cost)				
8% Redeemable Non-Convertible Non-Cumulative Preference Shares of Aditya Birla Money Limited (Refer Note No. 50)		-		54.63
4% Redeemable Non-Convertible Non-Cumulative Preference Shares of Aditya Birla Money Limited		81.36		-
0.1% Redeemable Non-Convertible Non-Cumulative Preference Shares of Aditya Birla Money Mart Limited		43.73		40.10
Total Preference Investments (C)	125.09		94.73	



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

		(₹ crore)	
Particulars	As at 31 Mar 22	As at 31 Mar 21	
D. Investments in Preference Shares (At FVTPL)			
Unquoted Investments			
0.001% Compulsory Convertible Cumulative Preference Shares of Aditya Birla Capital Technology Services Limited (Refer Note No. 48)	14.98		
Less: Diminution in investment of Aditya Birla Capital Technology Services Limited	12.56	2.42	14.98
0.01% Compulsory Convertible Preference Shares of Aditya Birla ARC Limited	10.00		
Less: Diminution in investment of Aditya Birla ARC Limited	0.22	9.78	5.00
(D)	12.20	19.98	
E. Investments in Mutual Funds (At FVTPL)			
Unquoted Investments			
Aditya Birla Sun Life Liquid Fund - Growth	146.86	296.93	
Units - 4,280,169.38 (31 st March 2021 Units 8,954,517.02)			
ABSL Money Manager Fund Growth - Direct	102.83	-	
Units - 3,440,023.35 (31 st March 2021 Units Nil)			
ABSL Money Manager Fund Growth	96.73	-	
Units - 3,264,990.24 (31 st March 2021 Units Nil)			
(E)	346.42	296.93	
Total Investments	(A)+(B)+(C)+(D)+(E)	9,845.72	9,554.54
Investments In India	9,845.72	9,554.54	
Investments Outside India	-	-	

NOTE: 9 INVESTMENT PROPERTY

		(₹ crore)
Particulars	Investment Property	
Gross Carrying Value		
As at 1st April 2020	16.87	
Additions during the year	-	
Deletions during the year	-	
As at 31st March 2021	16.87	
Additions during the year	-	
Deletions during the year	-	
As at 31st March 2022	16.87	
Accumulated Depreciation		
As at 1st April 2020	1.19	
Depreciation for the year	0.44	
Deletions during the year	-	
As at 31st March 2021	1.63	
Depreciation for the year	0.43	
Deletions during the year	-	
As at 31st March 2022	2.06	
Net Carrying Value as at 31st March 2022	14.81	
Net Carrying Value as at 31st March 2021	15.24	

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

NOTE: 10 PROPERTY, PLANT AND EQUIPMENT

(₹ crore)				
Particulars	Furniture and Fixtures	Office Equipment	Vehicles	Total
Gross Carrying Value				
As at 1st April 2020	6.49	1.90	4.10	12.49
Additions during the year	-	0.17	0.60	0.77
Deletions during the year	-	-	0.14	0.14
As at 31st March 2021	6.49	2.07	4.56	13.12
Additions during the year	0.21	0.07	1.67	1.95
Deletions during the year	-	0.10	0.39	0.49
As at 31st March 2022	6.70	2.04	5.84	14.58
Accumulated Depreciation				
As at 1st April 2020	2.77	1.37	2.35	6.49
Depreciation for the year	1.23	0.35	0.86	2.44
Deletions during the year	-	-	0.07	0.07
As at 31st March 2021	4.00	1.72	3.14	8.86
Depreciation for the year	1.24	0.13	0.82	2.19
Deletions during the year	-	0.10	0.22	0.32
As at 31st March 2022	5.24	1.75	3.74	10.73
Net Carrying Value as at 31st March 2022	1.46	0.29	2.10	3.85
Net Carrying Value as at 31st March 2021	2.49	0.35	1.42	4.26

NOTE: 11 INTANGIBLE ASSETS

(₹ crore)			
Particulars	Exclusive Images	Computer Software	Total
Gross Block			
As at 1st April 2020	4.94	2.65	7.59
Additions during the year	-	0.11	0.11
Deletions during the year	-	-	-
As at 31st March 2021	4.94	2.76	7.70
Additions during the year	-	-	-
Deletions during the year	-	-	-
As at 31st March 2022	4.94	2.76	7.70
Accumulated Amortisation			
As at 1st April 2020	3.59	2.14	5.73
Amortisation for the year	1.35	0.32	1.67
Deletions during the year	-	-	-
As at 31st March 2021	4.94	2.46	7.40
Amortisation for the year	-	0.19	0.19
Deletions during the year	-	-	-
As at 31st March 2022	4.94	2.65	7.59
Net Carrying Value as at 31st March 2022	-	0.11	0.11
Net Carrying Value as at 31st March 2021	-	0.30	0.30

Foot Note: 1) The Company does not have any internally generated Intangible Assets.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

NOTE: 12 OTHER NON-FINANCIAL ASSETS

(Unsecured, except otherwise stated)

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
Gratuity Fund Receivables (Refer Note No. 38)	14.81	13.24
Prepaid Expenses	1.88	1.65
Advance for Expenses	0.02	0.06
	16.71	14.96

NOTE: 13 TRADE PAYABLES

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises	-	-
(ii) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	4.57	8.74
	4.57	8.74

Particulars	(₹ crore)				
	As at 31 Mar 22				
	Outstanding for the following periods from the Due Date of Payment				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	-	-	-
(ii) Others	4.57	-	-	-	4.57
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-

Particulars	(₹ crore)				
	As at 31 Mar 21				
	Outstanding for the following periods from the Due Date of Payment				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	-	-	-
(ii) Others	8.74	-	-	-	8.74
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-

NOTE: 14 OTHER FINANCIAL LIABILITIES

(Carried at Amortised Cost, except otherwise stated)

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
Money Due for Refund for ESOP Exercise*	-	β
Lease Rental Deposits	0.25	0.25
Payables Related to Employees	23.47	19.62
	23.72	19.87

*Amount less than ₹ 50,000 shown as β.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

NOTE: 15 PROVISIONS

(₹ crore)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
For Employee Benefits		
Compensated Absence	1.93	2.01
Gratuity Fund (Refer Note No. 38)	15.09	13.48
Long-term Incentive Plan	11.63	28.86
Others		
On Financial Guarantee (Refer Note No. 32)	0.45	0.07
	29.10	44.42

NOTE: 16 DEFERRED TAX LIABILITIES (NET)

(₹ crore)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
Deferred Tax Liabilities		
Equity Shares of Aditya Birla Finance Limited	98.82	98.82
Investment Properties	(0.09)	0.02
Gain on fair valuation of Investments in Units of Mutual Funds	1.10	1.11
Income from Preference Shares and Debentures held at Amortised Cost based on Effective Interest Rate	2.89	3.24
Gross Deferred Tax Liabilities	102.72	103.19
Deferred Tax Assets		
Ind AS 116 Impact (Net of Right-to-Use of Assets and Lease Liabilities)	0.10	0.04
Leave Encashment	0.49	0.51
Depreciation/Amortisation	1.75	1.69
Unabsorbed Depreciation/Brought forward Long-term Capital Loss and Others	0.12	4.62
Gross Deferred Tax Assets	2.46	6.86
Deferred Tax (Assets)/Liabilities (Net)	100.26	96.33

NOTE: 17 OTHER NON-FINANCIAL LIABILITIES

(₹ crore)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
Statutory Dues	3.33	3.50
Employees' Deposit - OYCS Scheme	-	0.02
Unpaid Fractional Warrants FY 2017	0.26	0.26
	3.59	3.78

NOTE: 18 SHARE CAPITAL

(₹ crore)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
Authorised:		
4,000,000,000 (Previous Year 4,000,000,000) Equity Shares of ₹ 10/- each	4,000.00	4,000.00
	4,000.00	4,000.00
Issued, Subscribed and Paid-up:		
Equity Share Capital		
2,416,311,986 (Previous Year 2,415,277,978) Equity Shares of ₹ 10/- each fully paid-up	2,416.31	2,415.28
	2,416.31	2,415.28



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

1) Reconciliation of the Number of Shares Outstanding at the beginning and at the end of the year

Sr. No.	Description	As at 31 Mar 22	As at 31 Mar 21
		Equity Shares	Equity Shares
1	Number of Shares Outstanding at the beginning of the Year	2,415,277,978	2,413,760,708
2	Allotment of fully Paid-up Shares during the Year (Refer Note No. 46)	1,034,008	1,517,270
a)	Employee Stock Options Plan (Refer Note No. 35)	734,293	1,085,516
b)	ABCL ESOP 2017 (Refer Note No. 36)	299,715	431,754
3	Number of Shares Outstanding at the end of the Year (1+2)	2,416,311,986	2,415,277,978

2) Term/Right Attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 10 per Share. Each holder of Equity Shares is entitled to one vote per Share.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of the Equity Shares held by the shareholders.

3) Equity Shares in the Company held by each shareholder holding more than 5 per cent Shares and the number of Equity Shares held are as under:

Equity Shares

Sr. No.	Name of the Shareholder	As at 31 Mar 22		As at 31 Mar 21	
		No. of Shares Held	% of Total Paid-up Equity Share Capital	No. of Shares Held	% of Total Paid-up Equity Share Capital
1	Grasim Industries Limited	1,309,240,000	54.18%	1,309,240,000	54.21%
2	Birla Group Holdings Private Limited	184,506,156	7.64%	175,006,156	7.25%

4) The Number of Shares held in the Company by each promoter is as under:

Equity Shares

Sr. No.	Name of the Promoter	Year Ended 31 Mar 22			Year Ended 31 Mar 21	
		No. of Shares Held	% of Total Paid-up Equity Share Capital	% Change during the Year	No. of Shares Held	% of Total Paid-up Equity Share Capital
1	Grasim Industries Limited	1,309,240,000	54.18%	-0.03%	1,309,240,000	54.21%
2	Birla Group Holdings Private Limited	184,506,156	7.64%	0.39%	175,006,156	7.25%
3	IGH Holdings Private Limited	53,692,810	2.22%	0.01%	53,367,810	2.21%
4	Hindalco Industries Limited	39,511,455	1.64%	-	39,511,455	1.64%
5	Umang Commercial Company Private Limited	37,444,766	1.55%	-	37,444,766	1.55%
6	Pilani Investment and Industries Corporation Limited	33,601,721	1.39%	-	33,601,721	1.39%
7	PT Indo Bharat Rayon	28,005,628	1.16%	-	28,005,628	1.16%
8	Surya Kiran Investments Pte Limited	22,507,000	0.93%	-	22,507,000	0.93%
9	Thai Rayon Public Company Limited	2,695,000	0.11%	-	2,695,000	0.11%
10	PT Sunrise Bumi Textiles	1,776,250	0.07%	-	1,776,250	0.07%
11	PT Elegant Textile Industry	1,132,250	0.05%	-	1,132,250	0.05%
12	Birla Institute of Technology and Science	925,687	0.04%	-	925,687	0.04%

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

Sr. No.	Name of the Promoter	Year Ended 31 Mar 22			Year Ended 31 Mar 21	
		No. of Shares Held	% of Total Paid-up Equity Share Capital	% Change during the Year	No. of Shares Held	% of Total Paid-up Equity Share Capital
13	Ms. Rajashree Birla	773,989	0.03%	-	773,989	0.03%
14	ECE Industries Limited	471,931	0.02%	-	471,931	0.02%
15	Renuka Investments & Finance Limited	339,059	0.01%	-	339,059	0.01%
16	Mr. Vasavadatta Bajaj	165,951	0.01%	-	165,951	0.01%
17	Aditya Vikram Kumar Mangalam Birla HUF	125,608	0.01%	-	125,608	0.01%
18	Birla Industrial Finance (India) Limited	122,479	0.01%	-	122,479	0.01%
19	Birla Consultants Limited	122,334	0.01%	-	122,334	0.01%
20	Ms. Neerja Birla	102,286	0.00%	-	102,286	0.00%
21	Mr. Kumar Mangalam Birla	51,790	0.00%	-	51,790	0.00%
22	Birla Industrial Investments (India) Limited	26,119	0.00%	-	26,119	0.00%
23	Vikram Holdings Private Limited	1,050	0.00%	-	1,050	0.00%
24	Vaibhav Holdings Private Limited	938	0.00%	-	938	0.00%
25	Rajratna Holdings Private Limited	938	0.00%	-	938	0.00%

5) During the last five years no Bonus Shares were issued.

6) Details of the Shares reserved for issue under Employee Stock Options Plan (ESOP) of the Company is disclosed in Note Nos. 35 and 36.

NOTE: 19 OTHER EQUITY

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
1) Share Application Pending for Allotment		
Opening Balance	1.38	-
Additions:		
Application Money Received related to ESOP Exercised	3.22	1.38
Deductions:		
Allotment of Shares and Tax thereon related to ESOP Exercised	4.48	-
	0.12	1.38
2) Special Reserve/Statutory Reserve (Refer Foot Note (a))		
Opening Balance	33.68	13.14
Additions:		
Transfer from Surplus in the Statement of Profit and Loss	68.94	14.66
	102.62	33.68
3) Capital Reserve	801.35	801.35
4) Securities Premium		
Opening Balance	6,076.60	6,059.51
Additions:		
Securities Premium on ESOP Exercised	1.79	-
Transferred from Share Options Outstanding on ESOPs Exercised	8.79	17.09
	6,087.18	6,076.60



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
5) Share Options Outstanding Account		
Opening Balance	172.02	173.00
Additions:		
Employee Stock Options Amortisation for the Year (Refer Note No. 35)	10.94	18.31
Deductions:		
Transferred to Securities Premium on ESOPs Exercised	8.79	17.09
On Account of Lapse of Unvested Options	-	0.24
Transfer to General Reserve on account of Lapse of Vested Options	7.15	1.96
	167.02	172.02
6) General Reserve		
Opening Balance	7.12	5.16
Additions:		
Transfer from Share Options Outstanding Account on account of Lapse of Vested Options	7.15	1.96
	14.27	7.12
7) Surplus/(Deficit) in the Statement of Profit and Loss		
Opening Balance	43.54	(15.08)
Additions:		
Profit for the Year	344.69	73.03
Other Comprehensive Income for the Year arising from remeasurement - Gain on Defined Benefits Plans (Refer Note No. 30)	0.03	0.25
Less: Appropriations:		
Transfer to Special Reserve	68.94	14.66
	319.32	43.54
Total Other Equity	7,491.88	7,135.69

(a) Special Reserve

Special Reserve represents reserve created pursuant to the Reserve Bank of India Act, 1934 ("the RBI Act"). In terms of Section 45-IC of the RBI Act, a Non-Banking Finance Company is required to transfer an amount not less than 20 per cent of its net profit to a Reserve Fund before declaring any dividend. Appropriation from this Reserve Fund is permitted only for the purposes specified by RBI.

NOTE: 20 INTEREST INCOME (HELD AT AMORTISED COST)

Particulars	(₹ crore)	
	Year Ended 31 Mar 22	Year Ended 31 Mar 21
On Financial Assets		
Interest on Loans	5.80	2.16
Interest Income from Investments	8.11	10.31
	13.91	12.47

NOTE: 21 DIVIDEND INCOME

Particulars	(₹ crore)	
	Year Ended 31 Mar 22	Year Ended 31 Mar 21
From Associate (Refer Note No. 49)	116.64	-
From Joint Venture	-	71.40
From Subsidiaries	127.20	11.54
	243.84	82.94

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

NOTE: 22 NET (LOSS)/GAIN ON FAIR VALUE CHANGES

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Net (Loss)/Gain on Financial Instruments at Fair Value Through Profit or Loss (FVTPL)		
Investments Held at FVTPL	(1.16)	12.48
	(1.16)	12.48
Fair Value Changes:		
Realised	7.31	8.06
Unrealised	(8.47)	4.42
	(1.16)	12.48

NOTE: 23 GAIN ON SALE OF INVESTMENTS

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
On Equity Investment (Refer Note No. 49)	196.12	-
	196.12	-

NOTE: 24 OTHER INCOME

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Interest Income		
On Income Tax Refund	0.52	0.09
On Other Financial Assets Held at Amortised Cost	0.17	0.14
On Fixed Deposits	0.07	0.01
Profit on Sale of Property, Plant and Equipment	0.01	0.01
Rent Income on Investment Properties	0.50	0.46
Miscellaneous Income	0.09	0.15
	1.36	0.88

NOTE: 25 FINANCE COSTS

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Interest on Lease Liabilities	0.67	0.87
	0.67	0.87
Less: Recovery of Expenses	(0.56)	(0.73)
	0.11	0.14

NOTE: 26 IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
On Loans Held at Amortised Cost	0.23	0.34
	0.23	0.34

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

NOTE: 27 EMPLOYEE BENEFITS EXPENSES

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Salaries and Wages	72.46	74.01
Contribution to Provident and Other Funds (Refer Note No. 38 (B))	2.56	2.37
Contribution to Gratuity Fund (Refer Note No. 38)	1.16	1.18
Expense on Employee Stock Options Scheme (Refer Note No. 35)	3.92	8.18
Staff Welfare Expenses	0.34	0.30
	80.44	86.04
Less: Recovery of Expenses	(59.96)	(64.06)
	20.48	21.98

NOTE: 28 DEPRECIATION AND AMORTISATION EXPENSES

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Depreciation on Property, Plant and Equipment	2.19	2.45
Depreciation on Investment Property	0.43	0.44
Amortisation on Intangible Assets	0.19	1.67
Amortisation on Lease Assets	2.68	3.82
	5.49	8.38
Less: Recovery of Expenses	(4.61)	(7.03)
	0.88	1.35

NOTE: 29 OTHER EXPENSES

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Repairs and Maintenance	2.25	2.31
Insurance	1.26	1.01
Rates and Taxes	0.06	0.08
Advertisement and Sales Promotion Expenses	6.78	9.42
Legal and Professional Expenses	5.59	4.47
Auditors' Fees and Expenses (Refer Note No. 34)	1.19	0.77
Impairment on Long-term Investments	3.10	-
Directors' Fees, Allowances and Expenses	1.12	0.24
Travelling and Conveyance	0.37	0.02
Printing and Stationery	0.15	0.18
Communication Expenses	0.14	0.13
Electricity Charges	0.21	0.23
Miscellaneous Expenses	5.86	4.96
	28.08	23.81
Less: Recovery of Expenses	(14.76)	(11.14)
Total	13.32	12.67

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

NOTE: 30 OTHER COMPREHENSIVE INCOME

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Items that will not be reclassified to Profit or Loss		
Remeasurement of Post-Employment Benefits Obligations	0.15	1.35
	0.15	1.35
Less: Transfer of OCI	0.11	1.01
	0.04	0.34
Less: Income Tax relating to items that will not be reclassified to Profit or Loss		
Income Tax relating to Remeasurement of Post-Employment Benefits Obligations	(0.01)	(0.09)
	0.03	0.25

NOTE: 31 DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 33 - EARNINGS PER SHARE

Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Earnings Per Share (EPS) is calculated as under:		
Weighted-Average Number of Equity Shares for calculation of Basic EPS (A)	2,415,907,318	2,414,388,770
Add: Dilutive Impact of Employee Stock Options	2,459,566	3,187,132
Weighted-Average Number of Equity Shares for calculation of Diluted EPS (B)	2,418,366,884	2,417,575,902
Nominal Value of Shares (₹)	10.00	10.00
Profit Attributable to Equity Holders (C)	344.69	73.03
Basic EPS (₹) (C/A)	1.43	0.30
Diluted EPS (₹) (C/B)	1.43	0.30

NOTE: 32 CONTINGENT LIABILITIES AND COMMITMENTS

a) Contingent Liabilities

The Company has issued Corporate Guarantees to National Housing Bank on behalf of its subsidiary Aditya Birla Housing Finance Limited (ABHFL) of ₹ 2,500 Crore up to 31st March 2022 (Previous Year ₹ 500 Crore). The Corporate Guarantees valid as on 31st March 2022 is ₹ 1541.76 Crore against which the amount liable by ABHFL is ₹ 1,498.73 Crore as on 31st March 2022 (Previous Year ₹ 225.93 Crore). As per the terms of the Guarantee, on invocation, the Company's liability is capped at the outstanding amount.

b) Capital Commitments

- The Company has ₹ Nil as commitments towards Property, Plant and Equipment as at 31st March 2022 (Previous Year ₹ 0.12 Crore).
- Pursuant to the Shareholders' Agreement entered into with Sun Life Financial (India) Insurance Investments Inc. and its holding Company Sun Life Assurance Company of Canada by Aditya Birla Capital Limited, in respect of Aditya Birla Sun Life Insurance Company Limited (ABSLI), the Company agreed to infuse its share of capital in ABSLI from time to time to meet the solvency requirement prescribed by the regulatory authority.

Transfer of investments in ABSLI is restricted by the terms contained in Shareholders' Agreements entered into by the Aditya Birla Capital Limited.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

NOTE: 33 LEASES

Disclosure Pursuant to Indian Accounting Standard ("Ind AS") 116

Following are the changes in the carrying value of Right-of-Use Assets.

		(₹ crore)
Particulars	Category of ROU Asset - Leasehold Premises	
Gross Carrying Value		
As at 1st April 2020		4.71
Additions during the year		13.06
Deletions during the year		-
As at 31st March 2021		17.77
Additions during the year		0.24
Deletions during the year		0.27
As at 31st March 2022		17.74
Accumulated Amortisation		
As at 1st April 2020		3.16
Amortisation for the year		3.82
Deletions during the year		-
As at 31st March 2021		6.98
Amortisation for the year		2.68
Deletions during the year		-
As at 31st March 2022		9.66
Net Carrying Value as at 31st March 2022		8.07
Net Carrying Value as at 31st March 2021		10.79

Amounts recognised in Profit and Loss

		(₹ crore)
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Amortisation Expenses on Right-of-Use Assets	2.68	3.82
Less: Recovery of Expenses	(2.25)	(2.10)
Total (A)	0.43	1.72
Interest Expenses on Lease Liabilities	0.67	0.87
Less: Recovery of Expenses	(0.56)	(0.73)
Total (B)	0.11	0.14
Grand Total (A) + (B)	0.54	1.86

The following is the break-up of Current and Non-Current Lease Liabilities

		(₹ crore)
Particulars	As at 31 Mar 22	As at 31 Mar 21
Current Lease Liabilities	2.93	3.17
Non-Current Lease Liabilities	5.52	7.82
Total	8.45	10.99

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

The following is the movement in Lease Liabilities

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
Opening Balance	10.99	1.24
Additions:		
Lease Premises	0.11	12.44
Finance Cost Accrued during the Year	0.67	0.87
Deletions:		
Lease Premises	0.28	-
Payment of Lease Liabilities	3.04	2.99
Lease Abatement for COVID-19	-	0.57
Closing Balance	8.45	10.99

The table below provides details regarding the Contractual Maturities of Lease Liabilities on an undiscounted basis:

Particulars*	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
Less than one year	3.03	0.86
One to five years	6.33	0.46
Total	9.36	1.32

* There are no non-cancellable operating leases.

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

NOTE: 34 PAYMENT TO STATUTORY AUDITORS

During the year, the Company made the following payments to Statutory Auditors:

Particulars	(₹ crore)	
	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Audit Fees	0.70	0.39
Limited Review	0.39	0.26
Tax Audit	0.05	0.05
Other Services	0.01	0.05
Re-imbursement of Expenses	0.04	0.02
Total	1.19	0.77

The above disclosed figures are excluding Goods and Service Tax.

NOTE: 35 DISCLOSURE UNDER EMPLOYEE STOCK OPTIONS SCHEME

At the Annual General Meeting held on 19th July 2017, the shareholders of the Company approved the grant of not more than 32,286,062 Equity Shares by way of grant of Stock Options ("ESOPs") and Restricted Stock Units ("RSUs"). Out of these, the Nomination, Remuneration and Compensation Committee has granted 24,062,864 ESOPs and 5,742,636 RSUs under the Scheme titled "Aditya Birla Capital Limited Employee Stock Option Scheme 2017" in 3 categories of Long-Term Incentive Plans



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

("LTIP"), identified as LTIP 1, LTIP 2, and LTIP 3. The Scheme allows the Grant of Stock Options to employees of the Company (whether in India or abroad) that meet the eligibility criteria. Each option comprises one underlying Equity Share.

Features	LTIP 1	LTIP 2	LTIP 3
Instrument	RSU	ESOP	ESOP
Plan Period	2017-2019	2017-2021	2017-2019
Quantum of Grant	4,343,750	11,557,872	1,398,886
Method of Accounting	Fair Value	Fair Value	Fair Value
Vesting Period	100% (2 years)	25% p.a. (4 years)	100% (2 years)
Vesting Condition(s)	Continued employment	Employees of ABCL: 75% of the consolidated PBT achievement against annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against annual P&B targets	Continued employment
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	11.08.2017	11.08.2017	11.08.2017
Grant/Exercise Price (₹ Per Share)	10	115	10
Value of Equity Shares as on the Date of Grant of Original Option (₹ Per Share)	139	139	139

Granted during the Financial Year - 2021-2022 to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

Features	LTIP 2	LTIP 3
Instrument	ESOP	ESOP
Plan Period	2021-2025	2021-2025
Quantum of Grant	269,352	140,352
Method of Accounting	Fair Value	Fair Value
Vesting Period	Equal vesting in 4 years from the Date of Grant	Equal vesting in 4 years from the Date of Grant
Vesting Condition(s)	75% of the Profit Before Tax achievement against annual performance target immediately preceding the Date of Vesting	75% of the Profit Before Tax achievement against annual performance target immediately preceding the Date of Vesting
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	14.05.2021	30.09.2021
Grant/Exercise Price (₹ Per Share)	119.4	114.2

Re-granted during the Financial Year - 2020-2021 to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

Features	LTIP 2	LTIP 3
Instrument	ESOP	ESOP
Plan Period	2021-2022	2021-2022
Quantum of Grant	110,424	140,439
Method of Accounting	Fair Value	Fair Value
Vesting Period	One year from the Date of Grant	One year from the Date of Grant
Vesting Condition(s)	75% of the Profit Before Tax achievement against annual performance target	75% of the Profit Before Tax achievement against annual performance target
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	05.02.2021	05.02.2021
Grant/Exercise Price (₹ Per Share)	90.4	90.4

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

Granted during the Financial Year - 2019-2020 to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

Features	LTIP 2	LTIP 2	LTIP 3	LTIP 3	LTIP 2	LTIP 3
Instrument	ESOP	ESOP	ESOP	RSU	ESOP	RSU
Plan Period	2019-2023	2019-2023	2019-2024	2019-2021	2020-2024	2020-2023
Quantum of Grant	560,376	307,020	441,704	7,686	798,768	523,810
Method of Accounting	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Vesting Period	25% p.a. (4 years)	25% p.a. (4 years)	20% p.a. (5 years)	100% (2 years)	25% p.a. (4 years)	100% (3 years)
Vesting Condition(s)	Employees of ABCL: 75% of the consolidated PBT achievement against annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against annual P&B targets	Employees of ABCL: 75% of the consolidated PBT achievement against annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against annual P&B targets	Employees of ABCL: 75% of the consolidated PBT achievement against annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against annual P&B targets	Continued employment	Employees of ABCL: 75% of the consolidated PBT achievement against annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against annual P&B targets	Continued employment
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting	5 years from the Date of Vesting	5 years from the Date of Vesting	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	02.08.2019	18.10.2019	18.10.2019	18.10.2019	25.02.2020	25.02.2020
Grant/Exercise Price (₹ Per Share)	82.4	76.4	76.4	10	87.1	10

Granted during the Financial Year - 2018-2019 to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

Features	LTIP 3	LTIP 3
Instrument	ESOP	RSU
Plan Period	2018-2023	2018-2020
Quantum of Grant	1,623,834	300,000
Method of Accounting	Fair Value	Fair Value
Vesting Period	20% p.a. (5 years)	100% (2 years)
Vesting Condition(s)	75% of the Profit Before Tax achievement against annual performance target	Continued employment
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	09.04.2018	09.04.2018
Grant/Exercise Price (₹ Per Share)	115	10

Details of Activities in the Plan as on 31st March 2022

Features	LTIP 1	LTIP 2	LTIP 3
Instrument	RSU	ESOP	ESOP
Options/RSUs Outstanding at beginning of the year	1,256,100	10,714,241	872,906
Granted during the year	-	409,704	-
Exercised during the year	517,431	171,862	-
Lapsed during the year	84,300	679,668	1,500
Options/RSUs Outstanding at the end of the year	654,369	10,272,415	871,406
Options/RSUs unvested at the end of the year	-	1,038,191	531,496
Options/RSUs exercisable at the end of the year	654,369	9,234,224	339,910

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

Details of Activities in the Plan as on 31st March 2021

Features	LTIP 1		LTIP 2		LTIP 3	
	RSU		ESOP		ESOP	
Options/RSUs Outstanding at beginning of the year	1,718,500		11,475,079		1,439,450	13,225,030
Granted during the year	-		110,424		-	140,439
Exercised during the year	386,000		146,372		566,544	-
Lapsed during the year	76,400		724,890		-	140,439
Options/RSUs Outstanding at the end of the year	1,256,100		10,714,241		872,906	13,225,030
Options/RSUs unvested at the end of the year	-		3,291,083		531,496	5,413,673
Options/RSUs exercisable at the end of the year	1,256,100		7,423,158		341,410	7,811,357

Fair Valuation

The fair value of the options used to compute proforma net profit and earnings per share has been done by an independent valuer on the date of grant using Black-Scholes Merton Formula. The key assumptions and the fair value are as:

Features	LTIP 1		LTIP 2		LTIP 3	
	RSU		ESOP		ESOP	
Risk-Free Interest Rate (%)	6.50%		6.2% to 6.8%		6.5% to 7.2%	6.5% to 7.6%
Option Life (Years)	4.5		3.5 to 6.5		4.5	3.5 to 7.5
Expected Volatility	38.50%	36.2% to 46.5%			35.4% to 38.5%	37.0% to 46.5%
Expected Dividend Yield (%)	0.00%		0.00%		0.00%	0.00%
Weighted-Average Fair Value per Option (₹)	131.6	70.4 to 119.4			131.6	73.1 to 90.4

NOTE: 36 ABCL INCENTIVE PLAN 2017

The Scheme titled as "ABCL Incentive Scheme for Stock Options and Restricted Stock Units – 2017 (ABCL Incentive Scheme)" was approved by the shareholders through postal ballot on 10th April 2017. The Nomination, Remuneration and Compensation Committee of the Company at its meeting held on 15th January 2018, granted 1,465,927 ESOPs and 252,310 Restricted Stock Units (RSUs) (collectively called as "Stock Options") to the eligible grantees, pursuant to the Composite Scheme of Arrangement between erstwhile Aditya Birla Nuvo Limited (now merged with Grasim Industries Limited), Grasim Industries Limited and Aditya Birla Capital Limited (Refer Note No. 33). The Stock Options allotted under the Scheme are convertible into equal number of Equity Shares.

The vesting conditions and the vesting dates under the ABCL Incentive Scheme shall follow the same vesting conditions as applicable to the Grantees under the corresponding Grasim Employee Benefit Schemes 2006 and 2013.

Particulars	ABCL Incentive Scheme	
	Options	RSUs
Plan Period	As per Grasim Employee Benefit Schemes 2006 and 2013	
Quantum of Grant	1,465,927	252,310
Method of Accounting	Fair Value	Fair Value
Vesting Period	The Options and RSUs shall deemed to have been vested from the original date of grant under the Grasim ESOP Schemes 2006 and 2013, and shall be subject to a minimum vesting period of one year from the date of original grant, and would vest not earlier than one year and not later than five years from the date of grant of Options and RSUs, or such other period as may be determined by the Nomination, Remuneration and Compensation Committee.	
Vesting Condition(s)	Achievement of threshold level of budgeted annual performance target	
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	15.01.2018	15.01.2018
Grant/Exercise Price (₹ Per Share)	10	10

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

Re-granted during the Financial Year - 2020-2021 to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

Particulars	Options
Plan Period	2020-2021
Quantum of Grant	25,585
Method of Accounting	Fair Value
Vesting Period	One year from the Date of Grant
Vesting Condition(s)	Achievement of threshold level of budgeted annual performance target
Exercise Period	5 years from the Date of Vesting
Grant Date	05.03.2021
Grant/Exercise Price (₹ Per Share)	10

Details of Activities in the Plan

Particulars	ABCL Incentive Scheme			
	As at 31 Mar 22		As at 31 Mar 21	
	Options	RSUs	Options	RSUs
Options/RSUs Outstanding at the beginning of the year	385,721	113,447	761,865	169,057
Granted during the year	-	-	25,585	-
Exercised during the year	189,686	110,029	376,144	55,610
Lapsed during the year	-	-	25,585	-
Options/RSUs Outstanding at the end of the year	196,035	3,418	385,721	113,447

NOTE: 37 RELATED PARTY DISCLOSURES

List of Related Parties as per Ind AS 24 and with whom the Company has transactions:

Holding Company

Grasim Industries Limited

Subsidiaries

Aditya Birla PE Advisors Private Limited

Aditya Birla Capital Investments Private Limited

Aditya Birla Capital Technology Services Limited

Aditya Birla Financial Shared Services Limited

Aditya Birla Trustee Company Private Limited

Aditya Birla Money Limited

Aditya Birla Money Mart Limited

Aditya Birla Insurance Brokers Limited

Aditya Birla Finance Limited

Aditya Birla Housing Finance Limited

Aditya Birla Health Insurance Co. Limited

ABCAP Trustee Company Private Limited

Aditya Birla Stressed Asset AMC Private Limited

Aditya Birla Money Insurance Advisory Services Limited (100% Subsidiary of Aditya Birla Money Mart Limited)

Aditya Birla Sun Life Insurance Company Limited

Aditya Birla Sun Life Pension Management Limited (100% Subsidiary of Birla Sun Life Insurance Company Limited)

Aditya Birla ARC Limited

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

Joint Ventures/Associates

Aditya Birla Sun Life AMC Limited (Associate w.e.f. 7th October 2021)

Aditya Birla Sun Life Trustee Private Limited

Aditya Birla Wellness Private Limited

Other Related Parties in which Directors are Interested

Aditya Birla Management Corporation Private Limited (w.e.f. 1st January 2019)

Fellow Subsidiaries

UltraTech Cement Limited

Post-Employment Benefit Plans

Grasim Industries Limited - Employee's Gratuity Fund

Key Managerial Personnel

Mr. Kumar Mangalam Birla (Chairman and Non-Executive Director)

Dr. Santrupt Misra (Non-Executive Director)

Mr. Sushil Agarwal (Non-Executive Director)

Mr. Romesh Sobti (Non-Executive Director) (w.e.f. 14th January 2021)

Mr. Arun Kumar Adhikari (Independent Director)

Mr. P. H. Ravikumar (Independent Director)

Mr. S. C. Bhargava (Independent Director)

Ms. Vijayalakshmi Rajaram Iyer (Independent Director)

Mr. Ajay Srinivasan (Chief Executive Officer)

Refer **Annexure 1** for the transactions with related parties.

NOTE: 38 RETIREMENT BENEFITS

Disclosure in respect of Employee Benefits pursuant to Ind AS -19

A) Defined Benefits Plans:

Particulars	(₹ crore)	
	As at/For the Year Ended 31 Mar 22	As at/For the Year Ended 31 Mar 21
i) Amounts Recognised in the Balance Sheet in respect of Gratuity		
Present Value of the funded Defined Benefits Obligations at the end of the Year	15.09	13.48
Rights from insurance policies that exactly match the amount and timing of some of the benefits payable under the plan. Those benefits have a present value of ₹ 14.81 Crore (Previous Year ₹ 13.24 Crore)		
Amounts Recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity		
Current Service Cost	1.15	1.01
Interest on Net Defined Benefits Liabilities/(Assets)	0.01	0.17
Net Gratuity Cost	1.16	1.18
Amount Recognised in Other Comprehensive Income (OCI) for the Year		
Actual Return on Reimbursement, excluding Interest Income	(0.47)	(1.00)
Actuarial Changes Arising from Changes in Demographic Assumptions	-	-
Actuarial Changes Arising from Changes in Financial Assumptions	(0.31)	0.43
Actuarial Changes Arising from Changes in Experience Assumptions	0.64	(0.78)
Closing Amount Recognised in OCI outside Profit and Loss Account	(0.14)	(1.35)

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

Particulars	(₹ crore)	
	As at/For the Year Ended 31 Mar 22	As at/For the Year Ended 31 Mar 21
ii) Reconciliation of Present Value of the Obligations and the Fair Value of the Plan Assets:		
Change in Net Liabilities/(Assets)		
Opening Net Defined Benefits Liabilities/(Assets)	5.52	3.60
Expenses Charged to Profit and Loss	1.16	1.18
Amount Recognised Outside Profit and Loss - OCI	(0.14)	(1.35)
Employer Contribution	0.97	2.09
Closing Net Defined Benefits Liabilities/(Assets)	7.51	5.52
Change in Present Value of the Obligations:		
Opening Defined Benefits Obligations	13.47	11.64
Current Service Cost	1.15	1.01
Interest Cost	0.87	0.76
Actuarial Changes Arising from Changes in Demographic Assumptions	-	-
Actuarial Changes Arising from Changes in Financial Assumptions	(0.31)	0.43
Actuarial Changes Arising from Changes in Experience Assumptions	0.64	(0.78)
Benefits Paid	(0.73)	0.41
Closing Defined Benefits Obligations	15.09	13.47
Change in Fair Value of the Reimbursement Rights:		
Opening Fair Value of the Reimbursement Rights	13.25	9.15
Interest Income on Reimbursement Rights	0.85	0.60
Actual Return on Reimbursement Rights less Interest on Reimbursement Rights	0.47	1.00
Contributions by the Employer	0.97	2.09
Benefits Paid	(0.74)	0.41
Closing Fair Value of the Reimbursement Rights	14.80	13.25

iii) Funding Arrangement and Policy

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested.

The trustees of the plan are required to invest the funds as per the prescribed pattern of investments laid out in the Income Tax Rules for such approved schemes. Due to the restrictions in the type of investments, that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively.

Estimated amount of contribution expected to be paid to the fund during the annual period after the Balance Sheet date is ₹ 1.34 Crore (Previous Year ₹ 1.29 Crore).

Maturity Profile of Defined Benefits Obligations

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
1 year	2.85	1.59
2 to 5 years	7.25	7.32
6 to 10 years	6.08	6.30
More than 10 years	6.54	5.34

The Weighted-Average duration to the payment of these cash flows is 5 years (Previous Year 6 years).



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

iv) Quantitative Sensitivity Analysis for Significant Assumption is as below:

Increase/Decrease in Present Value of Defined Benefits Obligations at the end of the year

Particulars	As at 31 Mar 22		As at 31 Mar 21	
	Amount		Amount	
	Amount		Amount	
i 50 Bps Increase in Discount Rate	14.72	-2.40%	13.11	-2.70%
ii 50 Bps Decrease in Discount Rate	15.48	2.60%	13.86	2.90%
i 50 Bps Increase in Rate of Salary Increase	15.47	2.50%	13.86	2.80%
ii 50 Bps Decrease in Rate of Salary Increase	14.72	-2.50%	13.11	-2.70%
i 50% Increase in Employee Turnover Rate	14.45	-4.30%	12.82	-4.80%
ii 50% Decrease in Employee Turnover Rate	15.90	5.40%	14.30	6.10%
i 10% Increase in Employee Mortality Rate	15.10	0.10%	13.48	0.10%
ii 10% Decrease in Employee Mortality Rate	15.08	-0.10%	13.47	-0.10%

v) Sensitivity Analysis Method

These sensitivities have been calculated to show the movement in defined benefits obligations in isolation, and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

Disaggregation of Plan Assets

Particulars	As at 31 Mar 22	As at 31 Mar 21
	Non-Quoted Value	Non-Quoted Value
Government Debt Instruments	10.64%	12.25%
Corporate Bonds	0.80%	0.96%
Insurer Managed Funds	36.92%	40.21%
Others	51.64%	46.58%
Grand Total	100.00%	100.00%

There are no amount included in the Fair Value of Plan Assets for:

- The Company's own financial instrument
- Property occupied by or other assets used by the Company

vi) Principal Actuarial Assumptions at the Balance Sheet Date

Particulars	As at 31 Mar 22	As at 31 Mar 21
Discount Rate	6.85%	6.45%
Salary Escalation	7.50%	7.50%
Mortality Rate during Employment	100.00%	100.00%
Rate of Employee Turnover	5.00%	5.00%
Normal Retirement Age	60 Years	60 Years

Disability: Leaving service due to disability is included in the provision made for all causes of leaving service (as above).

The estimates of future salary increase, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

B) Defined Contribution Plans:

Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Contribution to Employee Provident Fund and Pension	1.89	1.67
Contribution to Superannuation Fund	0.67	0.70
Total	2.56	2.37

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

NOTE: 39 FAIR VALUES

The Management assessed that the Fair Values of Financial Assets and Liabilities are approximately their carrying values.

NOTE: 40 FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

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

Principles for Estimating Fair Value

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table.

Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method at 31st March 2022. The different levels have been defined as follows:

Level 1: Category includes financial assets and liabilities that are measured in whole or in significant part by reference to published quotes in an active market.

Level 2: Category includes financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. These include assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes and assets that are valued using the Company's own valuation models, whereby the material assumptions are market observable.

Level 3: Category includes financial assets and liabilities measured using valuation techniques based on non-market observable inputs. This means that fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. However, the fair value measurement objective remains the same, that is, to estimate an exit price from the perspective of the Company. The main asset classes in this category are unlisted equity investments as well as unlisted funds.

As at 31st March 2022

Particulars	Total	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets at Fair Value Through Profit or Loss				
Investments in Mutual Funds	346.42	-	346.42	-
Investments in Preference Shares	12.20	-	12.20	-
Total Financial Assets	358.62	-	358.62	-

As at 31st March 2021

Particulars	Total	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets at Fair Value Through Profit or Loss				
Investments in Mutual Funds	296.93	-	296.93	-
Investments in Preference Shares	19.98	-	19.98	-
Total Financial Assets	316.91	-	316.91	-

The carrying amount of trade receivables, trade payables, other financial liabilities, loans, other financial assets, cash and cash equivalents as at 31st March 2022 and 31st March 2021, are considered to the same as fair values, due to their short-term nature. These are classified as Level 3 fair value hierarchy due to inclusion of unobservable inputs including counterparty credit risk.

During the reporting period ending 31st March 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

Assumptions to above:

* The Fair Valuation of Preference Shares is based on independent valuers report.

* The Fair Valuation of Unquoted Mutual Funds' Units is done based on NAV of units.



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

NOTE: 41 FINANCIAL RISK MANAGEMENT

The Company, being a Core Investment Company as per the Core Investment Companies (RBI) Directions, 2016, is required to invest or lend majority of its funds to its Subsidiaries and Joint Ventures. The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to support the Company's operations. The Company's principal financial assets include investments, inter-corporate deposits, loans, cash and cash equivalents, and other receivables.

The Company is exposed to certain financial risks, such as market risk, credit risk, liquidity risk and equity investment risk. The Company's Senior Management oversees the management of these risks. The Company's Senior Management is supported by a Risk Management Committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The Risk Management Committee provides assurance to the Company's Senior Management that the Company's financial risk activities are governed by appropriate policies and procedures, and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The major risks are summarised below:

Equity Investment Risk

The Company's investments in listed and non-listed equity securities are accounted at cost in the financial statements net of impairment. The expected cash flows from these entities are regularly monitored internally and also independently, wherever necessary, to identify impairment indicators.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. In the case of the Company, market risk primarily impacts financial instruments measured at fair value through profit or loss. These are primarily unquoted Compulsorily Convertible Preference Shares of subsidiaries and investments in mutual funds, and other alternate funds where investments are not significant in relation to the size of its total investments. The fair value investments of these investments are regularly monitored.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have exposure to the risk of changes in market interest rate as it has no borrowings.

Credit Risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. The Company is exposed to credit risk from its financing activities towards inter-corporate deposits to subsidiaries where no significant impact on credit risk has been identified.

Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by the Senior Management.

The Company manages its liquidity requirement by analysing the maturity pattern of the Company's cash flows of financial assets and financial liabilities. The Company invests its surplus funds in debt schemes of mutual funds, which carry low mark-to-market risks. Also refer Note No. 42 for maturity analysis of assets and liabilities.

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities.

(₹ crore)

As at 31 st March 2022	Less than 3 Months	3 Months to 12 Months	12 Months to 36 Months	36 Months to 60 Months	More than 60 Months
Financial Liabilities					
Trade Payables	4.57	-	-	-	-
Lease Liabilities	0.76	2.27	6.33	-	-
Other Financial Liabilities	-	23.47	0.25	-	-
Total	5.33	25.74	6.58	-	-

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

(₹ crore)

As at 31 st March 2021	Less than 3 Months	3 Months to 12 Months	12 Months to 36 Months	36 Months to 60 Months	More than 60 Months
Financial Liabilities					
Trade Payables	8.74	-	-	-	-
Lease Liabilities	0.89	2.39	6.09	3.20	-
Other Financial Liabilities	0.01	19.61	0.25	-	-
Total	9.64	22.00	6.34	3.20	-

NOTE: 42 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.

(₹ crore)

Particulars	As at 31 Mar 22			As at 31 Mar 21		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Financial Assets						
(a) Cash and Cash Equivalents	1.47	-	1.47	2.07	-	2.07
(b) Bank Balances other than (a) above	-	0.26	0.26	-	0.26	0.26
(c) Receivables - Others	10.96	-	10.96	9.36	-	9.36
(d) Loans	160.36	-	160.36	104.08	-	104.08
(d) Other Financial Assets	0.73	1.59	2.32	0.94	1.14	2.08
(e) Investments	390.15	9,455.57	9,845.72	305.66	9,248.88	9,554.54
Non-Financial Assets						
(a) Current Tax Assets (Net)	-	13.24	13.24	-	17.04	17.04
(b) Investment Property	-	14.81	14.81	-	15.24	15.24
(c) Property, Plant and Equipment	-	3.85	3.85	-	4.26	4.26
(d) Capital Work-in-Progress	-	-	-	-	0.12	0.12
(e) Right-of-Use-Assets	-	8.07	8.07	-	10.79	10.79
(f) Other Intangible Assets	-	0.11	0.11	-	0.30	0.30
(g) Other Non-Financial Assets	15.73	0.98	16.71	14.22	0.74	14.96
Total Assets	579.40	9,498.48	10,077.88	436.33	9,298.77	9,735.10
Financial Liabilities						
(a) Trade Payables	4.57	-	4.57	8.74	-	8.74
(b) Lease Liabilities	2.93	5.52	8.45	3.17	7.82	10.99
(c) Other Financial Liabilities	23.47	0.25	23.72	19.62	0.25	19.87
Non-Financial Liabilities						
(a) Provisions	28.65	0.45	29.10	44.35	0.07	44.42
(b) Deferred Tax Liabilities (Net)	-	100.26	100.26	-	96.33	96.33
(c) Other Non-Financial Liabilities	3.33	0.26	3.59	3.52	0.26	3.78
Equity						
(a) Equity Share Capital	-	2,416.31	2,416.31	-	2,415.28	2,415.28
(b) Other Equity	-	7,491.88	7,491.88	-	7,135.69	7,135.69
Total Liabilities and Equity	62.95	10,014.93	10,077.88	79.40	9,655.70	9,735.10

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

NOTE: 43 IMPAIRMENT ON FINANCIAL INSTRUMENTS

Background of Expected Credit Loss

Expected Credit Loss is a calculation of the present value of the amount expected to be lost on a financial asset, for financial reporting purposes. Credit risk is the potential that the obligor and counterparty will fail to meet its financial obligations to the lender. This requires an effective assessment and management of the credit risk at both individual and portfolio level.

The key components of Credit Risk Assessment are:

1. Probability of Default (PD): represents the likelihood of default over a defined time horizon.
2. Exposure at Default (EAD): represents how much the obligor is likely to be borrowing at the time of default.
3. Loss Given Default (LGD): represents the proportion of EAD that is likely to be lost post-default.

The definition of default is taken as 90 days past due for all retail and corporate loans.

Delinquency buckets have been considered as the basis for the staging of all loans in the following manner:

0-30 days past due loans classified as Stage 1;

More than 30-90 days past due loans classified as Stage 2;

Above 90 days past due loans classified as Stage 3.

The ECL is computed as a product of PD, LGD and EAD.

1.1 Credit Quality of Assets

Particulars	As at 31 Mar 22				As at 31 Mar 21			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal Rating Grade								
Corporate Loans	160.36	-	-	160.36	104.08	-	-	104.08

1.2 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to corporate lending is as follows:

Particulars	As at 31 Mar 22				As at 31 Mar 21			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount Opening Balance	104.50	-	-	104.50	20.15	-	-	20.15
New Assets Originated or Purchased	189.50	-	-	189.50	142.98	-	-	142.98
Assets Repaid	(133.00)	-	-	(133.00)	(58.63)	-	-	(58.63)
Gross Carrying Amount Closing Balance	161.00	-	-	161.00	104.50	-	-	104.50

Reconciliation of ECL Balance is given below:

Particulars	As at 31 Mar 22				As at 31 Mar 21			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL Allowance - Opening Balance	0.42	-	-	0.42	0.08	-	-	0.08
ECL Allowance Recognised during the Year	0.22	-	-	0.22	0.34	-	-	0.34
ECL Allowance - Closing Balance	0.64	-	-	0.64	0.42	-	-	0.42

The above does not include provision on financial guarantee ₹ 0.46 Crore (Previous Year ₹ 0.07 Crore).

A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109, as per circular issued by Reserve Bank of India (RBI/2019-20/170, DOR (NBFC).CC.PD.No.109/22.10.106/2019-20, dated 13th March 2020):

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

As at 31st March 2022

(₹ crore)						
Assets Classification as per RBI Norms	Assets Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowance (Provision) as required under Ind AS 109	Net Carrying Value	Provisions required as IRACP Norms	Difference between Ind AS 109 Provisions and IRACP Norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	161.00	0.64	160.36	0.64	-
	Stage 2	-	-	-	-	-
Sub-Total		161.00	0.64	160.36	0.64	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - Upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for Doubtful						
Loss	Stage 3					
Sub-Total for NPA		-	-	-	-	-
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	-	0.45	-	-	0.45
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub-Total		-	0.45	-	-	0.45
Total	Stage 1	161.00	1.09	160.36	0.64	0.45
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-

As at 31st March 2021

(₹ crore)						
Assets Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowance (Provision) as required under Ind AS 109	Net Carrying Value	Provisions required as IRACP Norms	Difference between Ind AS 109 Provisions and IRACP Norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	104.50	0.42	104.08	0.42	-
	Stage 2	-	-	-	-	-
Sub-Total		104.50	0.42	104.08	0.42	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - Upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for Doubtful						
Loss	Stage 3					
Sub-Total for NPA		-	-	-	-	-



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for the year ended 31st March 2022

						(₹ crore)
Assets Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowance (Provision) as required under Ind AS 109	Net Carrying Value	Provisions required as IRACP Norms	Difference between Ind AS 109 Provisions and IRACP Norms
Other items such as guarantees, loan commitments, etc., which are in the scope of Ind AS 109, but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) Norms	Stage 1	-	0.07	-	-	0.07
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Sub-Total	-	0.07	-	-	0.07
Total	Stage 1	104.50	0.49	104.08	0.42	0.07
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-

NOTE: 44 DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006

Based on the information received by the Company from “suppliers”, regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, there are no amounts due to any suppliers covered under this Act as at the Balance Sheet Date and, hence, disclosures relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

NOTE: 45 Under Aditya Birla Capital Limited Stock Appreciation Rights Scheme 2019, the Company has approved grant of Nil (Previous Year 4,356) RSU Stock Appreciation Rights (SARs) and 59,856 (Previous Year 83,592) Options SARs to the employees of the Company and its subsidiaries.

NOTE: 46 The Company, during the current year, has allotted 1,034,008 (Previous Year 1,517,270) Equity Shares of ₹ 10 each, fully paid-up, on exercise of options by eligible grantees, in accordance with the Employee Stock Options Schemes approved by the Company.

NOTE: 47 With effect from 11th October 2017, 64,422,405 Global Depositary Shares (GDSs) representing 64,422,405 Equity Shares of ₹ 10 each have been admitted for trading on the Luxembourg Stock Exchange.

As on 31st March 2022, 50,536,762 (GDS) representing 50,536,762 Equity Shares are outstanding (Previous Year 50,536,762).

NOTE: 48 The Company has made an assessment of its value of investments in Equity Shares and 0.001% Compulsory Convertible Cumulative Preference Shares (“CCPS”) of Aditya Birla Capital Technology Services Limited (“ABCTSL”). Based on such assessments and independent valuation report, value of Equity Shares and CCPS is assessed at ₹ 3.22 Crore and ₹ 2.42 Crore, respectively, and accordingly additional impairment loss on Equity Shares of ₹ 3.05 Crore and fair value loss on CCPS of ₹ 12.56 Crore have been provided.

The ABCAP Trustee Company Private Limited is under process of strike off, and accordingly impairment loss on Equity Shares of ₹ 0.05 Crore has been provided.

NOTE: 49 The Company has sold 2,850,880 Equity Shares of face value of ₹ 5 each, of Aditya Birla Sun Life AMC Limited (ABSLAMC), at ₹ 712 per Equity Share by way of offer for sale in the Initial Public Offer (IPO) of ABSLAMC in accordance with the relevant provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, and recognised gain on sale of these investments amounting to ₹ 196.12 Crore (Net of Tax, Gain is ₹ 179.47 Crore). Consequently, w.e.f. 7th October 2021, ABSLAMC has ceased to be a Joint Venture and has been accounted as an Associate.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

NOTE: 50 During the year, the Company received ₹ 57.75 Crore for redemption of 0.01% Redeemable Non-Convertible Cumulative Preference Shares ("RNCCPS") of Aditya Birla Money Limited as per agreed terms.

NOTE: 51 The Company has Long-Term Incentive Plan for selective employees. Long-Term Incentive Plan includes future encashment or availment, at the option of the employee and subject to the rules framed by the Company, which are expected to be availed or encashed beyond 12 months from the end of the year, and long-term incentive payable to employees on fulfilment of criteria prescribed by the Company. On the basis of the plan, the Company has made provision of ₹ 7 Crore (Previous Year ₹ 18 Crore).

NOTE: 52 The Company has short-term rating, viz, "(ICRA) A1+", "(CRISIL) A1+" and "AAA" long-term rating from ICRA (which is the highest long-term rating) and, therefore, high acceptability in the market. During the year, the Company has not borrowed any funds.

NOTE: 53 INVESTMENT PROPERTY FAIR VALUE

The Company has carried out the valuation through an Independent Valuer to determine the fair value of its Investment Properties. As per report provided by the Independent Valuer, the fair value is ₹ 19.02 Crore as on 31st March 2022 (Previous Year ₹ 16.65 Crore).

The fair value of Investment Property has been derived using the Direct Comparison Method based on the recent market prices without any significant adjustments being made observable data. Accordingly, fair value estimates for Investment Property is classified as Level 3.

The Company has no restrictions on the realisability of its Investment Property and has no contractual obligations to purchase, construct or develop Investment Property.

Information regarding Income and Expenditure of Investment Property

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Rental Income Derived from Investment Property	0.50	0.46
Less: Direct Operating Expenses (including Repairs and Maintenance) associated with Rental Income	0.06	0.06
Profit Arising from Investment Property before Depreciation and Indirect Expenses	0.44	0.40
Less: Depreciation for the Year	0.43	0.44
Profit Arising from Investment Property before Indirect Expenses	0.01	(0.04)

NOTE: 54 INCOME TAX DISCLOSURE

The Major Components of Income Tax Expenses for the years ended 31st March 2022 and 31st March 2021 are:

1. Income Tax Recognised in Profit and Loss

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Current Income Tax:		
In respect of the Current Year	70.42	4.38
Deferred Tax:		
In respect of the Current Year	3.94	(5.12)
Income Tax Expenses Reported in the Statement of Profit and Loss	74.36	(0.74)



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

2. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate as follows:

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Accounting Profit Before Income Tax	419.05	72.29
Income Tax Expenses calculated at 25.17% (31 st March 2021: 25.17%) (A)	105.47	18.20
Reconciliation Items		
Effect of expenses that are not deductible in determining taxable profit	(7.47)	-
Effect of employee related expenses that are deductible on payment basis	5.82	9.18
Utilisation of unabsorbed depreciation and brought forward long-term capital loss	-	3.52
Effect of incomes/expenses which are exempted/disallowed	-	0.26
Income chargeable to different rates	35.20	1.70
Effect of incomes which are exempt from tax	0.15	-
Effect of expenses for which weighted deduction under tax laws is allowed	1.44	-
Effect on deferred tax balances due to the changes in income tax rate	(3.94)	-
Other items	(0.09)	4.28
Total (B)	31.11	18.94
Income Tax Expenses Recognised in the Statement of Profit and Loss (A) - (B)	74.36	(0.74)

NOTE: 55 The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses need to be provided as required under any law/accounting standards.

NOTE: 56 ANALYTICAL RATIOS

(₹ crore)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
CRAR	113.78%	87.76%
Tier 1 CRAR	Not Applicable	Not Applicable
Tier 2 CRAR	Not Applicable	Not Applicable
Liquidity Coverage Ratio	Not Applicable	Not Applicable

NOTE: 57 DISCLOSURE AS REQUIRED UNDER ANNEXURE II AND ANNEXURE V OF MASTER DIRECTION - CORE INVESTMENT COMPANIES (RESERVE BANK) DIRECTION, 2016

Annexure II - Schedule to the Balance Sheet of a non-deposit taking Core Investment Company (Refer Annexure 2).

Annexure V

- Group entities that are not consolidated in the CFS - All the entities required by Ind AS are consolidated in ABCL Consolidated Financials as on 31st March 2022 and 31st March 2021
- Investment in other CICs - Nil as on 31st March 2022
- Provisions as per CIC guidelines and others - (Refer Annexure 3)
- Components of Adjusted Net Worth ("ANW") and other related information - (Refer Annexure 4)
- Off Balance Sheet Exposure - (Refer Annexure 5)

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

- f) Investments - (Refer Annexure 6)
- g) Business Ratios - (Refer Annexure 7)
- h) Public Disclosure on Liquidity Risk - (Refer Annexure 8)
- i) Maturity Pattern of Assets and Liabilities - (Refer Annexure 9)
- j) Concentration of NPAs - (Refer Annexure 10)
- k) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad) - (Refer Annexure 11)
- l) Exposure to Real Estate Sector, both direct and indirect - (Refer Annexure 12)
- m) Miscellaneous Disclosures - (Refer Annexure 13)

NOTE: 58 The Letter of Comfort and awareness issued for availing credit facilities by subsidiaries of ₹ 310 Crore and ₹ 200 Crore, respectively, with an explicit clause that it is not in the nature of financial guarantee.

NOTE: 59 Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year is ₹ Nil (Previous Year ₹ Nil) in accordance with Companies Act, 2013.

NOTE: 60 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in parties identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE: 61 SEGMENT REPORTING

The main business of the Company is Investment activity, hence, there are no separate reportable segments as per Ind AS 108 on 'Operating Segment'.

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Registration No.: 101248W/W-100022

Ashwin Suvarna
Partner
Membership No.: 109503

Mumbai, 12th May 2022

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

Ajay Srinivasan
Chief Executive Officer

Pinky Mehta
Chief Financial Officer

Mumbai, 12th May 2022

P. H. Ravikumar
Director
(DIN: 00280010)

Amber Gupta
Company Secretary

S. C. Bhargava
Director
(DIN: 00020021)

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

Annexure: 1

Statement of Related Party Transaction and Balances for the year ended 31st March 2022

The following inter-company transactions/balances with related parties have taken place during the year and are included in the below table under respective heads:

		(₹ crore)	
Sr. No.	Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
	Brief Description - Company-wise and Item-wise		
1	Issue of Equity Shares		
	Grasim Industries Limited	-	-
2	Investment Equity Shares		
	Aditya Birla Health Insurance Co. Limited	222.87	163.20
	ABCAP Trustee Company Private Limited	-	0.02
	Investment Preference Shares		
	Aditya Birla Money Limited	80.00	-
	Aditya Birla ARC Limited	5.00	-
	Redemption of NCD's		
	Aditya Birla Finance Limited	-	36.95
	Redemption of Preference Shares		
	Aditya Birla Money Mart Limited	-	0.15
	Aditya Birla Money Limited (Inclusive of interest thereon)	57.76	-
	Loans Given/(Repaid)	56.50	84.35
	Aditya Birla Capital Technology Services Limited	86.00	12.48
		(11.00)	(15.07)
	Aditya Birla Housing Finance Limited	-	5.00
		(4.00)	(7.56)
	Aditya Birla Money Mart Limited	30.00	85.00
		(85.00)	-
	Aditya Birla Stressed Asset AMC Private Limited	1.00	4.50
		(5.50)	-
	Aditya Birla ARC Limited	72.50	36.00
		(27.50)	(36.00)
3	Dividend Income		
	From Subsidiaries		
	Aditya Birla Insurance Brokers Limited	17.96	11.54
	Aditya Birla Finance Limited	109.25	-
	From Associates/Joint Ventures		
	Aditya Birla Sun Life AMC Limited	116.64	71.40
	Rent Income		
	Aditya Birla Sun Life AMC Limited	-	0.29
	Aditya Birla Sun Life Insurance Company Limited	0.50	0.17
	Interest Income from Investments	8.11	10.31
	Interest Income on Debentures		
	Aditya Birla Money Mart Limited	-	3.34
	Aditya Birla Finance Limited	-	3.04
	Interest Income on Preference Shares		
	Aditya Birla Money Limited	4.47	3.91
	Aditya Birla Money Mart Limited	3.64	0.02

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

		(₹ crore)	
Sr. No.	Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
	Interest Income on Loans	5.80	2.16
	Aditya Birla Capital Technology Services Limited	0.77	1.21
	Aditya Birla Housing Finance Limited	0.01	0.54
	Aditya Birla Money Mart Limited	2.03	0.15
	Aditya Birla Stressed Asset AMC Private Limited	0.03	0.01
	Aditya Birla ARC Limited	2.96	0.25
	Payments Made to Provident Fund Trust and Gratuity Trust	0.23	2.49
	Grasim Industries Ltd - Employee's Gratuity Fund	0.23	2.49
4	Expenses Reimbursement		
	ESOP Expenses (Transfer and Exit)	2.63	4.32
	Aditya Birla Insurance Brokers Limited	-	0.07
	Aditya Birla PE Advisors Private Limited	-	0.17
	Aditya Birla Finance Limited	0.30	2.08
	Aditya Birla Sun Life Insurance Company Limited	0.02	0.87
	Aditya Birla Sun Life AMC Limited	2.18	1.05
	Aditya Birla Financial Shared Services Limited	0.13	-
	Aditya Birla Health Insurance Co. Limited	-	0.08
	Salary Expenses	0.67	0.56
	Aditya Birla Sun Life Insurance Company Limited	0.67	0.56
	Employee Transfer (In)/Out	0.96	(0.56)
	Aditya Birla Capital Technology Services Limited	-	0.06
	Grasim Industries Limited	-	0.16
	UltraTech Cement Limited	-	(0.47)
	Aditya Birla Management Corporation Private Limited	0.96	-
	Aditya Birla Sun Life Insurance Company Limited	-	(0.31)
	Other Expenses	12.17	10.08
	Aditya Birla Financial Shared Services Limited	9.85	9.15
	Aditya Birla Sun Life AMC Limited	β	β
	Aditya Birla Capital Technology Services Limited	0.89	0.72
	Aditya Birla Housing Finance Limited	0.02	0.04
	Aditya Birla Management Corporation Private Limited	0.75	-
	Aditya Birla Money Limited	0.03	-
	Aditya Birla Wellness Private Limited	β	-
	Grasim Industries Limited	0.63	0.17
5	Expense Recovered		
	Salary and Wages	59.96	64.06
	Aditya Birla Insurance Brokers Limited	1.72	1.75
	Aditya Birla Finance Limited	21.24	22.92
	Aditya Birla Sun Life Insurance Company Limited	20.18	21.50
	Aditya Birla Sun Life AMC Limited	15.13	16.03
	Aditya Birla Housing Finance Limited	1.69	1.86
	Other Comprehensive Income	(0.11)	(1.01)
	Aditya Birla Insurance Brokers Limited	β	(0.03)
	Aditya Birla Finance Limited	(0.04)	(0.36)
	Aditya Birla Sun Life Insurance Company Limited	(0.04)	(0.34)

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

		(₹ crore)	
Sr. No.	Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
	Aditya Birla Sun Life AMC Limited	(0.03)	(0.25)
	Aditya Birla Housing Finance Limited	β	(0.03)
	Finance Costs	0.56	0.73
	Aditya Birla Insurance Brokers Limited	0.02	0.02
	Aditya Birla Finance Limited	0.19	0.27
	Aditya Birla Sun Life Insurance Company Limited	0.19	0.24
	Aditya Birla Sun Life AMC Limited	0.14	0.18
	Aditya Birla Housing Finance Limited	0.02	0.02
	Other Expenses	14.76	11.14
	Aditya Birla Insurance Brokers Limited	0.42	0.31
	Aditya Birla Finance Limited	5.23	3.98
	Aditya Birla Sun Life Insurance Company Limited	4.97	3.74
	Aditya Birla Sun Life AMC Limited	3.72	2.79
	Aditya Birla Housing Finance Limited	0.42	0.32
	Depreciation	4.61	7.03
	Aditya Birla Insurance Brokers Limited	0.13	0.19
	Aditya Birla Finance Limited	1.64	2.52
	Aditya Birla Sun Life Insurance Company Limited	1.55	2.36
	Aditya Birla Sun Life AMC Limited	1.16	1.76
	Aditya Birla Housing Finance Limited	0.13	0.20
	Statutory Dues	2.67	2.79
	Aditya Birla Insurance Brokers Limited	0.03	0.04
	Aditya Birla Finance Limited	0.35	0.53
	Aditya Birla Sun Life Insurance Company Limited	0.33	0.50
	Aditya Birla Sun Life AMC Limited	0.25	0.37
	Aditya Birla Housing Finance Limited	0.48	0.04
	Aditya Birla Capital Technology Services Limited	0.05	0.18
	Aditya Birla Money Limited	0.33	0.35
	Aditya Birla ARC Limited	0.21	0.19
	Aditya Birla Health Insurance Co. Limited	0.48	0.42
	Aditya Birla Wellness Private Limited	0.16	0.17
	ESOP Charges	8.24	14.40
	Aditya Birla PE Advisors Private Limited	0.02	0.13
	Aditya Birla Finance Limited	2.29	3.92
	Aditya Birla Financial Shared Services Limited	0.09	0.21
	Aditya Birla Housing Finance Limited	0.07	0.20
	Aditya Birla Health Insurance Co. Limited	0.46	1.04
	Aditya Birla Insurance Brokers Limited	0.34	0.80
	Aditya Birla Money Limited	0.03	0.09
	Aditya Birla Money Mart Limited	0.01	-
	Aditya Birla Sun Life AMC Limited	2.14	4.92
	Aditya Birla Sun Life Insurance Company Limited	2.60	3.04
	Aditya Birla Sun Life Pension Management Limited	0.01	0.04
	Aditya Birla Money Insurance Advisory Services Limited	β	β
	Grasim Industries Limited	0.18	0.01

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

		(₹ crore)	
Sr. No.	Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
	Specific Expenses Recovered	2.52	0.85
	Aditya Birla Sun Life Insurance Company Limited	0.25	-
	Aditya Birla Management Corporation Private Limited	0.73	0.06
	Aditya Birla Finance Limited	1.54	0.67
	Aditya Birla Capital Technology Services Limited	-	0.12
6	Receivables	10.96	9.36
	Aditya Birla Insurance Brokers Limited	0.31	0.18
	Aditya Birla Finance Limited	3.63	2.63
	Aditya Birla Sun Life Insurance Company Limited	4.02	3.36
	Aditya Birla Sun Life AMC Limited	2.54	2.10
	Aditya Birla Money Limited	0.04	0.06
	Aditya Birla Housing Finance Limited	0.26	0.28
	Aditya Birla Health Insurance Co. Limited	0.12	0.17
	Aditya Birla Wellness Private Limited	0.02	0.03
	Aditya Birla ARC Limited	0.02	0.02
	UltraTech Cement Limited	-	0.47
	Aditya Birla Management Corporation Private Limited	-	0.06
	Prepaid Balances		
	Aditya Birla Financial Shared Services Limited	0.06	0.02
	Aditya Birla Capital Technology Services Limited	-	0.01
	Deposits Payable		
	Aditya Birla Sun Life Insurance Company Limited	0.25	0.25
	Deposits Paid		
	Aditya Birla Sun Life AMC Limited	-	0.25
	Trade Payables	0.98	1.27
	Aditya Birla Financial Shared Services Limited	0.77	1.06
	Aditya Birla Capital Technology Services Limited	0.16	0.07
	Grasim Industries Limited	0.05	0.13
	Aditya Birla Management Corporation Private Limited	-	-
	Aditya Birla PE Advisors Private Limited	-	0.01
7	Investments		
	Quoted:		
	Equity Shares Capital Held by the Company		
	Aditya Birla Money Limited	248.30	248.30
	Aditya Birla Sun Life AMC Limited	33.06	-
	Unquoted:		
	Equity Shares Capital Held by the Company		
	Aditya Birla PE Advisors Private Limited	3.50	3.50
	Aditya Birla Financial Shared Services Limited	0.05	0.05
	Aditya Birla Capital Technology Services Limited	9.27	9.27
	Aditya Birla Trustee Company Private Limited	0.05	0.05
	Aditya Birla Insurance Brokers Limited	0.30	0.30
	Aditya Birla Finance Limited	5,612.65	5,612.65
	Aditya Birla Money Mart Limited	93.20	93.20

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

		(₹ crore)	
Sr. No.	Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
	Aditya Birla Housing Finance Limited	1,217.66	1,217.66
	Aditya Birla Sun Life Insurance Company Limited	1,206.93	1,206.93
	Aditya Birla Sun Life Trustee Private Limited	0.02	0.02
	Aditya Birla Wellness Private Limited	17.75	17.75
	Aditya Birla Health Insurance Co. Limited	852.17	629.31
	Aditya Birla Sun Life AMC Limited	-	33.71
	ABCAP Trustee Company Private Limited	-	0.05
	Aditya Birla ARC Limited	100.00	100.00
	Aditya Birla Stressed Asset AMC Private Limited	14.80	14.80
	Preference Shares Capital Held by the Company		
	Aditya Birla Money Mart Limited		
	0.1% Redeemable Non-Convertible Non-Cumulative Preference Shares	26.01	26.01
	Interest Income Accrued on Non-Convertible Non-Cumulative Preference Shares	17.72	14.09
	Aditya Birla Money Limited		
	8% Redeemable Non-Convertible Non-Cumulative Preference Shares	-	30.00
	4% Non-Convertible Non-Cumulative Redeemable Preference Shares	80.00	-
	Interest Income Accrued Non-Convertible Cumulative Preference Shares	1.36	24.63
	Aditya Birla Capital Technology Services Limited		
	0.001% Compulsory Convertible Cumulative Preference Shares	14.98	14.98
	Aditya Birla ARC Limited		
	0.001% Compulsory Convertible Cumulative Preference Shares	10.00	5.00
8	Loans	161.00	104.50
	Aditya Birla Capital Technology Services Limited	86.00	11.00
	Aditya Birla Housing Finance Limited	-	4.00
	Aditya Birla ARC Limited	45.00	-
	Aditya Birla Money Mart Limited	30.00	85.00
	Aditya Birla Stressed Asset AMC Private Limited	-	4.50
9	Key Managerial Personnel		
	Mr. Kumar Mangalam Birla	0.04	-
	Dr. Santrupt Misra	0.17	-
	Mr. Sushil Agarwal	0.17	-
	Mr. Romesh Sobti	0.09	-
	Mr. Arun Adhikari	0.12	0.05
	Mr. P. H. Ravikumar	0.16	0.06
	Mr. S. C. Bhargava	0.17	0.06
	Ms. Vijayalakshmi R. Iyer	0.19	0.06
	Mr. Ajay Srinivasan**		
	Remuneration	21.21	23.48
	ESOP Accounting Charge	1.95	4.14

* Figures of ₹ 50,000 or less have been denoted by β.

** Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall company basis at the end of each year and, accordingly, have not been considered in the above information. Amounts shown here are before allocation to subsidiary/associate companies.

** Variable Pay is within 70% of gross salary.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

Annexure: 2

Schedule to the Balance Sheet of a Non-Deposit Taking Core Investment Company

(₹ crore)

Sr. No.	Particulars	As at 31 Mar 22		As at 31 Mar 21	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
1	Liabilities Side:				
	Loans and Advances Availed by the CIC inclusive of Interest Accrued thereon but not paid:				
(a)	Debentures: Unsecured	-	-	-	-
(b)	Deferred Credits	-	-	-	-
(c)	Term Loans	-	-	-	-
(d)	Inter-Corporate Loans and Borrowings	-	-	-	-
(e)	Commercial Paper	-	-	-	-
(f)	Other Loans (specify nature)	-	-	-	-

(₹ crore)

Sr. No.	Particulars	Amount Outstanding	
		As at 31 Mar 22	As at 31 Mar 21
	Assets Side:		
2	Break-up of Loans and Advances including Bills Receivables [other than those included in (4) below]:		
(a)	Secured	-	-
(b)	Unsecured	160.36	104.08

(₹ crore)

Sr. No.	Particulars	Amount Outstanding	
		As at 31 Mar 22	As at 31 Mar 21
3	Break-up of Leased Assets and Stock on Hire and Other Assets counting towards Asset Financing Activities:		
(i)	Lease Assets including Lease Rentals under Sundry Debtors:		
(a)	Financial Lease	-	-
(b)	Operating Lease	-	-
(ii)	Stock on Hire including Hire Charges under Sundry Debtors:		
(a)	Assets on Hire	-	-
(b)	Reposessed Assets	-	-
(iii)	Other Loans counting towards AFC activities		
(a)	Loans where Assets have been reposessed	-	-
(b)	Loans other than (a) above	-	-
4	Break-up of Investments:		
	Current Investments:		
1.	Quoted:		
(i)	Shares: (a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of Mutual Funds	-	-
(iv)	Government Securities	-	-
(v)	Others (please specify)	-	-



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

		(₹ crore)	
Sr. No.	Particulars	Amount Outstanding	
		As at 31 Mar 22	As at 31 Mar 21
2.	Unquoted:		
	(i) Shares: (a) Equity	-	-
	(b) Preference	43.73	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	346.42	296.93
	(iv) Government Securities	-	-
	(v) Private Equity Fund	-	-
	Long-Term Investments:		
1.	Quoted:		
	(i) Shares: (a) Equity	239.77	206.71
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
2.	Unquoted:		
	(i) Shares: (a) Equity	9,122.24	8,936.19
	(b) Preference	93.56	114.71
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Private Equity Fund	-	-

		(₹ crore)	
Sr. No.	Particulars	Amount Outstanding	
		As at 31 Mar 22	
		Secured	Unsecured
5	Borrower group-wise classification of assets financed as in (2) and (3) above:		
	Category		
1.	Related Parties		
	(a) Subsidiaries	-	160.36
	(b) Companies in the same Group	-	-
	(c) Other Related Parties	-	-
	(d) Other than Related Parties	-	-
	Total	-	160.36
			104.08

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

(₹ crore)

Sr. No.	Particulars	Amount Outstanding		Amount Outstanding	
		As at 31 Mar 22		As at 31 Mar 21	
		Market Value/ Break-up or Fair Value or NAV	Book Value (Net of Provisions)	Market Value/ Break-up or Fair Value or NAV	Book Value (Net of Provisions)
6	Investor group-wise classification of all investments (Current and Long-term) in shares and securities (both Quoted and Unquoted):				
	Category				
1.	Related Parties				
	(a) Subsidiaries/Joint Ventures/Associates	21,714.94	9,455.57	13,043.95	9,257.61
	(b) Companies in the same Group	-	-	-	-
	(c) Other Related Parties	-	-	-	-
	(d) Other than Related Parties	346.42	346.42	296.93	296.93
	Total	22,061.36	9,801.99	13,340.88	9,554.54

(₹ crore)

Sr. No.	Particulars	Amount Outstanding		Amount Outstanding	
		As at 31 Mar 22		As at 31 Mar 21	
		Market Value/ Break-up or Fair Value or NAV	Book Value (Net of Provisions)	Market Value/ Break-up or Fair Value or NAV	Book Value (Net of Provisions)
7	Other Information				
	Gross Non-Performing Assets				
	(a) Related Parties	-	-	-	-
	(b) Other than Related Parties	-	-	-	-
	Net Non-Performing Assets				
	(a) Related Parties	-	-	-	-
	(b) Other than Related Parties	-	-	-	-

Annexure: 3

Break-up of 'Provisions and Contingencies' shown under the Head Expenditure in the Statement of Profit and Loss:

(₹ crore)

Sr. No.	Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
1	Provisions for Depreciation on Investment*	15.88	-
2	Provision towards Non-Performing Assets	-	-
3	Provision made towards Income Tax (shown below Profit Before Tax)		
	Current Tax	70.42	4.38
	Deferred Tax	3.94	(5.12)
4	Tax Impact on Other Comprehensive Income	0.01	0.09
5	Other Provisions and Contingencies		
	Provision for Outstanding Financial Guarantee	0.38	0.07
	Provision for Standard Assets	0.23	0.34

* Diminution in investment



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

Annexure: 4

Components of ANW and other related information

Sr. No.	Particulars	(₹ crore)	
		As at 31 Mar 22	As at 31 Mar 21
1	ANW as a % of Risk-Weighted Assets	113.78%	87.76%
2	Unrealised appreciation in the Book Value of Quoted Investments	4,047.19	-
3	Diminution in the aggregate Book Value of Quoted Investments	-	24.34
4	Leverage Ratio	0.13	0.05

Annexure: 5

Off Balance Sheet Exposure

Sr. No.	Particulars	(₹ crore)	
		As at 31 Mar 22	As at 31 Mar 21
1	Off Balance Sheet Exposure	1,498.73	225.93
2	Financial Guarantee as a % of total Off Balance Sheet Exposure	100.00%	100.00%
3	Non-Financial Guarantee as a % of total Off Balance Sheet Exposure	-	-
4	Off Balance Sheet Exposure to overseas Subsidiaries	-	-
5	Letter of Comfort issued to any Subsidiary	310.00	310.00
6	Letter of Awareness issued to any Subsidiary	200.00	200.00

Annexure: 6

Investments

Sr. No.	Particulars	(₹ crore)	
		As at 31 Mar 22	As at 31 Mar 21
1	Value of Investments		
i)	Gross Value of Investments	9,906.25	9,599.19
a)	In India	9,906.25	9,599.19
b)	Outside India	-	-
ii)	Provisions for Depreciation*	60.53	44.65
a)	In India	60.53	44.65
b)	Outside India	-	-
iii)	Net Value of Investments	9,845.72	9,554.54
a)	In India	9,845.72	9,554.54
b)	Outside India	-	-
2	Movement of Provisions Held towards Depreciation on Investments		
i)	Opening Balance	44.65	44.83
ii)	Add: Provisions made during the Year	15.88	-
iii)	Less: Write-off/Write-back of excess provisions during the Year	-	0.18
iv)	Closing Balance	60.53	44.65

* Diminution in investment

Annexure: 7

Business Ratios

Sr. No.	Particulars	(₹ crore)	
		As at/For the Year Ended 31 Mar 2022	As at/For the Year Ended 31 Mar 2021
1	Return on Equity (RoE)	3.54%	0.77%
2	Return on Assets (RoA)	3.48%	0.75%
3	Net Profit per Employee	12.77	2.52

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

Annexure: 8

Public Disclosure on Liquidity Risk

i) Funding Concentration based on significant counterparty (both deposits and borrowings) - Nil

(₹ crore)

Sr. No.	Number of Significant Counterparties	As at 31 Mar 22		As at 31 Mar 21	
		Amount	% of Total Liabilities	Amount	% of Total Liabilities
-	-	-	-	-	-

ii) Top 20 large deposits (amount in ₹ Crore and % of total deposits) - Not Applicable

iii) Top 10 borrowings (amount in ₹ Crore and % of total borrowings) - Nil

(₹ crore)

Sr. No.	Nature of Borrowings	As at 31 Mar 22		As at 31 Mar 21	
		Amount	% of Total Liabilities	Amount	% of Total Liabilities
-	-	-	-	-	-

iv) Funding Concentration based on significant instrument/product - Nil/Not Applicable

(₹ crore)

Sr. No.	Name of the Instrument/Product	As at 31 Mar 22		As at 31 Mar 21	
		Amount	% of Total Liabilities	Amount	% of Total Liabilities
-	-	-	-	-	-

v) Stock Ratios:

(₹ crore)

Sr. No.	Particulars	As at 31 Mar 22	As at 31 Mar 21
1	Commercial Papers to Total Liabilities	0.00%	0.00%
2	Commercial Papers to Total Assets	0.00%	0.00%
3	NCDs (Original Maturity <1 yr.) to Total Liabilities	Not Applicable	Not Applicable
4	NCDs (Original Maturity <1 yr.) to Total Assets	Not Applicable	Not Applicable
5	Other Short-Term Liabilities* to Total Liabilities	37.10%	43.12%
6	Other Short-Term Liabilities* to Total Assets	0.62%	0.82%

* Total Liabilities do not include Net Worth.

vi) Institutional set-up for Liquidity Risk Management

The Board of Directors has the overall responsibility for establishing the risk management framework of the Company. The Board decides the liquidity risk tolerance/limits and, accordingly, lays down strategies, policies and procedures for the management of liquidity risk.

The Company has instituted a Risk Management Committee, which reports to the Board and is responsible for evaluating the overall risks faced by the Company including liquidity risk.

The Asset-Liability Committee (ALCO) of the Company, consisting of the Company's Senior Management and Members of the Board, is responsible for ensuring adherence to the risk tolerance/limits as well as implementing the liquidity risk management strategy of the Company.

The Company has also constituted Asset-Liability Management (ALM) Support Group at the execution level, which is responsible for analysing, monitoring and reporting the liquidity risk profile to the ALCO.



Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

Annexure: 9

Maturity Pattern of Assets and Liabilities

(₹ crore)

Sr. No.	Particulars	As at 31 Mar 2022									
		1 Day to 7 Days	8 Days to 14 Days	15 Days to 30/31 Days	Over 1 Month to 2 Months	Over 2 Months to 3 Months	Over 3 Months to 6 Months	Over 6 Months to 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years
1	Liabilities:										
(a)	Trade Payables	0.02	1.00	0.78	2.77	-	-	-	-	-	4.57
(b)	Lease Liabilities	-	-	-	-	-	-	3.03	5.42	-	8.45
(c)	Other Financial Liabilities	-	-	-	-	-	11.95	11.37	0.40	-	23.72
2	Assets:										
(a)	Cash and Cash Equivalents	1.47	-	-	-	-	-	-	0.26	-	1.73
(b)	Receivables - Others	-	-	10.96	-	-	-	-	-	-	10.96
(c)	Loans	-	-	-	-	-	44.82	115.54	-	-	160.36
(d)	Other Financial Assets	-	-	-	-	0.73	-	-	1.59	-	2.32
(e)	Investments	346.42	-	-	-	-	-	43.73	-	81.36	9,374.21
											9,845.72

(₹ crore)

Sr. No.	Particulars	As at 31 Mar 2021									
		1 Day to 7 Days	8 Days to 14 Days	15 Days to 30/31 Days	Over 1 Month to 2 Months	Over 2 Months to 3 Months	Over 3 Months to 6 Months	Over 6 Months to 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years
1	Liabilities:										
(a)	Trade Payables	0.37	1.00	3.20	4.17	-	-	-	-	-	8.74
(b)	Lease Liabilities	-	-	-	-	-	-	3.28	6.09	1.62	10.99
(c)	Other Financial Liabilities	-	0.01	-	-	-	18.82	-	1.04	-	19.87
2	Assets:										
(a)	Cash and Cash Equivalents	2.07	-	-	-	-	-	-	0.26	-	2.33
(b)	Receivables - Others	-	-	8.00	1.36	-	-	-	-	-	9.36
(c)	Loans	-	4.00	-	-	-	-	100.08	-	-	104.08
(d)	Other Financial Assets	-	-	-	-	-	-	1.30	0.78	-	2.08
(e)	Investments	296.93	-	-	-	-	-	-	94.73	-	9,162.88
											9,554.54

Notes forming part of the Standalone Financial Statements

for the year ended 31st March 2022

Annexure: 10

Concentration of NPAs

		As at 31 Mar 22		As at 31 Mar 21	
Sr. No.	Particulars	Amount	Exposure as % of total assets	Amount	Exposure as % of total assets
1	Total Exposure to top five NPA Accounts	-	-	-	-

Annexure: 11

Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

		As at 31 Mar 22		
Sr. No.	Name of the Joint Venture/Subsidiary	Other Partner in the JV	Country	Total Assets
-	-	-	-	-

		As at 31 Mar 21		
Sr. No.	Name of the Joint Venture/Subsidiary	Other Partner in the JV	Country	Total Assets
-	-	-	-	-

Annexure: 12

Exposure to Real Estate Sector, both direct and indirect

		As at 31 Mar 22	As at 31 Mar 21
1	Direct Exposure - Investment Property	14.81	15.24
2	Indirect Exposure		
	Fund Base*	1,217.66	1,224.22
	Non-Fund Base**	1,498.73	225.93

*Represents investments in Equity Shares and Inter-Corporate Deposits in Aditya Birla Housing Finance Limited.

**Represents Corporate Guarantee given to NHB on behalf of Aditya Birla Housing Finance Limited (Refer Note No. 32 (a)).

Annexure: 13

Miscellaneous Disclosures

a)	Registration/license/authorisation, by whatever name called, obtained from other financial sector regulators	-	NA
b)	Penalties imposed by RBI and other regulators including strictures or directions on the basis of inspection reports or other adverse findings	-	Nil
c)	If the auditor has expressed any modified opinion(s) or other reservation(s) in his audit report or limited review report in respect of the financial results of any previous financial year or quarter which has an impact on the profit or loss of the reportable period	-	Nil



Independent Auditor's Report

To the Members of
Aditya Birla Capital Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Aditya Birla Capital Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures, which comprise the consolidated Balance Sheet as at 31st March 2022, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant 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, and based on the consideration of reports of other auditors on separate/consolidated financial statements of such subsidiaries, associates and joint ventures as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31st March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group, its associates and joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matters

As fully described in the Note 60 to the consolidated financial statements, the extent to which the COVID-19 pandemic will impact the estimation of the carrying value of certain assets and liabilities and the financial performance of the Group, its associates and joint ventures, is dependent on future developments, which are highly uncertain. Without modifying their opinion, the statutory joint auditors of Aditya Birla Finance Limited have also drawn attention to a note in the financial statements on the same matter, vide their report dated 11th May 2022.

Our opinion is not modified in respect of this matter.

- (i) Vide an emphasis of matter in their report dated 27th April 2022, the statutory joint auditors of Aditya Birla Sun Life Insurance Company Limited have drawn attention to the following note in the financial statements, without modifying their opinion, which describes the uncertainties arising from the COVID-19 pandemic:

'For the year ended 31st March 2022, the Company has assessed the impact of COVID-19 Pandemic (COVID-19) on its operations as well its financial statements, including but not limited to the areas of valuation of investment assets, valuation of policy liabilities and solvency. Based on the assessment, the Company is carrying a provision (net of reinsurance) of ₹ 60 crore for COVID-19 related non reported claims & IBNR at 31st March 2022, which is included in the policyholder liabilities. Further, there have been no material changes in the controls or processes followed in the financial statement closing process of the Company. The impact of COVID-19 in the future may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic condition.'

Our opinion is not modified in respect of this matter.

- (ii) Vide an emphasis of matter in their report dated 29th April 2022, the statutory joint auditors of Aditya Birla Health Insurance Co. Limited have drawn attention to the following note in the financial statements, without modifying their opinion, which describes the uncertainties arising from the COVID-19 pandemic:

'The Company has considered the possible effects that may arise out of still unfolding COVID-19 including but not limited to its assessment of various elements of the Financial Statement. The Company is well-positioned to manage the COVID-19 impact given its focus on digital, customer experience, and health-first model. The Company has launched various COVID-19 related products and benefits and enabled digital journeys to enable revenue. On customer and wellness management, various initiatives such as healthcare at home, fitness at home, tele-medicines, digital servicing, etc., to improve overall

Independent Auditors' Report (Contd.)

customer experience and health outcomes. The Company will continue to closely monitor any impact on revenue due to regional or local lockdown as well as COVID-19 related claims. Institute of Chartered Accountants of India (ICAI) has issued an advisory on "Impact of Corona Virus on Financial Reporting" to be considered for Financial Reporting. The impact of COVID-19 has been assessed on different components of Financial Statements specifically those required under the Guidance.

- Pursuant to such assessment, there are no indicators of impairment to Non-Financial Assets and Financial Assets as at Reporting Date.
- An assessment was also carried out of the Investment portfolio considering the impact on the economic and credit environment of the economy and there is no additional impairment required specific due to COVID-19 event.
- There is no change in the discount rate emanating from

the impact of COVID-19 on the lease/defined benefit plan other than what has already been factored in.

The Company remains comfortable on Solvency and there is no indication or reason to believe that there is any uncertainty in continuing as a Going Concern in light of COVID-19's impact on business.'

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement and based on the consideration of reports of other auditors on separate/consolidated financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the 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.

Description of Key Audit Matters

Impairment of testing of goodwill

See Note 2.4 and Note 16 to the consolidated financial statements

The Key Audit Matter	How the matter was addressed in our audit
The Group has goodwill of ₹ 570.03 crore as of 31 March 2022 which represents goodwill acquired through various business combinations and allocated to Cash Generating Units ("CGU"). As per Group's policy, a CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication of the unit may be impaired. As disclosed in Note 16, impairment of goodwill is determined by assessing the recoverable amount of each CGU to which these assets relate. We have identified the annual impairment assessment as a key audit matter because of its complexity, being an area of estimate and judgement, exposed to significant changes in external business environment and is based on following key assumptions like: • projected future cash inflows; • expected growth rate, discount rate, terminal growth rate; and • price and market multiples.	Our audit procedures included the following: Design and Controls • Tested the design and the operating effectiveness of internal controls over the impairment assessment process including valuation methodology used in impairment assessment on the carrying value of goodwill; and • Obtained an understanding of the process followed by the Holding Company in determining the CGU to which goodwill is allocated and determination of recoverable amount of each CGU. Substantive procedures • Compared the Holding Company's assumptions to externally sourced/available data in relation to key inputs such as long-term growth rates and discount rates; • Assessed the forecasted cash flows based on our understanding of the business; • Assessed historical forecasting accuracy, by comparing previously forecasted cash flows to actual results achieved; • Involved valuation specialists to test and evaluate Holding Company's key assumptions used in the valuation methodology; • Performed sensitivity analysis in relation to the key assumptions; and • Tested the arithmetical accuracy of computation of recoverable amounts of each CGU. Assessing the completeness and accuracy of the consolidated financial statements disclosures made by the Group as per applicable Ind AS.



Independent Auditors' Report (Contd.)

The Key Audit Matter	How the matter was addressed in our audit
First year audit transition A first year audit engagement involves zero basing of key audit considerations like understanding Group specific risks, controls, policies and processes in order to develop an audit strategy and audit plan. We identified the following matters, being directly impacted by first year audit considerations, which has an encompassing and pervasive impact on timing and extent of our audit work- 1) Understanding of the Group's business and in particular those of key subsidiaries, associates and joint ventures; 2) Scoping of companies to enable us to obtain sufficient coverage and understanding on the Group's consolidated significant account balances; 3) Evaluation of the accounting policies; 4) Understand the application of internal controls by the Group; and 5) Understand and evaluate the financial reporting process for preparation of consolidated financial statements	Our audit procedure included the following: • Engaged with those charged with governance in the Group; • Obtained an understanding of the businesses, its processes and internal controls, including financial reporting; • Evaluated internal control design and IT systems; • Evaluated the selection and consistent application of accounting policies; • Held inquiries with previous statutory auditor of the Company and auditors of key subsidiaries, associates and joint ventures (component auditors) on significant accounting and auditing matters; and • Performed procedures as per the requirements of SA 600 – Using the work of another auditor, issued by ICAI. Based upon the knowledge gained through these procedures, we planned our risk assessment and determined the scope and coverage for the audit.
The statutory joint auditors of Aditya Birla Health Insurance Co. Limited ('ABHICL'), a subsidiary of the Holding Company, have reported a key audit matter on IT systems and Controls: The Company operates and is dependent on technology considering significant number of transactions that are processed daily across multiple and discrete Information Technology ('IT') systems, some of which are integrated. The audit approach relies extensively on several reports generated by interface of these IT systems and in-built automated controls therein. The major IT systems concerning the financial reporting process include: • Core Policy administration system • Distribution Management system • SAP Investment Module • SAP Core Accounting system • Interface/interplay of one or more of above systems and/or workflows in building up or generating required reports IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data.	During the course of their audit, the statutory joint auditors of Aditya Birla Health Insurance Co. Limited performed the following procedures: In course of audit, our focus was on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems. We performed a range of audit procedures, which included: • Review of the report of IS testing pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting. • Obtaining suitable representations from the management about satisfactory operations of controls built in the systems. • Deployed our internal experts to carry out IT general Controls testing and identifying gaps, if any. Our audit tests were designed to cover the following: • understanding the Company's IT control environment and key changes in the course of our audit that were considered relevant to the financial reporting; • reviewed the workflow of core transactions as captured by or integrated with the IT systems; • selectively tested key automated and manual business cycle controls including logic for system generated reports relevant to the financial reporting;

Independent Auditors' Report (Contd.)

The Key Audit Matter	How the matter was addressed in our audit
Management of the Company continuously works on the process of implementing several remediation activities, including 'Mission Transformation' (which aims at integrating all the possible business functions for seamless transition/recording of data, less manual intervention and automation based reporting framework) that are expected to contribute to reducing the risk over IT applications in the financial reporting process, which includes implementation of preventive and detective controls across critical applications and infrastructure, as also integration of the systems to the best possible extent. Due to the pervasive nature, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence identified as Key Audit Matter.	• Selectively recomputing workings of several data processing results critical to be used in the financial reporting; • Evaluating the design, implementation and operating effectiveness of the significant accounts related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission; • Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e., verification around the computer system) • Selectively re-evaluating masters updating interface with resultant reports; • Selective testing of the interface of policy admin system with other allied IT systems.
The statutory joint auditors of Aditya Birla Finance Limited ('ABFL'), a subsidiary of the Holding Company, have reported a key audit matter on Allowances for Expected Credit Losses ("ECL") (Reference made to Note 4.1, 10 and 52 of the financial statements of ABFL):	During the course of their audit, the statutory joint auditors of Aditya Birla Finance Limited performed the following procedures:
As at 31st March 2022, the carrying value of loan assets measured at amortised cost, aggregated ₹ 53,60,746.02 lacs (net of allowance of expected credit loss ₹ 1,07,482.53 lacs) constituting approximately 94% of the Company's total assets. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. ECL on such loan assets measured at amortised cost is a critical estimate involving greater level of management judgement.	We have examined the policies approved by the Board of Directors of the Company that articulate the objectives of managing each portfolio and their business models. We have also verified the methodology adopted for computation of ECL ("ECL Model") that addresses policies approved by the Board of Directors, procedures and controls for assessing and measuring credit risk on all lending exposures measured at amortised cost.
As part of the risk assessment, we determined that the allowance for ECL on loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements. The elements of estimating ECL which involved increased level of audit focus are the following:	Additionally, we have confirmed that adjustments to the output of the ECL Model is consistent with the documented rationale and basis for such adjustments and that the amount of adjustment have been approved by the Audit Committee of the Board of Directors. Our audit procedures related to the allowance for ECL included the following, among others:
• Qualitative and quantitative factors used in staging the loan assets measured at amortised cost; • Basis used for estimating Probabilities of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD") at product level with past trends; • Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions; and • Adjustments to model driven ECL results to address emerging trends.	• Testing the design and operating effectiveness of the following: - completeness and accuracy of the Exposure at Default ("EAD") and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied. - completeness, accuracy and appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio; and - accuracy of the computation of the ECL estimate including reasonableness of the methodology used to determine macro-economic overlays and adjustments to the output of the ECL Model.
(Refer Note 57 to the consolidated financial statements for the consolidated disclosure of the expected credit loss)	



Independent Auditors' Report (Contd.)

The Key Audit Matter	How the matter was addressed in our audit
The statutory joint auditors of Aditya Birla Finance Limited ('ABFL'), a subsidiary of the holding company, have reported a key audit matter on Information Technology and General Controls The Company is dependent on its Information Technology ("IT") systems due to the significant number of transactions that are processed daily across such multiple and discrete IT systems. Also, IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner and under controlled environments. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data. On account of the pervasive use of its IT systems, the testing of the general computer controls of the key IT systems used in financial reporting was considered to be a Key Audit Matter.	• Test of details on a sample in respect of the following: - we tested accuracy and completeness of the input data such as ratings and period of default and other related information used in estimating the PD; - completeness and accuracy of the staging of the loans and the underlying data based on which the ECL estimates have been computed. - we evaluated reasonableness of LGD estimates by comparing actual recoveries post the loan asset becoming credit-impaired with estimates of LGD; and - we evaluated the incorporation of the applicable assumptions into the ECL Model and tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company. • We also evaluated the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL Model and ensured that the adjustment was in conformity with the amount approved by the Audit Committee. • We also assessed the disclosures made in relation to the ECL allowance to confirm compliance with the provisions of Ind AS 107. With the assistance of our IT specialists, we obtained an understanding of the Company's IT applications, databases and operating systems relevant to financial reporting and the control environment. For these elements of the IT infrastructure the areas of our focus included access security (including controls over privileged access), program change controls, database management and network operations. In particular: • we tested the design, implementation and operating effectiveness of the Company's general IT controls over the key IT systems relevant to financial reporting. This included evaluation of Company's controls over segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being recertified during the period of audit; • we also tested key automated business cycle controls and logic for the reports generated through the IT infrastructure that were relevant for financial reporting or were used in the exercise of internal financial controls with reference to financial statements. Our tests included testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the financial statements.

Independent Auditors' Report (Contd.)

The Key Audit Matter	How the matter was addressed in our audit
The auditors of Aditya Birla Housing Finance Limited ('ABHFL'), a subsidiary of the Holding Company, have reported a key audit matter on Provisioning based on Expected Credit Loss model (ECL) under IND AS 109 and testing of Impairment of assets, more particularly the Loan Book of the Company (Reference made to accounting policies in 'Note 3.23 to the financial statements of ABHFL Expected Credit Loss', 'Note 3.1 to the financial statements of ABHFL: Revenue Recognition' and 'Note 4.1 to the financial statements of ABHFL : Impairment of Financial Assets and 'Note 49 to the financial statements of ABHFL: Risk Management'.)	During the course of their audit, the statutory auditor of Aditya Birla Housing Finance Limited performed the following procedures:
Subjective estimates:	Our key audit procedures included:
Under Ind AS 109, "Financial Instruments", allowance for loan losses are determined using expected credit loss ('ECL') estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates and therefore increased levels of audit focus in the Company's estimation of ECLs are as under:	Review of Policy/procedures & design/controls
• Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. • Model estimations - Inherently judgemental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgemental aspect of the Company's modelling approach. • Economic scenarios - Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic indicators. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them.	• Minutely going through the Board approved Policy and approach note concerning the assessment of credit and other risks and ascertainment/ageing of 'default' by the borrowers and procedures in relation to stages and ECL computation. • Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights. • Assessing the design, implementation and operating effectiveness of key internal financial controls including monitoring process of overdue loans (including those which became overdue after the reporting date), measurement of provision, stage-wise classification of loans, identification of NPA accounts, assessing the reliability of management information. • Understanding management's approach, interpretation, systems and controls implemented in relation to probability of default and stage-wise bifurcation of product-wise portfolios for timely ascertainment of stress and early warning signals. • Testing of review controls over measurement of provisions and disclosures in the Standalone Ind AS Financial Statements. • Involvement of Information system resource to obtain comfort over data integrity and process of report generation through interface of various systems. • Understanding of models and general economic indicator criteria used for regression testing over data of the loan book.
The effect of these matters is that, as part of our risk assessment, we determined that the impairment of loans and advances to customers, involving estimations and judgements, with a potential range of reasonable outcomes greater than our materiality for the Standalone Ind AS Financial Statements as a whole.	Substantive verification
(Refer Note 57 to the consolidated financial statements for the consolidated disclosure of the expected credit loss)	• Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied. • Model calculations testing through selective re-performance, wherever possible. • Assessing disclosures - Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment of loans (including restructuring related disclosures) in the Standalone Ind AS Financial Statements are appropriate and sufficient as also aligned to regulatory requirements.



Independent Auditors' Report (Contd.)

The Key Audit Matter	How the matter was addressed in our audit
The auditors of Aditya Birla Housing Finance Limited ('ABHFL'), a subsidiary of the Holding Company, have reported a key audit matter on Information Technology IT systems and controls The Company's financial reporting processes are dependent on technology considering significant number of transactions that are processed daily across multiple and discrete Information Technology ('IT') systems. The Financial accounting system of the Company is interfaced with several other IT systems including Loan Management & Originating systems and several other systemic workflows. IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data. These includes implementation of preventive and detective controls across critical applications and infrastructure. Due to the pervasive nature of role of information technology systems in financial reporting, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.	During the course of their audit, the statutory auditor of Aditya Birla Housing Finance Limited performed the following procedures: In course of audit, our focus was on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems. We performed a range of audit procedures, which included: ➤ Review of the report of IS Audit carried in earlier year(s) by an independent firm of Chartered Accountants pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting. ➤ Deployed our internal experts to carry out IT general and specific application Controls testing and identifying gaps, if any. ➤ Our other processes include: • Selectively recomputing interest calculations and maturity date; • Selectively re-evaluating masters updation, interface with resultant reports like LTV Report, SUD Report, Portfolio movement Report, etc.; • Selective testing of the interface of SAP FA module with other IT systems like Loan Management System and other workflows; • Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system); • Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission; • Other areas that were independently assessed included password policies, system configurations, system interface controls, controls over changes to applications and databases.

Independent Auditors' Report (Contd.)

The Key Audit Matter	How the matter was addressed in our audit
The auditors of Aditya Birla Money Limited ('ABML'), a subsidiary of the holding company, have reported a key audit matter on Information Technology and General Controls The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Due to the complexity, large volume of transactions processed daily and reliance on automated and IT dependent manual controls, matter pertaining to adequacy and effectiveness of IT control environment is considered as a Key Audit Matter. Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring, IT dependent and application-based controls are operating effectively	During the course of their audit, the statutory auditor of Aditya Birla Money Limited performed the following procedures: We understood and assessed the overall IT control environment and the controls in place which included controls over access to systems and data, as well as system changes. Tested the design and operating effectiveness of IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls. Tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorised. Tested the Company's periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorisation. In addition to the above, we tested the design and operating effectiveness of certain automated and IT dependent manual controls that were considered as key internal controls over financial reporting. Tested the design and operating effectiveness compensating controls in case deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures
The statutory joint auditors of Aditya Birla Sun Life Insurance Company Limited ('ABSLICL'), a subsidiary of the Holding Company, have reported a key audit matter on Information Technology Systems Information Technology Systems: The Company is dependent on its Information Technology ("IT") systems due to the significant number of transactions that are processed daily across such multiple and discrete IT systems. Also, IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner and under controlled environments. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data. On account of the pervasive use of its IT systems, the testing of the general computer controls of the IT systems used in financial reporting was considered to be a Key Audit Matter.	During the course of their audit, the statutory joint auditors of Aditya Birla Sun Life Insurance Company Limited performed the following procedures With the assistance of our IT specialists, we obtained an understanding of the Company's IT applications, databases and operating systems relevant to financial reporting and the control environment. For these elements of the IT infrastructure the areas of our focus included access security (including controls over privileged access), program change controls, database management and network operations. In particular: • We tested the design, implementation, and operating effectiveness of the Company's general IT controls over the IT systems relevant to financial reporting. This included evaluation of Company's controls over segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being recertified during the period of audit. • We also tested key automated business cycle controls and logic for the reports generated through the IT infrastructure that were relevant for financial reporting or were used in the exercise of internal financial controls with reference to financial statements. Our tests included testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the Financial Statements.



Independent Auditors' Report (Contd.)

The Key Audit Matter	How the matter was addressed in our audit
The auditors of Aditya Birla Sun Life AMC Limited ('ABSLAMCL'), an associate of the Holding Company, have reported a key audit matter on Revenue from Asset Management and Advisory Fees and Management Fees from Portfolio Management and Other Services Revenue from operations is the most significant balance in the Statement of Profit and Loss. It majorly comprises of: - Asset Management and Advisory Fees amounting to ₹ 1,24,965.61 Lacs. - Management Fees from Portfolio Management and Other Services amounting to ₹ 4,330.55 Lacs. The Asset Management and Advisory Fees is based on certain percentage of the applicable daily Assets Under Management ('AUM') in accordance with guideline prescribed under SEBI (Mutual Fund Regulations, 1996 as amended from time to time. There are inherent risks in computing such revenue streams including computation of applicable AUM and manual input of key contractual terms, which could result in errors. Considering the complexity in contractual terms involving multiple schemes, it requires monitoring to ensure completeness. Accordingly, we have considered revenue from asset management and advisory fees and management fees from portfolio management and other services as a key audit matter. Any discrepancy in such computation could give rise to a material misstatement in the financial statements.	During the course of their audit, the statutory auditor of Aditya Birla Sun Life AMC Limited performed the following procedures Our audit procedures included the following: • Obtained and read the accounting policy for revenue recognition. • Obtained an understanding of the significant revenue items and identified where there is a higher risk of error due to manual processes, complex contractual terms, and areas of judgement. • Test checked the design and operating effectiveness of key controls in place across the Company over recognition of Management Fees. • Obtained and assessed independent assurance reports for the relevant controls at the third- party administrators. • Obtained and read the investment management fee report, issued by statutory auditors of mutual fund schemes and reconciled the certified amounts with the accounting records of the Company. • On a sample basis, obtained and tested arithmetical accuracy of revenue calculation and the reconciliation with the accounting records. • On sample basis, verified the input of contractual terms with rates approved by the management. • On a sample basis, checked the receipts of such income in bank statements. • Re-calculated Management Fees from Portfolio Management and Other Services in respect of certain sample contracts and compared with the actual fees charged by the Company for such contracts. • Evaluated the disclosure relating to management fee income earned by the Company.

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 Holding Company's annual report but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether 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 and based on the audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are 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 state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles

Independent Auditors' Report (Contd.)

generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements 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, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism

throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on internal financial controls with reference to consolidated 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 and its associates and joint ventures 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 consolidated financial statements of such entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of



Independent Auditors' Report (Contd.)

the consolidated financial statements of Holding Company 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. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company 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.

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

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

Other Matters

- (a) We did not audit the financial statements of 19 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 1,39,444.75 crores as at 31st March 2022, total revenues (before consolidation adjustments) of ₹ 22,119.91 crore and net cash flows (before consolidation adjustments) amounting to ₹ 1,259.18 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ 686.91 crore for the year ended on that date, in respect of 4 associates and 2 joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of

these subsidiaries, joint ventures and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates is based solely on the reports of the other auditors.

- (b) Without modifying their opinion, vide an 'Other Matter' in their report dated 29th April 2022, the statutory joint auditors of Aditya Birla Health Insurance Co. Limited have reported that -

'The actuarial valuation of liabilities in respect of Incurred But Not Reported (IBNR) and Incurred But Not Enough Reported (IBNER) included under claims outstanding and Premium Deficiency Reserve (PDR) as at 31st March 2022 have been duly certified by the Appointed Actuary of the Company. The Appointed Actuary has also certified that the assumptions considered for such valuation are in accordance with the guidelines and norms prescribed by the IRDAI and the Institute of Actuaries of India. We have relied upon such certifications of the said Appointed Actuary.'

- (c) Vide an 'Other Matter' in their report dated 27th April 2022, the statutory joint auditors of Aditya Birla Sun Life Insurance Company Limited have reported that -

'Determination of the following as at/ for the year ended 31st March 2022, 31st March 2021 is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"):

We have relied upon Appointed Actuary's certificate for forming our opinion on the below mentioned item:

- (i.) The actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists. The actuarial valuation of these liabilities has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ("IRDAI") and the Institute of Actuaries of India in concurrence with the IRDAI;

We have relied on approach note duly certified and the representations by the Appointed Actuary for forming our opinion on the below mentioned items:

- (ii.) Adjustments and disclosures made in accordance with the Indian Accounting Standard 104 on Insurance Contracts:
- Assessment of contractual liabilities based on classification of contracts into insurance contracts and investment contracts;
 - Valuation and Classification of Deferred Acquisition Cost and Deferred Origination Fees on Investment Contracts;

Independent Auditors' Report (Contd.)

- c. Grossing up and Classification of the Reinsurance Assets;
- d. Liability Adequacy test as at the reporting dates and
- e. Disclosures as mentioned in Note No. 47 to the Reporting Pack

Our opinion is not modified in respect of these matters.'

- (d) The consolidated financial statements of the Group and its associates and joint ventures for the year ended 31st March 2021 were audited by the predecessor auditor who had expressed an unmodified opinion vide their report dated 14th May 2021.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors.

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 Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate/consolidated financial statements of such subsidiaries, associates and joint ventures as were audited by other auditors, as noted in the "Other Matters" paragraph, 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 changes in equity and the consolidated statement of cash flows 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, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries, associates and joint ventures incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiaries, associates and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) 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, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate/consolidated financial statements of the subsidiaries, associates and joint ventures, as noted in the "Other Matters" paragraph:
- a) The consolidated financial statements disclose the impact of pending litigations as at 31st March 2022 on the consolidated financial position of the Group, its associates and joint ventures. Refer Note 40 to the consolidated financial statements.
 - b) Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long term contracts including derivative contracts during the year ended 31st



Independent Auditors' Report (Contd.)

March 2022. Refer Note 61 to the consolidated financial statements in respect of such items as it is related to the Group and its associates and joint ventures.

- c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company. Further basis the report of respective statutory auditors, whose report we have relied, we report the following:

- In case of 15 subsidiaries, 4 associates and 2 joint ventures, there are no amounts which are required to be transferred to the Investor Education and Protection Fund;
- In case of 1 subsidiary, there were no delays of amounts which were required to be transferred to Investor Education and Protection during the year ended 31st March 2022.
- In case of 3 subsidiaries, requirement to transfer to Investor Education and Protection during the year ended 31st March 2022 is not applicable.

- d) (i) The management of the Holding Company has represented that, to the best of its knowledge and belief, as disclosed in the Note 64(4) to consolidated financial statements, 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 or its subsidiaries, its associates and joint ventures incorporated in India 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 ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiaries, associates and joint ventures incorporated in India or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

- (ii) The management of the Holding Company has represented, that, to the best of its knowledge and belief, as disclosed in the Note 64(4) to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries, associates and joint ventures incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiaries, associates and joint ventures incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties; or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

- (iii) Based on such audit procedures as 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 (d) (i) and (d) (ii) contain any material mis-statement.

- e) The Holding Company has neither declared nor paid any dividend during the year. Further, basis the report of statutory auditors, whose report we have relied, 17 subsidiaries, 3 associates, 2 joint ventures have neither declared nor paid any dividend during the year. Further, basis the report of statutory auditors, whose report we have relied, 2 subsidiaries and 1 associate have either declared or paid dividend during the year and is in compliance with Section 123 of the Act.

- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Holding Company has not paid any remuneration to its directors during the current year. Further, based on the reports of the statutory auditors of subsidiaries, associates and joint ventures incorporated in India which were not audited by us, we report that -

Independent Auditors' Report (Contd.)

- 6 subsidiaries and 1 associate have paid/provided remuneration during the current year to its directors in accordance with the provisions of Section 197 of the Act.
- 7 subsidiaries have not paid/provided remuneration during the current year to its directors. Accordingly, the provisions of Section 197 are not applicable.

The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Ashwin Suvama
Partner
Membership No. 109503
UDIN: 22109503AIVROG6551

Place: Mumbai
Date: 12th May 2022



Annexure - A

To The Independent Auditor's Report on Consolidated Financial Statements of Aditya Birla Capital Limited for the year ended 31st March 2022

(Referred to in our report of even date)

In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Aditya Birla Insurance Brokers Limited	U99999GJ2001PLC062239	Subsidiary	Clause iii (e)
2	Aditya Birla Sun Life Pension Management Limited	U66000MH2015PLC260801	Subsidiary	Clause xvii
3	Aditya Birla ARC Limited	U65999MH2017PLC292331	Subsidiary	Clause iii (c) and xvii
4	Aditya Birla Finance Limited	U61190GJ1997PLC062406	Subsidiary	Clause ii(b), iii(c) and iii (d)
5	Aditya Birla PE Advisors Private Limited	U74140MH2008PTC179360	Subsidiary	Clause xvii
6	Aditya Birla Housing Finance Limited	U65922GJ2009PLC083779	Subsidiary	Clause iii (c) and (d)
7	Aditya Birla Money Limited	L65993GJ1995PLC064810	Subsidiary	Clause vii (a)

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

Ashwin Suvarna

Partner

Membership No. 109503

UDIN: 22109503AIVROG6551

Place: Mumbai

Date: 12th May 2022

Annexure - B

To The Independent Auditor's Report on Consolidated Financial Statements of Aditya Birla Capital Limited for the year ended 31st March 2022

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013

(Referred to in paragraph (2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Aditya Birla Capital Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31st March 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 (the "Act") which are its subsidiaries, its associates and its joint ventures, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiaries, its associates and joint ventures, have, in all material respects, adequate internal financial controls with reference to the consolidated financial statements and such internal financial controls were operating effectively as at 31st March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiaries, associates and joint ventures in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

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



Annexure - B To The Independent Auditor's Report (Contd.)

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 with reference to Consolidated Financial Statements

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

Other Matters

The aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 15 subsidiaries, 1 associate and 1 joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

Ashwin Suvarna

Partner

Membership No. 109503

UDIN: 22109503AIVROG6551

Place: Mumbai

Date: 12th May 2022

Consolidated Balance Sheet

as at 31st March 2022

		(₹ crore)	
Particulars	Note No.	As at 31 Mar 22	As at 31 Mar 21
I ASSETS			
(1) Financial Assets			
(a) Cash and Cash Equivalents	3	2,048.85	2,727.47
(b) Bank Balances other than (a) above	4	588.81	451.67
(c) Derivative Financial Instruments	5	14.39	23.77
(d) Receivables	6		
- Trade Receivables		658.50	445.99
- Other Receivables		-	-
(e) Loans	7	66,198.14	59,851.78
(f) Investments			
- Investments of Life Insurance Business			
- Investments of Life Insurance Policyholders'	8A	28,457.95	23,011.02
- Investments of Life Insurance Shareholders'	8B	3,043.01	2,598.81
- Investments of Health Insurance Business			
- Investments of Health Insurance Policyholders'	9A	1,190.79	963.56
- Investments of Health Insurance Shareholders'	9B	349.43	304.60
- Other Investments	10	3,044.22	1,976.05
(g) Assets Held to Cover Linked Liabilities of Life Insurance Business	11	30,160.05	27,969.19
(h) Other Financial Assets	12	1,740.59	1,283.91
Sub-Total		137,494.73	121,607.82
(2) Non-Financial Assets			
(a) Current Tax Assets (Net)		447.09	321.91
(b) Deferred Tax Assets (Net)	13	324.43	309.60
(c) Investment Property	14	14.81	15.24
(d) Property, Plant and Equipment	15	114.43	102.21
(e) Capital Work-in-Progress	43	11.75	1.41
(f) Intangible Assets Under Development	43	32.87	43.54
(g) Goodwill	16	570.03	570.04
(h) Other Intangible Assets	17	258.95	231.57
(i) Right-to-Use of Assets	42	347.17	339.74
(j) Investments in Associate and Joint Venture Companies		1,109.72	879.55
(k) Other Non-Financial Assets	18	413.52	371.60
Sub-Total		3,644.77	3,186.41
Total Assets		141,139.50	124,794.23



Consolidated Balance Sheet (Contd.)

as at 31st March 2022

(₹ crore)

Particulars	Note No.	As at 31 Mar 22	As at 31 Mar 21
II LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Derivative Financial Instruments	5	121.95	33.71
(b) Payables	19		
- Trade Payables			
(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises		28.30	16.34
(ii) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		856.14	703.67
- Other Payables			
(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
(ii) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		-	-
(c) Debt Securities	20	18,823.29	18,901.33
(d) Borrowings (other than Debt Securities)	21	35,931.37	31,131.63
(e) Subordinated Liabilities	22	3,297.25	2,642.02
(f) Lease Liabilities	42	373.56	368.75
(g) Policyholders' Liabilities	23	60,873.38	52,476.47
(h) Other Financial Liabilities	24	2,513.68	2,175.76
Sub-Total		122,818.92	108,449.68
(2) Non-Financial Liabilities			
(a) Current Tax Liabilities (Net)		34.05	36.70
(b) Provisions	25	331.65	283.88
(c) Deferred Tax Liabilities (Net)	13	373.77	359.37
(d) Other Non-Financial Liabilities	26	490.40	437.18
Sub-Total		1,229.87	1,117.13
(3) Equity			
(a) Equity Share Capital	27	2,416.31	2,415.28
(b) Other Equity	28	13,075.80	11,327.30
Equity Attributable to Owners of the Parent		15,492.11	13,742.58
(c) Non-Controlling Interests		1,598.60	1,484.84
Total Equity		17,090.71	15,227.42
Total Liabilities and Equity		141,139.50	124,794.23

Note: The assets and liabilities disclosed above consist of amount relating to both shareholders' and life insurance policyholders' fund. The Company identifies these assets and liabilities separately to comply with Section 10 of the Insurance Act, 1938, and are disclosed under Note No. 52.

Significant Accounting Policies

2

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

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Ashwin Suvarna
Partner
Membership No.: 109503

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

Ajay Srinivasan
Chief Executive Officer

P. H. Ravikumar
Director
(DIN: 00280010)

S. C. Bhargava
Director
(DIN: 00020021)

Pinky Mehta
Chief Financial Officer

Amber Gupta
Company Secretary

Mumbai, 12th May 2022

Mumbai, 12th May 2022

Consolidated Statement of Profit and Loss

for the year ended 31st March 2022

(₹ crore)			
Particulars	Note No.	Year Ended 31 Mar 22	Year Ended 31 Mar 21
REVENUE FROM OPERATIONS			
(a) Interest Income	29	7,029.53	6,774.22
(b) Dividend Income	30	2.85	2.85
(c) Fees and Commission Income		1,138.93	938.73
(d) Net Gain on Fair Value Changes	31	85.52	159.63
(e) Gain on Sale of Investment [Refer Note No. 64 (2)]		177.19	-
(f) Policyholders' Income from Life Insurance Operations	52	12,179.20	10,193.91
(g) Policyholders' Income from Health Insurance Operations	53	1,608.99	1,178.87
(h) Sale of Services		7.70	6.06
Total Revenue from Operations		22,229.91	19,254.27
Other Income	32	11.44	19.51
Total Income		22,241.35	19,273.78
EXPENSES			
(a) Finance Costs	33	3,479.53	3,915.76
(b) Fees and Commission Expenses		556.80	473.34
(c) Impairment on Financial Instruments	34	730.23	771.94
(d) Employee Benefits Expenses	35	867.59	758.02
(e) Policyholders' Expenses of Life Insurance Operations	52	12,132.18	10,169.45
(f) Policyholders' Expenses of Health Insurance Operations	53	1,934.83	1,391.32
(g) Depreciation and Amortisation Expenses	36	121.91	114.45
(h) Other Expenses	37	472.46	402.22
Total Expenses		20,295.53	17,996.50
Profit Before Share of Associates and Joint Ventures and Tax		1,945.82	1,277.28
Share of Profit/(Loss) of Associate and Joint Venture Companies		340.90	268.41
Profit Before Tax		2,286.72	1,545.69
Relating to other than Revenue Account of Life Insurance Policyholders'			
Current Tax		565.75	371.91
Short/(Excess) Provision for Tax Related to Earlier Years (Net)		4.40	(6.44)
Deferred Tax		(1.41)	24.04
Relating to Revenue Account of Life Insurance Policyholders'			
Current Tax		57.91	50.53
Total Tax Expenses		626.65	440.04
Profit for the Year		1,660.07	1,105.65

Consolidated Statement of Profit and Loss (Contd.)

for the year ended 31st March 2022

(₹ crore)

Particulars	Note No.	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Other Comprehensive Income	38		
Relating to Revenue Account of Life Insurance Policyholders'			
(i) Items that will not be reclassified to profit or loss in subsequent periods		(3.47)	(1.44)
(ii) Items that will be reclassified to profit or loss in subsequent periods		(182.88)	47.38
Less: Transferred to Policyholders' Fund in the Balance Sheet		186.35	(45.94)
Relating to Revenue Account of Health Insurance Policyholders'			
(i) Items that will not be reclassified to profit or loss in subsequent periods		(0.59)	1.46
(ii) Items that will be reclassified to profit or loss in subsequent periods		(14.03)	(5.71)
Related to Others			
(i) Items that will not be reclassified to profit or loss		6.08	70.50
Income Tax relating to items that will not be reclassified to profit or loss		(1.54)	(10.94)
(ii) Items that will be reclassified to profit or loss		(25.33)	3.36
Income Tax relating to items that will be reclassified to profit or loss		(0.28)	1.52
Other Comprehensive Income for the Year		(35.69)	60.19
Total Comprehensive Income for the Year		1,624.38	1,165.84
Profit for the Year Attributable to			
- Owners of the Company		1,705.97	1,126.54
- Non-Controlling Interests		(45.90)	(20.89)
Other Comprehensive Income for the Year Attributable to			
- Owners of the Company		(3.54)	26.57
- Non-Controlling Interests		(32.15)	33.62
Total Comprehensive Income			
- Owners of the Company		1,702.43	1,153.11
- Non-Controlling Interests		(78.05)	12.73
Basic Earnings Per Share - (₹)	39	7.06	4.67
Diluted Earnings Per Share - (₹)		7.05	4.66
(Face Value of ₹10 each)			
Significant Accounting Policies	2		
The accompanying Notes are an integral part of the Financial Statements.			

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Ashwin Suvama
Partner
Membership No.: 109503

Mumbai, 12th May 2022

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

Ajay Srinivasan
Chief Executive Officer

Pinky Mehta
Chief Financial Officer

Mumbai, 12th May 2022

P. H. Ravikumar
Director
(DIN: 00280010)

Amber Gupta
Company Secretary

S. C. Bhargava
Director
(DIN: 00020021)

Consolidated Cash Flow Statement

for the year ended 31st March 2022

(₹ crore)

Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	1,945.82	1,277.28
Adjustments for-		
Expenses on Employee Stock Options Scheme	7.78	14.98
Impairment on Financial Instruments	731.33	772.36
Net Gain on Fair Value Changes	(510.73)	(568.96)
Changes in Valuation of Liabilities in respect of Insurance Policies in force	4,240.83	4,374.83
Loss on Sale of Property, Plant and Equipment	1.44	1.11
Depreciation and Amortisation	234.30	223.05
Operating Profit Before Working Capital Changes	6,650.77	6,094.65
Adjustments for-		
Decrease/(Increase) in Trade Receivables	(215.43)	25.64
Decrease/(Increase) in Loans	(7,111.19)	(2,265.77)
Decrease/(Increase) in Other Assets	(527.39)	(178.45)
(Decrease)/Increase in Trade Payables	163.19	175.25
(Decrease)/Increase in Provisions	53.37	31.87
(Decrease)/Increase in Net Assets of Life Insurance and Health Insurance Policyholders'	(3,420.98)	(4,290.54)
(Decrease)/Increase in Other Liabilities	96.92	844.44
Cash (used in)/from Operations	(4,310.74)	437.09
Income Taxes (Paid)/Refund	(758.77)	(373.13)
Net Cash (used in)/from Operating Activities	(5,069.51)	63.96
B CASH FLOW FROM INVESTING ACTIVITIES		
Addition to Property, Plant and Equipment and Intangible Assets	(179.71)	(149.95)
Proceeds from Sale of Property, Plant and Equipment	2.57	1.91
Purchase of Long-Term Investments	(218.17)	(140.49)
Proceeds from Sale of Long-Term Investments	420.69	189.32
(Purchase)/Sale of Insurance Shareholders' Investments (Net)	(487.49)	(399.59)
(Purchase)/Sale of Current Investments (Net)	(964.84)	3,006.06
Bank Deposits with original maturity greater than three months (Net)	(135.24)	(149.58)
Dividend Received	116.64	71.40
Net Cash (used in)/from Investing Activities	(1,445.55)	2,429.08



Consolidated Cash Flow Statement (Contd.)

for the year ended 31st March 2022

(₹ crore)

Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
C CASH FLOW FROM FINANCING ACTIVITIES		
Exercise of Employee Stock Options	3.07	1.52
Proceeds from shares issued by Subsidiary Companies to Non-Controlling Interests	214.13	156.80
Proceeds from Long-Term Borrowings	13,639.03	11,036.80
Repayment of Long-Term Borrowings	(10,309.51)	(14,028.80)
Short-Term Borrowings (Net)	2,413.17	370.44
Repayment of Lease Liabilities (including Interest thereon)	(104.24)	(107.22)
Dividend Paid to Non-Controlling Interests	(17.95)	(11.54)
Share Application Money Pending Allotment	(1.26)	1.38
Net Cash from/(used in) Financing Activities	5,836.44	(2,580.62)
D NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(678.62)	(87.58)
E OPENING CASH AND CASH EQUIVALENTS	2,727.47	2,815.05
F CLOSING CASH AND CASH EQUIVALENTS (D+E)	2,048.85	2,727.47

Cash Flow from Operations includes:

(₹ crore)

Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Interest Received	9,516.75	8,955.29
Interest Paid	3,929.88	4,196.75
Dividend Received	172.53	151.65

Additional Disclosure pursuant to Ind AS 7 (Borrowings Movement during the year)

(₹ crore)

Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Opening Balance	52,674.98	55,629.80
Cash Flows	5,742.69	(2,621.56)
Others*	(365.75)	(333.26)
Closing Balance	58,051.92	52,674.98

* Includes fair value adjustment, foreign exchange fluctuation, interest accrued but not due, etc.

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Ashwin Suvama
Partner
Membership No.: 109503

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

Ajay Srinivasan
Chief Executive Officer

Pinky Mehta
Chief Financial Officer

P. H. Ravikumar
Director
(DIN: 00280010)

Amber Gupta
Company Secretary

S. C. Bhargava
Director
(DIN: 00020021)

Mumbai, 12th May 2022

Mumbai, 12th May 2022

Consolidated Statement of Changes in Equity

for the year ended 31st March 2022

(A) EQUITY SHARE CAPITAL

Particulars	As at 31 Mar 22	As at 31 Mar 21
Balance at the beginning of the Year	2,415.28	2,413.76
Changes in Equity Share Capital during the Year	1.03	1.52
Balance at the end of the Year	2,416.31	2,415.28

(B) OTHER EQUITY

For the year ended 31st March 2021

Particulars	Reserves and Surplus										Items of Other Comprehensive Income					Non-Con-trolling Interests		Total Other Equity	
	Share Application Money Pending Allotment	Special Reserve	Capital Reserve	Securities Premium Reserve	Capital Fund	Deben-ture Redemp-tion Reserve	Share Options Out-standing Account	Retained Earnings		Debt In-strument through Other Comprehensive Income	Equity In-strument through Other Comprehensive Income	Cash Flow Hedge Reserve	Foreign Currency Trans-lation Reserve	Equity Attrib-utable to Sharehold-ers of the Company					
								Surplus as per the Statement of Profit and Loss	General Reserve										
Balance as at 1 st April 2020	-	871.74	48.40	6,059.39	0.01	-	174.79	2,939.77	19.71	69.01	(5.24)	(19.67)	4.12	10,162.03	1,319.59	11,481.62			
Profit for the Year	-	-	-	-	-	-	-	1,126.54	-	-	-	-	-	1,126.54	(20.89)	1,105.65			
Other Comprehensive Income/(Loss) for the Year (Refer Note No. 38)	-	-	-	-	-	-	-	6.78	-	6.79	27.25	(14.35)	0.10	26.57	33.62	60.19			
Total Comprehensive Income	-	-	-	-	-	-	-	1,133.32	-	6.79	27.25	(14.35)	0.10	1,153.11	12.73	1,165.84			
Issue of Shares to Non-Controlling Interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	156.80	156.80			
Dividend Paid to Non-Controlling Interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(11.54)	(11.54)			
Transfer to General Reserve	-	-	-	-	-	-	-	(7.88)	7.88	-	-	-	-	-	-	-			
Transfer to Special Reserve	-	197.64	-	-	-	-	-	(197.64)	-	-	-	-	-	-	-	-			
Addition during the Year	1.38	-	-	-	-	7.65	-	(15.00)	-	-	-	-	-	(5.97)	7.35	1.38			
Transfer to General Reserve on Account of Lapse of Vested Options	-	-	-	-	-	-	(1.96)	-	1.96	-	-	-	-	-	-	-			
Exercise of ESOP including ESOP issued by Subsidiary Companies	-	-	-	17.09	-	-	(17.09)	-	-	-	-	-	-	-	-	-			
ESOP Charge for the Year	-	-	-	-	-	-	18.31	-	-	-	-	-	-	18.31	-	18.31			
Others	-	-	-	-	-	-	(0.23)	0.05	-	-	-	-	-	(0.18)	(0.09)	(0.27)			
Balance as at 31 st March 2021	1.38	1,069.38	48.40	6,076.48	0.01	7.65	173.82	3,852.62	29.55	75.80	22.01	(34.02)	4.22	11,327.30	1,484.84	12,812.14			



Consolidated Statement of Changes in Equity (Contd.)

for the year ended 31st March 2022

(B) OTHER EQUITY (CONTD.)

For the year ended 31st March 2022

Particulars	Reserves and Surplus										Items of Other Comprehensive Income					Equity Attributable to Shareholders of the Company	Non-Controlling Interests	Total Other Equity
	Other Reserves					Retained Earnings												
	Share Application Money Pending Allotment	Special Reserve	Capital Reserve	Securities Premium Reserve	Capital Fund	Debiture Redemption Reserve	Share Options Outstanding Account	Surplus as per the Statement of Profit and Loss	General Reserve	Debt Instrument through Other Comprehensive Income	Equity Instrument through Other Comprehensive Income	Cash Flow Hedge Reserve	Foreign Currency Translation Reserve					
	1.38	1,069.38	48.40	6,076.48	0.01	7.65	173.82	3,852.62	29.55	75.80	22.01	(34.02)	4.22	11,327.30	1,484.84	12,812.14		
	-	-	-	-	-	-	-	1,705.97	-	-	-	-	-	1,705.97	(45.90)	1,660.07		
	-	-	-	-	-	-	-	4.63	-	(32.33)	(0.18)	23.34	1.00	(3.54)	(32.15)	(35.69)		
	-	-	-	-	-	-	-	1,710.60	-	(32.33)	(0.18)	23.34	1.00	1,702.43	(78.05)	1,624.38		
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	214.41	214.41		
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(17.95)	(17.95)		
	-	-	-	-	-	-	-	(17.06)	17.06	-	-	-	-	-	-	-		
	-	352.06	-	-	-	-	-	(352.06)	-	-	-	-	-	-	-	-		
	-	-	-	-	-	17.85	-	(10.50)	-	-	-	-	-	7.35	(4.65)	2.70		
	-	-	-	-	-	-	-	(2.53)	-	-	2.53	-	-	-	-	-		
	-	-	-	-	-	-	(7.60)	-	7.60	-	-	-	-	-	-	-		
	-	-	-	-	-	-	(8.79)	-	-	-	-	-	-	1.79	-	1.79		
	-	-	-	10.58	-	-	-	-	-	-	-	-	-	35.09	-	35.09		
	(1.26)	-	-	-	-	-	(0.31)	3.41	-	-	-	-	-	1.84	-	1.84		
	0.12	1,421.44	48.40	6,087.06	0.01	25.50	192.21	5,184.48	54.21	43.47	24.36	(10.68)	5.22	13,075.80	1,598.60	14,674.40		

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Ashwin Suvarna
Partner
Membership No.: 109503

Mumbai, 12th May 2022

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

Ajay Srinivasan
Chief Executive Officer

Pinky Mehta
Chief Financial Officer

Mumbai, 12th May 2022

P. H. Ravikumar
Director
(DIN: 00280010)

Amber Gupta
Company Secretary

S. C. Bhargava
Director
(DIN: 00020021)

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Aditya Birla Capital Limited ("the Company"/"the Parent") is a listed public company having its registered office at Indian Rayon Compound, Veraval – 362 266, Gujarat. The Company currently operates as a Non-Deposit Taking Core Investment Company registered with the RBI vide certificate no. B.01.00555, dated 16th October 2015. The Company is a subsidiary of Grasim Industries Limited.

The Company and its subsidiaries (collectively referred to as "the Group") are principally engaged in the business of financial services comprising of lending, both as a non-banking financial institution and as a housing finance institution, life and health insurance, asset management, general insurance, stock broking and others.

Information on the Group's structure is provided in the Annexure A to Note 1.

The Group has prepared consolidated financial statements in compliance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

The financial statements are authorised for issue by the Board of Directors of the Company at its meeting held on 12th May 2022.

The financial statements have been prepared and presented on the going concern basis, the relevant provisions of the Act and the guidelines and directives issued by the Reserve Bank of India (RBI), Insurance Regulatory Development Authority of India (IRDAI), to the extent applicable and at historical cost, except for the following assets and liabilities, which have been subsequently measured at fair value:

- Derivative Financial Instruments measured at fair value.
- Certain financial assets and liabilities at fair value.
- Employee's Defined Benefit Plans as per the actuarial valuation.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Presentation of Financial Statements

The Group presents its financial statements to comply with Division III of Schedule III of the Companies Act, 2013, which provides general instructions for the preparation of financial statements of a non-banking financial company (NBFC to comply with Ind AS), and the requirements of Ind

AS. 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 No. 58.

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

- The normal course of business, and
- The event of default.

2.2 Functional and Presentation Currency

Amounts in the financial statements are presented in Indian Rupees in Crore rounded off to two decimal places as permitted by Division III of Schedule III to the Act, except when otherwise indicated.

2.3 Principles of Consolidation

Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and its Subsidiaries. Subsidiaries are entities controlled by the Group. The Group controls an investee if, and only if, the Group has:

- a. Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee),
- b. Exposure, or rights, to variable returns from its involvement with the investee, and
- c. The ability to use its power over the investee to affect its returns.

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. 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.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

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, and
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items. Inter-Group transactions, balances and unrealised gains on transactions between the Group companies are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the transferred assets. The Group offsets (eliminates) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity in each subsidiary.

Profit and Loss, and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the Parent of the Group and to the Non-Controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies into line with the Group's accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest; and (ii) the carrying amount of the assets (including goodwill) and liabilities of the subsidiary, and any non-controlling interests. Amounts previously recognised in OCI, in relation to the subsidiary, are accounted for (i.e. reclassified to profit or loss, or transferred directly to retained earnings) in the same manner, as would be required, if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary, at the date when control is lost, is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, Financial Instruments, or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

On account of the regulatory restrictions on transfer of surplus/funds from the life insurance fund to shareholders, no proportion of the surplus relating to life insurance fund (including in respect of contracts without discretionary participating features), arising out of the adjustments due to application of the Ind AS principles can be attributed to the shareholders. Under the previous GAAP, fair valuation changes relating to the life insurance fund assets are accumulated within the liability Group "Policyholders' Funds" in a line item labelled "Credit/(Debit) Fair Value Change Account" separately from "Policy Liabilities", "Insurance Reserves" and "Provision for Linked Liabilities". Therefore, the differences arising from the application of the Ind AS principles to the assets and liabilities of the life insurance fund be retained within the "Life Insurance Policyholders' Fund" liability Group as "Fair Valuation Differences of Policyholders' Investments" and "Policyholders' Fund – Other Adjustments".

Further, all income and expenses, pertaining to the life insurance fund, have been grouped under "Income from Life Insurance Fund" and "Expense of the Life Insurance Fund", respectively. Assets and Liabilities of Life Insurance Fund have been clubbed with respective Assets and Liabilities. Disclosure of the same is provided in Note No. 52.

Investments in Associates and Joint Ventures

Associates:

An associate is an entity, over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Joint Ventures:

A joint venture is a type of joint arrangement whereby the parties, that have joint control of the arrangement, have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its associates and joint ventures are accounted for using the equity method.

Under the equity method, the investments in the equity of an associate or a joint venture is initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits/losses of the investee in profit or loss, and the Group's share in other comprehensive income of the investee. Dividend received from associates and joint ventures are recognised as reduction in the carrying amount of the investments.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the assets transferred.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit/loss of an associate and a joint venture' in the Statement of Profit and Loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture, upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal, is recognised in the Statement of Profit and Loss. If the ownership interest in a joint venture or an associate is reduced, but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in OCI is reclassified to the Statement of Profit and Loss, where appropriate. Changes in investor's interest in other component of equity, in such cases, are being directly recognised in equity.

2.4 Business Combination and Goodwill

The Company uses the acquisition method of accounting to account for business combinations. The acquisition date is the date on which control is transferred to the acquirer. In assessing control, potential voting rights are considered only if the rights are substantive.

The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount of the identifiable assets acquired, and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed, and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an

excess of the fair value of the net assets acquired over the aggregate consideration transferred, then the gain is recognised in Other Comprehensive Income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to the settlement of pre-existing relationships. Any goodwill that arises on account of such business combination is tested annually for impairment.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured, and the settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date, and subsequent changes in the fair value of the contingent consideration are recorded in the Statement of Profit and Loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Company recognises any non-controlling interest in the acquiree, either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Company incurs in connection with a business combination, such as stamp duty for title transfer in the name of the Company, finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

A cash-generating unit, to which goodwill has been allocated, is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in the Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period, in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

2.5 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity, and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs, that are attributable to the acquisition of the financial asset, are added to the fair value. Purchases or sales of financial assets, that require delivery of assets within a time frame established by the regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent Measurement

For the purposes of subsequent measurement, financial instruments are classified in four categories:

- Debt instruments at amortised cost,
- Debt instruments at fair value through other comprehensive income (FVTOCI),
- Debt instruments, derivatives and equity instruments, mutual funds at fair value through profit or loss (FVTPL), and
- Equity instruments

Evaluation of Business Model Test

Classification and measurement of financial assets depend on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups 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 measured, the risks that affect the performance of the assets and how these are managed, and how the managers of the assets are compensated.

Debt Instruments at Amortised Cost

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

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

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

Debt Instruments at FVTOCI

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

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

Debt instruments, included within the FVTOCI category, are measured initially, as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI), except for changes with respect to Policyholders' investments under the life insurance business (except for assets held to cover linked liabilities) relating to Revenue Account of Life Insurance Policyholders, wherein the fair value movements are

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included under “Policyholders’ Liabilities (Life Insurance Contract Liabilities and Restricted Surplus)” in the Balance Sheet. The Group recognises interest income, impairment losses and reversals, and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt Instruments at FVTPL

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

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss, except for changes with respect to Policyholders’ investments under the life insurance business (except for assets held to cover linked liabilities) relating to Revenue Account of Life Insurance Policyholders, wherein the fair value movements are included under “Policyholders’ Liabilities (Life Insurance Contract Liabilities and Restricted Surplus)” in the Balance Sheet.

Equity Investments

Investments in Associates and Joint Ventures are accounted using the equity method, as explained in item 2.3 above.

All other equity investments are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. For equity instruments, other than held for trading, the Group has irrevocable option to present in OCI, subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Where the Group classifies equity instruments at FVTOCI, then all fair value changes in the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment.

Equity instruments, included within the FVTPL category, are measured at fair value with all changes recognised

in the Statement of Profit and Loss, except for changes with respect to Policyholders’ investments under the life insurance business (except for assets held to cover linked liabilities) relating to Revenue Account of Life Insurance Policyholders, wherein the fair value movements are included under “Policyholders’ Liabilities (Life Insurance Contract Liabilities and Restricted Surplus)” in the Balance Sheet

Impairment of Financial Assets

The Group recognises loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers;
- Debt investment securities;
- Trade and other receivables;
- Lease receivables;
- Irrevocable loan commitments issued; and
- Financial guarantee contracts issued.

With the exception of POCI financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e., that results from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as Stage 1); or
- Full lifetime ECL, i.e., lifetime ECL that results from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument, if the credit risk on that financial instrument has increased significantly, since initial recognition (and consequently for credit-impaired financial assets). For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Group’s policy is always to measure loss allowances for lease receivables as lifetime ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset’s EIR.

- For undrawn loan commitments, the ECL is the difference between the present value of the difference



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between the contractual cash flows that are due to the Group, if the holder of the commitment draws down the loan, and the cash flows that the Group expects to receive, if the loan is drawn down; and

- For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group expects to receive from the holder, the debtor or any other party.

The Group measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Credit-Impaired Financial Assets

A financial asset is 'credit-impaired' when one or more events, that have a detrimental impact on the estimated future cash flows of the financial asset, have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- The disappearance of an active market for a security because of financial difficulties; or
- The purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event, instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt instruments, that are financial assets measured at amortised cost or FVTOCI, are credit-impaired at each reporting date. To assess if corporate debt instruments are credit-impaired, the Group considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the

borrower's financial condition, unless there is evidence that, as a result of granting the concession, the risk of not receiving the contractual cash flows has reduced significantly, and there are no other indicators of impairment. For financial assets, where concessions are contemplated but not granted, the asset is deemed credit-impaired when there is observable evidence of credit-impairment, including meeting the definition of default. The definition of default (see below) includes unlikelihood to pay indicators and a back-stop, if amounts are overdue for 90 days or more.

Purchased or Originated Credit-Impaired (POCI) Financial Assets

POCI financial assets are treated differently, because the asset is credit-impaired at initial recognition. For these assets, the Group recognises all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognised in the Statement of Profit and Loss. A favourable change for such assets creates an impairment gain.

Definition of Default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD), which affects both the measurement of ECL and the identification of a significant increase in credit risk.

The Group considers the following as constituting an event of default:

- The borrower is past due more than 90 days on any material credit obligation to the Group; or
- The borrower is unlikely to pay its credit obligations to the Group in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

When assessing, if the borrower is unlikely to pay its credit obligation, the Group takes into account both qualitative and quantitative indicators. The information assessed depends on the type of asset, for example, in corporate lending a qualitative indicator used is the admittance of bankruptcy petition by National Company Law Tribunal (NCLT), which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty, are key inputs in this analysis. The Group uses a variety of sources of information to assess default, which are either developed internally or obtained from external sources. The definition

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of default is applied consistently to all financial instruments, unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial instrument.

Significant Increase in Credit Risk

The Group monitors all financial assets, issued irrevocable loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Group monitors all financial assets, issued irrevocable loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the probability of default (PD) will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

Modification and Derecognition of Financial Assets

A modification of a financial asset occurs when the contractual terms, governing the cash flows of a financial asset, are renegotiated, or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows, either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan may constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately, but may affect the cash flows depending on whether the covenant is or

is not met (e.g., a change to the increase in the interest rate that arises when covenants are breached).

The Group renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where, although, the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default, or default has already happened, and the borrower is expected to be able to meet the revised terms. The revised terms, in most of the cases, include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified, the Group assesses whether this modification results in derecognition. In accordance with the Group's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms, the Group considers the following:

- qualitative factors, such as contractual cash flows after modification, are no longer SPPI,
- change in currency or change of counterparty,
- the extent of change in interest rates, maturity, covenants, and

If these do not clearly indicate a substantial modification, then

- A. In the case where the financial asset is derecognised, the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL, except in the rare occasions where the new loan is considered to be originated credit-impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount, because there remains a high risk of default, which has not been reduced by the modification. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in the past due status under the new terms.

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B. When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Group determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- the remaining lifetime PD estimated based on the data at initial recognition and the original contractual terms; with
- the remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Group's ability to collect the modified cash flows taking into account the Group's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition, the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL, when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition, the Group calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Group measures ECL for the modified asset, where the expected cash flows, arising from the modified financial asset, are included in calculating the expected cash shortfalls from the original asset.

The Group derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in the Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss.

On derecognition of a financial asset other than in its entirety (e.g., when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part, that is no longer recognised, and the sum of the consideration received for the part no longer recognised, and any cumulative gain/loss allocated to it, that had been recognised in OCI, is recognised in the Statement of Profit and Loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss.

Write Off

Loans and debt securities are written off, when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts, subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

Presentation of Allowance for ECL in the Balance Sheet

Loss allowances for ECL are presented in the Balance Sheet as follows:

- For financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets and;
- Where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component

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separately from those on the drawn component, the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component.

Financial Liabilities and Equity Instruments

Classification as Debt or Equity

Debt and equity 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.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group, after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are classified, at initial recognition:

- At fair value through profit or loss,
- Loans and borrowings,
- Payables, or
- As derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, and payables are recognised net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings, including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent Measurements

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective

hedging instruments. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities, designated upon initial recognition at FVTPL, are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Financial Guarantee Contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs, because the specified debtor fails to make a payment when due, in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition of Financial Liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled, or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid, and payable is recognised in the Statement of Profit and Loss.

Derivatives and Hedging Activities

Derivatives are only used for economic hedging purposes and not as a speculative investment. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes, and are accounted for at FVTPL. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether

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the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

The Group designates certain derivatives as either:

- a. Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value changes),
- b. Hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- c. Hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items, including whether the changes in the cash flows of the hedging instrument, are expected to offset changes in cash flows of hedged items. The Group documents its risk management objective before undertaking hedge transactions.

Hedge effectiveness is the degree to which changes in cash flow of the hedged item that are attributable to a hedged risk are offset by changes in the cash flows of the hedging instrument. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter.

The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income, and accumulated under the heading cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within Other Income.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. The gain or loss, relating to the effective portion of the interest rate swaps hedging variable rate borrowings, is recognised in profit or loss within 'finance cost', at the same time, as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss, and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset.

When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of

hedging, that were reported in equity, are immediately reclassified to profit or loss within other gains/(losses).

Embedded Derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Re-assessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value, if their economic characteristics and risks are not closely related to those of the host contracts, and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the Statement of Profit and Loss, unless designated as effective hedging instruments.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.6 Fair Value Measurement

The Group measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values 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.

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The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a. In the principal market for the asset or liability, or
- b. 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.

All assets and liabilities (for which fair value is measured or disclosed in the financial statements) are categorised within the fair value hierarchy, described as follows, based on the lowest level input, that is significant to the fair value measurement as a whole:

Level 1 -	Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 -	Valuation techniques for which the lowest level input, that is significant to the fair value measurement, is directly or indirectly observable.
Level 3 -	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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 categorisation (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 Management determines the policies and procedures for both recurring fair value measurements, such

as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities, which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

2.7 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

2.8 Property, Plant and Equipment (PPE) and Depreciation

Property, plant and equipment are stated at acquisition or construction cost less accumulated depreciation and impairment loss. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an asset, if, and only if, it is probable that the economic benefits associated with the item will flow to the Group in future periods, and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss, during the period in which they are incurred.

Depreciation on PPE is provided on Straight-Line Method using the rates arrived at based on the useful lives as specified in the Schedule II of the Companies Act, 2013, or estimated by the Management. The Group has used the following useful life to provide depreciation on its PPE.



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A. Assets where useful life differs from Schedule II:

Assets	Useful Life as Prescribed by Schedule II of the Companies Act, 2013	Estimated Useful Life
Buildings/Investment Property	30 Years	60 Years
Office Electronic Equipment	5 Years	4 Years
Office Computers (end-user devices, desktop, laptops)	3 Years	3 Years to 5 Years
Servers	6 Years	3 Years to 5 Years
Vehicles	8-10 Years	4 Years to 5 Years
Furniture and Fixtures, and Other Office Equipment	10 Years	2 Years to 10 Years

Useful life of assets different from the corresponding life specified in Schedule II has been estimated by the Management supported by technical assessments.

The estimated useful lives and residual values of the PPE are reviewed at the end of each financial year.

B. Leasehold Assets:

Asset	Estimated Useful Life
Leasehold Improvements	Period of Lease

Property, plant and equipment, individually costing less than Rupees five thousand, are fully depreciated in the year of purchase.

Depreciation on the property, plant and equipment added/disposed of/discarded during the year is provided on pro-rata basis with reference to the month of addition/disposal/discarded.

Depreciation on the tangible fixed assets added/disposed of/discarded during the year is provided on pro-rata basis with reference to the month of addition/disposal/discarding.

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

2.9 Intangible Assets Acquired Separately and Amortisation

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss, unless such expenditure forms part of carrying value of another asset. Intangible assets are amortised on a straight-line basis over their estimated useful lives.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

Intangible assets and their useful lives are as under:

Assets	Estimate Useful Life
Brands/Trademarks	5 to 10 Years
Computer Software	2 to 6 Years
Exclusive Images	3 Years

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2.10 Impairment of Non-Financial Assets

At the end of each reporting period, the Group reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units, for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication then the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the 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, for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that, the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.11 Product Classification of Insurance Business

Insurance contracts are those contracts when the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders, if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Group determines whether it has significant insurance risk, if the benefits payable on death is higher by at least 5% of the fund value at any time during the term of the contract for unit-linked products or the benefits payable on death is higher by at least 5% of the premium at any time during the term of the contract for other than unit-linked products. Investment contracts are those contracts which are not Insurance Contracts.

2.12 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets, and the arrangement conveys a right-to-use the asset or assets, even if that right is not explicitly specified in an arrangement.

At the date of commencement of the lease, the Group recognises Right-of-Use ("ROU") Asset and a corresponding Lease Liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

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

Right-of-Use Assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-Use Assets are evaluated for recoverability whenever events or changes in circumstances indicate

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that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis, unless the asset generates cash flows that are largely dependent of those from other assets. In such cases, the recoverable amount is determined for the Cash-Generating Unit (CGU) to which the asset belongs.

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

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

As a Lessor

Leases, for which the Group is a lessor, are classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. The sub-lease is classified as a finance or operating lease by reference to the Right-of-Use Asset arising from the head lease.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

2.13 Employee Benefits

Short-Term Employee Benefits

Liabilities for salaries and wages, including non-monetary benefits and accumulating leave balance in respect of employees' services upto the end of the reporting period, are recognised as liabilities (and expensed), and are measured at the amounts expected to be paid when the liabilities are settled.

The Group also recognises a liability and records an expense for bonuses (including performance-linked bonuses) where contractually obliged or where there is a past practice that has created a constructive obligation.

The obligations are presented as a part of "Other Financial Liabilities" or "Provisions" in the Balance Sheet.

Defined Contribution Plans

The Group makes defined contributions to employee provident fund and employee pension schemes administered by government organisations, set up under the applicable statute, and those administered by a trust set up by Grasim Industries Limited ("the Holding Company") and superannuation schemes administered by a trust set up by the Holding Company. The Group has no further payment obligations once the contributions have been paid, except to contribute additionally any shortfall in the annual yield on the plan assets as compared to the annual return on such accumulated prescribed by the Central Government (there were no such additional contributions due from the Group as of 31st March 2022 and 31st March 2021). The contributions are recognised as a part of "Employee Benefits Expenses" in the period in which the employee renders services, against which such contributions are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. The liabilities are presented within "Other Financial Liabilities" or, as the case may be, within "Provisions" in the Balance Sheet.

Defined Benefit Plans (Gratuity Obligation)

The obligation in respect of defined benefit plans, which covers Gratuity, which is provided for on the basis of an actuarial valuation at the end of each financial year. Gratuity is funded with an approved trust.

In respect of Gratuity being post-retirement benefits, re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings, and will not be reclassified to the Statement of Profit and Loss, except with respect to life insurance business which relates to restricted life insurance fund relating to Revenue Account of Life Insurance Policyholders, the same has been transferred under "Policyholders' Liabilities (Life Insurance Contract Liabilities and Restricted Surplus)" in the Balance Sheet, and the same will not be reclassified to revenue account of insurance business.

Past service costs are recognised in the Statement of Profit and Loss of the earlier of:

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

The Group recognises the following changes in the net defined benefits obligation under employee benefits expenses in the Statement of Profit and Loss:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); and
- Net interest expense or income.

The Group presents the above components of defined benefits costs in the Statement of Profit and Loss in the line item 'Employee Benefits Expenses'.

The present value of the defined benefits plan liability is calculated using a discount rate, which is determined by reference to market yields at the end of the reporting period on government bonds.

The retirement benefits obligation, recognised in the Balance Sheet, represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

Other Long-Term Benefits

The expected costs of other long-term employee benefits, such as long-term service incentive plan benefits (not being share-based payments) are accrued over the period of employment using the same accounting methodology, as used for defined benefits plans. Re-measurement gains and losses, arising from experience adjustments and changes in actuarial assumptions, are charged or credited to the Statement of Profit and Loss in the period in which they arise. The obligations are presented as a part of "Provisions" in the Balance Sheet.

2.14 Employee Share-Based Payments

Equity-Settled Transactions

Equity-settled share-based payments to employees are measured by reference to the fair value of the equity instruments at the grant date using Black-Scholes Model.

The fair value, determined at the grant date of the equity-settled share-based payments, is charged to the Statement of Profit and Loss on straight-line basis over the vesting period of the respective options, based on the Group's

estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

In case of forfeiture/lapse of stock option, which is not vested, amortised portion is reversed by credit to employee compensation expense. In situation where the stock option expires unexercised, the related balance standing to the credit of the Employee Stock Options Outstanding Account is transferred within equity.

2.15 Foreign Currency Transactions

In preparing the financial statements of the Group, transactions in foreign currencies, other than the Group's functional currency, are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items, that are measured in terms of historical cost in a foreign currency, are not re-translated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which these arise, except for:

- Exchange differences on foreign currency borrowings relating to qualifying assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences relating to qualifying effective cash flow hedges; and
- Exchange difference, arising on re-statement of long-term monetary items that in substance forms part of the Group's net investment in foreign operations, is accumulated in Foreign Currency Translation Reserve (component of OCI), until the disposal of the investment, at which time, such exchange difference is recognised in the Statement of Profit and Loss.

2.16 Foreign Operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Indian Rupees, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Indian Rupee at the exchange rates at the dates of the transactions or an average rate, if the average rate approximates the actual rate at the date of

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the transaction. Exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI, is re-classified to the Statement of Profit and Loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary, but retains control, then the relevant proportion of the cumulative amount of foreign exchange differences is re-allocated to NCI. When the Group disposes of only a part of its interest in an Associate or a Joint Venture, while retaining significant influence or joint control, the relevant proportion of the cumulative amount of foreign exchange differences is re-classified to the Statement of Profit and Loss.

2.17 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

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

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial

asset cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

For purchased or originated credit-impaired (POCI) financial assets, the Group calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets.

Interest income on all trading assets and financial assets, mandatorily required to be measured at FVTPL, is recognised using the contractual interest rate in net gain on fair value changes.

Dividend Income

Dividend income (including from FVOCI investments) is recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity, and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

Insurance Companies

A. Life Insurance Business

Premium Income of Insurance Business

Premium income on Insurance contracts and Investment contracts with Discretionary Participation Feature (DPF) is recognised as income when due from policyholders. For unit-linked business, premium income is recognised when the associated units are created. Premium on lapsed policies is recognised as income when such policies are reinstated. In case of linked business, top-up premium paid by policyholders is considered as single premium, and is utilised as prescribed by the Insurance Regulatory and Development Authority of India Financial Statements Regulations. This premium is recognised when the associated units are created.

Fees and Commission Income of Insurance Business

Insurance and investment contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. These fees are recognised as revenue over the period in which the related services are performed. If the fees are for services provided in future periods, then they are deferred and recognised over those future periods.

Reinsurance Premium

Reinsurance premium ceded is accounted for at the time of recognition of the premium income, in

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accordance with the terms and conditions of the relevant treaties with the reinsurers. Impact on account of subsequent revisions to or cancellations of premium is recognised in the year in which they occur.

B. Health Insurance Business

Gross Premium

Premium (net of service tax) in respect of insurance contracts is recognised as income over the contract period or the period of risk, whichever is appropriate, after adjusting for reserve for unexpired risk. Any subsequent revisions to or cancellations of premiums are recognised in the year in which they occur.

Reinsurance Premium

Premium (net of service tax) in respect of insurance contracts is recognised as income over the contract period or the period of risk, whichever is appropriate, after adjusting for reserve for unexpired risk. Any subsequent revisions to or cancellations of premiums are recognised in the year in which they occur.

Income from items other than to which Ind AS 109 Financial Instruments and Ind AS 104 Insurance Contracts are applicable.

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind AS.

The Group recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a goods or services to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

Brokerage Fee Income

Revenue recognition for brokerage fees can be divided into the following two categories:

Brokerage Fees – Over Time

Fees earned for the provision of services are recognised over time as the customer simultaneously receives and consumes the benefits, as the services are rendered. These include brokerage fees, which is fixed at inception irrespective of number of transactions executed. The revenue for such contracts is recognised over the term of the contract.

Brokerage Fees – Point in Time

Revenue from contract with customer is recognised point in time when performance obligation is satisfied (when the trade is executed). These include brokerage fees which is charged per transaction executed.

2.18. Benefits Paid (Including Claims) Pertaining to Insurance Business

Claims and Benefits Paid for Life Insurance Business

Gross benefits and claims for life insurance contracts and for investment contracts with Discretionary Participation Features (DPF) include the cost of all claims arising during the year, including internal and external claims handling costs that are directly related to the processing and settlement of claims and policyholder bonuses declared on DPF contracts, as well as changes in the gross valuation of insurance and investment contract liabilities with DPF.



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Death and other claims are accounted for, when notified. Survival and maturity benefits are accounted when due. Surrenders/Withdrawals under linked policies are accounted in the respective schemes when the associated units are cancelled. Repudiated claims disputed before judicial authorities are provided for based on the Management prudence considering the facts and evidence available in respect of such claims.

Gross Claims Incurred for Health Insurance Business

Claims incurred comprise of claims paid, change in estimated liability for outstanding claims made following a loss occurrence reported, change in estimated liability for claims incurred but not reported (IBNR), and claims incurred but not enough reported (IBNER) and specific settlement costs comprising legal and investigation fees, and other directly attributable expenses.

The provision is made for estimated value of outstanding claims at the Balance Sheet date on the basis of the ultimate amounts that are likely to be paid on each claim, established by the Management in light of past experience, and progressively modified for changes, as appropriate, on availability of further information and include claim settlement costs likely to be incurred to settle outstanding claims.

Claims are recognised on the date of intimation based on estimates from surveyors/insured in the respective revenue accounts.

The estimated liability for claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER) has been estimated by the Appointed Actuary based on generally accepted actuarial methods for each product category as considered appropriate depending upon the availability of past data, as well as appropriateness of the different methods to the different lines of businesses.

Reinsurance Claims

Reinsurance claims are recognised when the related gross insurance claim is recognised, according to the terms of the relevant contract.

2.19 Acquisition Costs

Acquisition costs are costs that vary with, and are primarily related to acquisition of insurance contracts. Acquisition costs mainly consist of commission, medical costs, policy printing expenses, stamp duty and other related expenses. These costs are expensed in the year in which they are incurred. Clawback of the first-year commission paid, if any, in future is accounted in the year in which it is recovered.

2.20 Policy Liabilities

Insurance Contracts

The policy liabilities are calculated in accordance with the accepted actuarial practice, requirements of the Insurance Act, 1938, as amended by the Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations"), notified by the Insurance Regulatory and Development Authority of India and Practice Standards prescribed by the Institute of Actuaries of India.

Investment Contracts

Liability in respect on Investment Contracts is recognised in accordance with Ind AS, taking into account accepted actuarial practices.

2.21 Deferred Acquisition Costs (DAC)/Deferment Origination Fees (DOF)

The Group has identified Commission, Rewards and Recognition paid to its agents pertaining to 1st year as acquisition costs. Such acquisition costs are amortised over the period of the policy contract.

The origination fees for Investment Contracts, being premium allocation charges pertaining to the 1st, 2nd and 3rd year have been deferred over the period of the policy contract, and since the adjustment relates to restricted life insurance fund relating to Revenue Account of Life Insurance Policyholders, the same has been transferred under "Policyholders' Liabilities (Life Insurance Contract Liabilities and Restricted Surplus)" in the Balance Sheet.

Acquisition costs and origination fees are deferred only for Investment Contracts.

2.22 Reinsurance Assets

Reinsurance Asset, being net contractual rights receivable under reinsurance contract, has been recognised on the basis of actuarial valuation.

2.23 Finance Costs

Finance costs represent Interest expense recognised by applying the EIR to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using

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the effective interest method. These include fees and commissions payable to advisors and other expenses such as external legal costs, provided these are incremental costs that are directly related to the issue of a financial liability.

2.24 Provision for Current and Deferred Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the Indian Income-tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Where the Group controls the dividend policies of subsidiaries, and the Management is satisfied that they are expecting to distribute profit in the foreseeable future

from the subsidiaries, the Group accounts the deferred tax liability based on the dividend policy/past trends, etc. Where the Group does not control the dividend policies of Joint Venture/Associate and the Management is satisfied that they are expecting to receive dividend in the foreseeable future, the Group accounts the deferred tax liability on the undistributed profits.

2.25 Provisions and Contingent Liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Group.

Claims against the Group, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

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

2.26 Segment Reporting

Identification of Segments

Operating Segments are identified based on monitoring of operating results by the chief operating decision maker (CODM) separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss, and is measured consistently with profit or loss of the Group.



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Operating Segment is identified based on the nature of products and services, the different risks and returns, and the internal business reporting system.

Segment Policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

Further, inter-segment revenue has been accounted for based on the transaction price agreed to between segments, which is primarily market based.

Unallocated Corporate Items include general corporate income and expenses, which are not attributable to segments.

2.27 Earnings Per Share (EPS)

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted-average number of equity shares outstanding during the period. The weighted-average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus issue; bonus element in a rights issue to the existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.28 Statement of Cash Flows

The Statement of Cash Flows is reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The Statement of Cash Flows from operating, investing and financing activities of the Group are segregated.

2.29 Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements, in conformity with the Ind AS, requires judgements, estimates and

assumptions to be made, that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although, these estimates are based on the Management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates is recognised in the period in which the results are known or materialised. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Judgements

Following companies are being accounted as per equity method of accounting where Aditya Birla Capital Limited holds either directly or through its subsidiary, more than half of the equity shareholding.

- a. Aditya Birla Sun Life AMC Limited
- b. Aditya Birla Sun Life Trustee Private Limited
- c. Aditya Birla Wellness Private Limited

Estimates and Assumptions

The key assumptions, concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the 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.

Useful Lives of Property, Plant and Equipment

The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the Management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

Measurement of Defined Benefits Obligations

The cost of the defined benefits gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

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

Recognition of Deferred Tax Assets and Provision for Current Tax

Deferred Tax Assets is recognised based on availability of future taxable profit against which the tax losses carried forward can be used.

The Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and established provisions, where appropriate.

Recognition and Measurement of Provisions and Contingencies

Key assumptions about the likelihood and magnitude of an outflow of resources.

Fair Value Measurement of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable market, where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgement includes consideration of input such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Share-Based Payments

The Group measures the cost of equity-settled transactions with employees using Black-Scholes Model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

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 complex models with a number of underlying assumptions regarding the choice of variable inputs and their inter-dependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- a. The Group's internal credit grading model, which assigns PDs to the individual grades.
- b. The Group's criteria for assessing, if there has been a significant increase in credit risk, and if so, allowances for financial assets, should be measured on a life time ECL basis and the qualitative assessment.
- c. The segmentation of financial assets when their ECL is assessed on a collective basis.
- d. Development of ECL models, including the various formulas and the choice of inputs.
- e. Determination of associations between macro-economic scenarios and economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs.
- f. Selection of forward-looking macro-economic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust, when necessary.

New Standards and Amendments to the Existing Ind AS:

The Ministry of Corporate Affairs notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1st April 2022.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

Annexure 'A' to Note: 1 "General Information and Basis of Preparation"

Particulars	Country of Incorporation	Principal Business Activity	Proportion of Ownership Interest as on 31 Mar 2022	Proportion of Ownership Interest as on 31 Mar 2021
SUBSIDIARIES				
Aditya Birla Finance Limited (ABFL)	India	NBFC/Fund-Based Lending	100.00%	100.00%
Aditya Birla Housing Finance Limited (ABHFL)	India	Housing Finance	100.00%	100.00%
Aditya Birla Sun Life Insurance Company Limited (ABSLI)	India	Life Insurance	51.00%	51.00%
Aditya Birla Sun Life Pension Management Limited (ABSPM) (100% Subsidiary of Aditya Birla Sun Life Insurance Company Limited)	India	Pension Fund Management and Point of Presence	51.00%	51.00%
Aditya Birla Health Insurance Co. Limited (ABHICL)	India	Health Insurance	51.00%	51.00%
Aditya Birla Insurance Brokers Limited (ABIBL)	India	Insurance Broking and Risk Advisory Services	50.002%	50.002%
Aditya Birla Money Limited (ABML)	India	Stock Broking, Depository Services, Portfolio Management Services	73.70%	73.80%
Aditya Birla Financial Shared Services Limited (ABFSSL)	India	Other Business Support Services	100.00%	100.00%
Aditya Birla Money Mart Limited (ABMML)	India	Value Added Services and Investments	100.00%	100.00%
Aditya Birla Money Insurance Advisory Services Limited (ABMIASL) (100% Subsidiary of ABMML)	India	Insurance Corporate Agent	100.00%	100.00%
Aditya Birla ARC Limited (ABARC)	India	Asset Reconstruction Company	100.00%	100.00%
Aditya Birla Stressed Asset AMC Private Limited (ABSAAMC)	India	Fund Management	100.00%	100.00%
ABARC-AST-001-Trust	India	Asset Reconstruction Company	100.00%	100.00%
ABARC-AST-008-Trust	India	Asset Reconstruction Company	100.00%	NA
Aditya Birla Special Situation Fund – 1 (ABSSF)	India	Alternate Investment Fund	100.00%	100.00%
Aditya Birla PE Advisors Private Limited (ABPEAPL)	India	Private Equity Investment, Advisory and Management Services	100.00%	100.00%
Aditya Birla Capital Technology Services Limited (ABCTSL) (Formerly known as Aditya Birla MyUniverse Limited)	India	Financial and IT-Enabled Services	100.00%	100.00%
Aditya Birla Trustee Company Private Limited (ABTCPL)	India	Trustee of Private Equity Fund	100.00%	100.00%
ABCAP Trustee Company Private Limited (ABCTPL)*	India	Not Applicable	100.00%	100.00%
ABCSL – Employee Welfare Trust (Upto 10 th November 2020)	India	Trustee of Aditya Birla Capital Technology Services Limited (Formerly Known as Aditya Birla MyUniverse Limited)	-	-
ASSOCIATES AND JOINT VENTURES				
Aditya Birla Sun Life Trustee Private Limited (ABSTPL)	India	Trustee of Aditya Birla Sun Life Mutual Fund	50.85%	50.85%
Aditya Birla Wellness Private Limited (ABWPL)	India	Providing and Servicing Incentivised Wellness and Related Programme	51.00%	51.00%
Aditya Birla Sun Life AMC Company Limited (ABSLAMC)	India	Asset Management and Advisory	50.01%	51.00%
Aditya Birla Sun Life AMC (Mauritius) Ltd. (100% Subsidiary of ABSLAMC)	Mauritius	Asset Management	50.01%	51.00%
Aditya Birla Sun Life AMC Ltd., Dubai (100% Subsidiary of ABSLAMC)	Dubai	Arranging Deals in Investments and Advising on Financial Product	50.01%	51.00%
Aditya Birla Sun Life AMC Pte. Ltd., Singapore (100% Subsidiary of ABSLAMC)	Singapore	Asset Management	50.01%	51.00%

* under process of strike off.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

NOTE: 3 CASH AND CASH EQUIVALENTS

(₹ crore)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
Cash on Hand	5.10	3.03
Balances with Banks		
Current Accounts	1,480.48	2,339.48
Deposit Accounts (with original maturity period of 3 months or less)	490.68	326.20
Cheques/Drafts on Hand and in Transit	72.59	58.76
	2,048.85	2,727.47

NOTE: 4 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ crore)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
Fixed Deposit Accounts (with original maturity period of more than 3 months) *	588.55	451.41
Others - Money Due for Refund on Fractional Shares	0.26	0.26
	588.81	451.67
* Fixed Deposits include:		
Lien marked in favour of the Insurance Regulatory Development Authority of India (IRDAI)	1.58	1.50
Margins with Exchange	292.78	311.65
Towards Issue of Bank Guarantees	111.15	60.34

NOTE: 5 DERIVATIVE FINANCIAL INSTRUMENTS - ASSETS AND LIABILITIES

(₹ crore)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
Derivative Financial Instruments - Assets		
(Carried at Fair Value through Profit or Loss)		
Derivatives	14.39	23.77
	14.39	23.77
Derivative Financial Instruments - Liabilities		
(Carried at Fair Value through Profit or Loss)		
Derivatives	121.95	33.71
	121.95	33.71

NOTE: 6 TRADE RECEIVABLES

(₹ crore)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
Secured, Considered Good	296.74	154.12
Unsecured, Considered Good	362.14	292.49
Less: Impairment Loss Allowances Unsecured, Considered Good	(0.38)	(0.62)
Unsecured, Considered Doubtful	11.54	9.72
Less: Impairment Loss Allowances Unsecured, Considered Doubtful	(11.54)	(9.72)
	658.50	445.99



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

Trade Receivables include:

- Pass through amounts representing dues from clients and exchanges towards transactions not fully settled as at the reporting date of Stock and Securities Broking Business.
- Amount receivable from customers pertaining to amount funded to them for settlement of trade as part of normal business activity of Stock and Securities Broking Business.

Ageing Schedule of Trade Receivables is as follows:

(₹ crore)

As at 31 Mar 2022	Unbilled	Not Due	Outstanding for the following periods from the Due Date of Payment					
			Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade Receivables – Considered Good	20.13	52.15	580.91	2.21	0.36	3.12	-	658.88
(ii) Undisputed Trade Receivables – which have significant increase in Credit Risk	-	-	-	0.98	1.53	0.21	0.18	2.90
(iii) Undisputed Trade Receivables – Credit-Impaired	-	-	0.39	0.27	0.02	0.28	7.68	8.64
(iv) Disputed Trade Receivables – Considered Good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in Credit Risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – Credit-Impaired	-	-	-	-	-	-	-	-
Sub-Total	20.13	52.15	581.30	3.46	1.91	3.61	7.86	670.42
Less: Impairment Loss Allowances								(11.92)
Trade Receivables								658.50

(₹ crore)

As at 31 Mar 2021	Unbilled	Not Due	Outstanding for the following periods from the Due Date of Payment					
			Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade Receivables – Considered Good	62.78	101.74	279.22	0.17	0.22	2.47	0.01	446.61
(ii) Undisputed Trade Receivables – which have significant increase in Credit Risk	-	-	-	-	0.85	1.01	0.35	2.21
(iii) Undisputed Trade Receivables – Credit-Impaired	-	-	0.13	0.02	0.15	0.12	7.09	7.51
(iv) Disputed Trade Receivables – Considered Good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in Credit Risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – Credit-Impaired	-	-	-	-	-	-	-	-
Sub-Total	62.78	101.74	279.35	0.19	1.22	3.60	7.45	456.33
Less: Impairment Loss Allowances								(10.34)
Trade Receivables								445.99

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

NOTE: 7 LOANS

(Carried at Amortised Cost)

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
Loans and Advances of Financing Activities	66,831.65	60,642.36
Inter-Corporate Deposits	18.00	18.00
Loans against Insurance Policies	294.06	214.95
Others	362.49	185.61
Total - Gross (A)	67,506.20	61,060.92
Less: Impairment Loss Allowances	(1,308.06)	(1,209.14)
Total - Net (A)	66,198.14	59,851.78
(B) Secured		
Secured by Tangible Assets	49,054.31	47,704.60
Covered by Bank/Government Guarantees	3,170.75	1,434.40
Secured by Book Debts, Inventories, Fixed Deposits and Other Working Capital Items	1,058.77	2,510.39
Unsecured	14,222.37	9,411.53
Total - Gross (B)	67,506.20	61,060.92
Less: Impairment Loss Allowances	(1,308.06)	(1,209.14)
Total - Net (B)	66,198.14	59,851.78
(C) i. Loans in India		
Public Sector	424.09	475.30
Others	67,082.11	60,585.62
Total - Gross (C) (i)	67,506.20	61,060.92
Less: Impairment Loss Allowances	(1,308.06)	(1,209.14)
Total - Net (C) (i)	66,198.14	59,851.78
ii. Loans outside India	-	-
Less: Impairment Loss Allowances	-	-
Total - Net (C) (ii)	-	-
Total - Net (C) (i) and (ii)	66,198.14	59,851.78

NOTE: 8A INVESTMENTS OF LIFE INSURANCE POLICYHOLDERS'

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
A. Carried at Amortised Cost		
Quoted		
Investments in Government or Trust Securities	12,134.08	8,972.89
Investments in Debentures	5,950.20	5,645.48
Less: Impairment Loss Allowances for Investments in Debentures	(3.79) 5,946.41	(3.52) 5,641.96
Unquoted		
Investments - Others	977.23	759.84
B. Carried at Fair Value through Other Comprehensive Income		
Quoted		
Investments in Government or Trust Securities	3,495.28	2,864.09
Investments in Debentures	3,562.98	3,285.49
Less: Impairment Loss Allowances for Investments in Debentures	(1.84) 3,561.14	(2.29) 3,283.20
Investments - Others	411.55	391.93
Less: Impairment Loss Allowances for Other Investments	- 411.55	(0.06) 391.87
Unquoted		
Investments - Others	5.31	6.29



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

(₹ crore)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
C. Carried at Fair Value through Profit or Loss		
Quoted		
Investments in Mutual Funds	-	1.51
Investments in Equity Instruments	1,729.96	970.08
Unquoted		
Investments in Equity Instruments	196.99	119.29
	28,457.95	23,011.02
Investments in India	28,457.95	23,011.02
Investments outside India	-	-

NOTE: 8B INVESTMENTS OF LIFE INSURANCE SHAREHOLDERS'

(₹ crore)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
A. Carried at Fair Value through Other Comprehensive Income		
Quoted		
Investments in Government or Trust Securities	1,000.17	789.84
Investments in Debentures	1,809.30	1,389.27
Less: Impairment Loss Allowances for Investments in Debentures	(2.43) 1,806.87	(2.39) 1,386.88
Investments in Equity Instruments	91.99	105.24
Investments - Others	78.86	185.30
Less: Impairment Loss Allowances on Investments in Others	- 78.86	(0.01) 185.29
Unquoted		
Investments in Equity Instruments	0.83	0.79
B. Carried at Fair Value through Profit or Loss		
Quoted		
Investments in Debentures/Bonds	25.86	25.97
Investments in Equity Instruments	9.93	103.61
Unquoted		
Investments in Mutual Funds	28.50	1.19
	3,043.01	2,598.81
Investments in India	3,043.01	2,598.81
Investments outside India	-	-

NOTE: 9A INVESTMENTS OF HEALTH INSURANCE POLICYHOLDERS'

(₹ crore)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
A. Carried at Fair Value through Other Comprehensive Income		
Quoted		
Investments in Government or Trust Securities	848.04	639.70
Investments in Debentures/Bonds	266.11	234.98
Less: Impairment Loss Allowances for Investments in Debentures/Bonds	(1.66) 264.45	(11.21) 223.77
B. Carried at Fair Value through Profit or Loss		
Quoted		
Investments in Mutual Funds	78.30	100.09
	1,190.79	963.56
Investments in India	1,190.79	963.56
Investments outside India	-	-

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

NOTE: 9B INVESTMENTS OF HEALTH INSURANCE SHAREHOLDERS'

(₹ crore)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
A. Carried at Amortised Cost		
Unquoted		
Investments in Fixed Deposits	2.57	-
B. Carried at Fair Value through Other Comprehensive Income		
Quoted		
Investments in Government or Trust Securities	294.09	271.61
Investments in Debentures/Bonds	32.76	32.99
C. Carried at Fair Value through Profit or Loss		
Quoted		
Investments in Mutual Funds	20.01	-
	349.43	304.60
Investments in India	349.43	304.60
Investments outside India	-	-

NOTE: 10 OTHER INVESTMENTS

(₹ crore)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
A. Carried at Amortised Cost		
Debentures/Bonds	137.70	51.19
B. Carried at Fair Value through Other Comprehensive Income		
Equity Instruments	2.35	2.11
C. Carried at Fair Value through Profit or Loss		
Equity Instruments	0.45	0.37
Government Securities	471.38	154.21
Debentures/Bonds	1,538.60	825.42
Mutual Funds	394.73	450.05
Others:		
Preference Shares	35.00	-
Investments in Security Receipts	382.09	425.57
Investments in Alternate Funds	81.92	67.13
	3,044.22	1,976.05
Investments in India	3,044.22	1,976.05
Investments outside India	-	-

NOTE: 11 ASSETS HELD TO COVER LINKED LIABILITIES OF LIFE INSURANCE BUSINESS

(Carried at Fair Value through Profit or Loss)

(₹ crore)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
Quoted		
Mutual Funds	598.40	497.86
Equity Instruments	13,028.13	10,716.52
Government or Trust Securities	7,012.11	7,222.11
Debentures	7,789.91	7,590.61
Other Investments	1,855.99	1,801.30
Other Assets	(165.49)	120.60
Unquoted		
Other Investments	41.00	20.19
	30,160.05	27,969.19
Investments in India	30,160.05	27,969.19
Investments outside India	-	-



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

NOTE: 12 OTHER FINANCIAL ASSETS

(Carried at Amortised Cost, except otherwise stated)

(₹ crore)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
Security Deposits		
Unsecured	102.27	95.00
Less: Impairment Loss Allowances	(0.74)	(0.02)
Reinsurance Assets	1,256.79	814.55
Unclaimed Fund of Policyholders'	256.69	294.43
Other Receivables	125.58	79.95
	1,740.59	1,283.91

NOTE: 13 DEFERRED TAX

Deferred Tax Assets

(₹ crore)							
Particulars	As on 01 Apr 20	Movement P&L	Movement OCI	As on 31 Mar 21	Movement P&L	Movement OCI	As on 31 Mar 22
Expected Credit Loss Allowances	134.96	125.54	-	260.50	23.72	-	284.22
Employee Benefits Provisions and Other Provisions	128.51	(89.64)	2.81	41.68	(2.62)	(8.06)	31.00
Others	8.11	(1.26)	0.57	7.42	3.15	(1.36)	9.21
Total	271.58	34.64	3.38	309.60	24.25	(9.42)	324.43

Deferred Tax Liabilities

(₹ crore)							
Particulars	As on 01 Apr 20	Movement P&L	Movement OCI	As on 31 Mar 21	Movement P&L	Movement OCI	As on 31 Mar 22
Deferred Tax on Re-measurement of Gains/ (Losses) on Defined Benefit Plans and Others	1.45	(2.31)	-	(0.86)	(0.46)	(0.03)	(1.35)
Investment Property	2.63	(2.61)	-	0.02	(0.11)	-	(0.09)
Equity Shares of Subsidiary Companies	98.81	0.01	-	98.82	-	-	98.82
Fair Value Changes of Investments	22.17	13.82	12.34	48.33	9.21	(8.42)	49.12
Deferred Tax on Undistributed Earnings	163.29	56.31	-	219.60	16.99	-	236.59
Others	-	(6.54)	-	(6.54)	(2.79)	0.01	(9.32)
Total	288.35	58.68	12.34	359.37	22.84	(8.44)	373.77

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

NOTE: 14 INVESTMENT PROPERTY

		(₹ crore)
Particulars		Amount
Gross Block		
As at 1 st April 2020		16.87
As at 31 st March 2021		16.87
As at 31st March 2022		16.87
Accumulated Depreciation		
As at 1 st April 2020		1.20
For the Year		0.43
As at 31 st March 2021		1.63
For the Year		0.43
As at 31st March 2022		2.06
Net Block as at 31st March 2021		15.24
Net Block as at 31st March 2022		14.81

Note: Refer Note No. 64 (1) for Valuation details.

NOTE: 15 PROPERTY, PLANT AND EQUIPMENT

									(₹ crore)
Particulars	Freehold Land	Freehold Buildings	Leasehold Improvements	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total	
Gross Block									
As at 1 st April 2020	0.15	2.76	29.01	19.55	107.22	22.72	38.53	219.94	
Additions	-	-	9.00	1.08	17.64	1.67	2.78	32.17	
Deletions	-	-	2.92	1.01	3.82	1.60	4.42	13.77	
As at 31st March 2021	0.15	2.76	35.09	19.62	121.04	22.79	36.89	238.34	
Additions	-	-	14.41	3.93	19.70	6.89	16.49	61.42	
Deletions	-	-	10.30	1.34	10.04	3.86	10.69	36.23	
As at 31st March 2022	0.15	2.76	39.20	22.21	130.70	25.82	42.69	263.53	
Accumulated Depreciation									
As at 1 st April 2020	-	0.15	14.95	11.13	46.72	10.51	15.33	98.79	
For the Year	-	0.05	7.10	4.69	25.18	3.12	8.47	48.61	
Deletions	-	-	2.70	0.97	3.63	1.20	2.77	11.27	
As at 31st March 2021	-	0.20	19.35	14.85	68.27	12.43	21.03	136.13	
For the Year	-	0.05	6.35	3.14	24.39	3.83	7.53	45.29	
Deletions	-	-	9.91	1.33	9.85	3.51	7.72	32.32	
As at 31st March 2022	-	0.25	15.79	16.66	82.81	12.75	20.84	149.10	
Net Block as at 31st March 2021	0.15	2.56	15.75	4.77	52.77	10.36	15.86	102.21	
Net Block as at 31st March 2022	0.15	2.51	23.41	5.55	47.89	13.07	21.85	114.43	

Note: Disputed immovable property held in the name of Subsidiary Company - Aditya Birla Money Limited

The Group has a land of ₹ 0.15 Crore in the name of Apollo Sindhoori Capital Investments Limited (Currently known as Aditya Birla Money Limited) and the title is under dispute. The Management expects a favourable outcome in this matter.



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

NOTE: 16 GOODWILL

(₹ crore)	
Particulars	Amount
As at 1st April 2020	570.04
Impairment of Goodwill	-
As at 31st March 2021	570.04
Impairment of Goodwill	0.01
As at 31st March 2022	570.03

Note:

- a) Carrying Value of Goodwill pertaining to Life Insurance Business CGU as on 31st March 2022 is ₹ 306.68 Crore (31st March 2021 is ₹ 306.68 Crore). Recoverable amount for units is based on fair value less cost of disposal calculated based on comparable company multiple. An analysis of the sensitivity of the computation to a change in key parameters (market multiples), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

- b) Carrying Value of Goodwill pertaining to Stock and Securities CGU as on 31st March 2022 is ₹ 183.64 Crore (31st March 2021 is ₹ 183.64 Crore). Recoverable amount for units is based on discounted cash flow method under income approach. The key assumptions used in the estimation of the recoverable amount of various CGUs are set out below:

Key Assumptions	As at 31 Mar 22	As at 31 Mar 21
Discount Rate	13.50%	13.50% -14.00%
Terminal Growth Rate	5.00%	5.00%

NOTE: 17 OTHER INTANGIBLE ASSETS

(₹ crore)	
Particulars	Computer Software
Gross Block	
As at 1st April 2020	347.51
Additions	148.62
Deletions	0.90
As at 31st March 2021	495.23
Additions	131.14
Deletions	3.85
As at 31st March 2022	622.52
Accumulated Amortisation	
As at 1st April 2020	181.77
For the Year	81.89
Deletions	-
As at 31st March 2021	263.66
For the Year	103.10
Deletions	3.19
As at 31st March 2022	363.57
Net Block as at 31st March 2021	231.57
Net Block as at 31st March 2022	258.95

All intangibles are other than internally generated.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

NOTE: 18 OTHER NON-FINANCIAL ASSETS

(Unsecured, except otherwise stated)

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
Capital Advances	10.41	1.63
GST, Other Taxes Recoverable, Statutory Deposits and Dues from Government		
Considered Good	84.51	98.55
Considered Doubtful	0.96	1.20
Less: Impairment Loss Allowances	(0.96)	(1.20)
Advance for Expenses	20.59	13.92
Deferred Acquisition Costs	2.58	3.90
Prepaid Expenses	96.15	63.71
Gratuity Assets Receivables	140.96	122.33
Others	58.32	67.56
	413.52	371.60

NOTE: 19 TRADE PAYABLES

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises (MSME)	28.30	16.34
(ii) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	856.14	703.67
	884.44	720.01

Note:

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2022, and no interest payment made during the year to any Micro, Small and Medium Enterprises (Previous Year: MSME/Interest: Nil). This information, as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

Following is the Ageing Schedule of Trade Payables:

As at 31 Mar 2022	Unbilled	Not Due	(₹ crore)				
			Outstanding for the following periods from the Due Date of Payment				
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Dues - MSME	0.05	0.50	26.94	0.52	0.25	0.04	28.30
(ii) Undisputed Dues - Others	208.53	4.66	594.79	26.73	15.69	5.74	856.14
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
	208.58	5.16	621.73	27.25	15.94	5.78	884.44

As at 31 Mar 2021	Unbilled	Not Due	(₹ crore)				
			Outstanding for the following periods from the Due Date of Payment				
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Dues - MSME	0.01	0.43	15.81	0.08	0.01	-	16.34
(ii) Undisputed Dues - Others	98.24	7.21	556.29	29.90	10.87	1.15	703.67
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
	98.25	7.64	572.10	29.98	10.88	1.15	720.01

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

NOTE: 20 DEBT SECURITIES

(₹ crore)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
Secured		
(At Amortised Cost)		
Debentures	14,391.22	15,221.88
(Designated at Fair Value through Profit or Loss)		
Debentures	249.54	-
	14,640.76	15,221.88
Unsecured		
(At Amortised Cost)		
Debentures	237.84	58.21
Commercial Papers	3,944.69	3,621.24
	4,182.53	3,679.45
	18,823.29	18,901.33
In India	18,823.29	18,901.33
Outside India	-	-

NOTE: 21 BORROWINGS (OTHER THAN DEBT SECURITIES)

(At Amortised Cost)

(₹ crore)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
Secured		
Rupee Term Loans from		
Banks	30,122.80	28,484.50
Others	3.62	10.37
Loans Repayable on Demand from Banks	5,767.60	2,577.44
	35,894.02	31,072.31
Unsecured		
Rupee Term Loans from Others	21.53	25.32
Loans Repayable on Demand/Term Loans from Banks	15.82	34.00
	37.35	59.32
	35,931.37	31,131.63
In India	33,135.43	28,279.21
Outside India	2,795.94	2,852.42

NOTE: 22 SUBORDINATED LIABILITIES

(At Amortised Cost)

(₹ crore)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
Preference Shares Issued by Subsidiary Companies	11.00	11.00
Subordinated Liabilities and Others	3,286.25	2,631.02
	3,297.25	2,642.02
In India	3,147.31	2,492.08
Outside India	149.94	149.94

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

(₹ crore)

Particulars	As at 31 Mar 22	As at 31 Mar 21
A Debt Securities		
Secured Debentures		
Redeemable Non-Convertible Debentures are secured by way of mortgage on the immovable property and first pari-passu charge on certain financial assets of the respective subsidiaries:		
The repayment terms and rate of interest of debentures are as under:		
Repayment Terms: Maturing within 1 year, Rate of Interest 5.15% to 9.40% per annum	3,311.29	4,589.18
Repayment Terms: Maturing between 1 and 3 years, Rate of Interest 4.97% to 9.40% per annum	5,700.26	6,227.37
Repayment Terms: Maturing after 3 years, Rate of Interest 6.25% to 9.15% per annum	5,536.99	4,123.11
Repayment linked to the receipt of distribution amount from redemption of Security Receipts (SR), against which the debentures are issued, Rate of Interest 11.50% per annum	92.22	282.23
Unsecured Debentures		
Repayment Terms: Maturing after 3 years, Rate of Interest 7.57% per annum	109.60	58.21
Repayment linked to the receipt of distribution amount from redemption of Security Receipts (SR), against which the debentures are issued, Rate of Interest 11.50% per annum	128.24	-
Commercial Papers		
Commercial Papers - Rate of Interest 4.25% to 5.10% per annum	3,944.69	3,621.24
B Borrowings (Other than Debt Securities)		
Secured Rupee Term Loans from Banks		
The term loans from banks are secured by way of first pari-passu charge on the receivables of the respective subsidiaries		
The repayment terms and rate of interest of term loans are as under:		
Repayment Terms: Maturing upto 5 years, Rate of Interest 2.94% to 8.00% per annum	28,360.09	22,723.79
Repayment Terms: Maturing after 5 years, Rate of Interest 2.94% to 7.75% per annum	2,926.73	5,760.71
Secured Loans Repayable on Demand		
Cash Credit secured by way of first pari-passu charge on the receivables of the respective subsidiaries	-	13.02
Working Capital Demand Loans secured by way of first pari-passu charge on receivables of the respective subsidiaries - Rate of Interest 4.50% to 7.30% per annum	2,279.00	1,035.12
Overdraft on account of cheques issued but not presented as on the Balance Sheet date are backed by cash credit facilities, which are secured by way of first pari-passu charge on the receivables of the respective subsidiaries. The repayment terms and rate of interest are same as applicable to cash credit facilities	2,333.52	1,529.30
Term Loans from Others		
Repayment Terms: Quarterly Instalments from 1 st April 2020 till 1 st January 2024 with interest ranging from 9.30% to 11.03% per annum	3.62	10.37
Unsecured Rupee Term Loans from Others		
Repayment Terms: Quarterly Instalments from 1 st April 2020 till 1 st April 2026 with interest ranging from 7.80% to 10.92% per annum	21.53	25.32
Unsecured Loans Repayable on Demand from Banks/Term Loans	6.89	34.00
C Subordinated Liabilities		
The Repayment Terms and Rate of Interest of Sub-Debts are as under:		
Subordinated Debts - Debentures 7.43% to 10.60% per annum (Redeemable from May 2022 to December 2031)	3,286.25	2,631.02



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

NOTE: 23 POLICYHOLDERS' LIABILITIES (LIFE INSURANCE CONTRACT LIABILITIES AND RESTRICTED SURPLUS)

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
Insurance Contract Liabilities	43,254.25	36,871.88
Investment Contract Liabilities	16,386.38	14,383.02
Fair Value Changes of Policyholders' Investments		
Fair Value through Profit and Loss	177.77	173.70
Fair Value through Other Comprehensive Income	222.18	405.06
Policyholders' Fund Other Changes		
Amortised Cost (Others)	4.13	(8.71)
Fair Value through Profit and Loss	8.07	13.55
Fair Value through Other Comprehensive Income	56.26	27.26
Incurred But Not Reported (IBNR) Provisions	108.97	114.11
Unexpired Premium Reserves	654.40	495.61
Freelook Reserves (Net)	0.97	0.99
	60,873.38	52,476.47

NOTE: 24 OTHER FINANCIAL LIABILITIES

(Carried at Amortised Cost, except otherwise stated)

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
Margin Money from Customers	521.95	437.37
Deposits	7.95	6.72
Dues to Life Insurance Policyholders'	1,291.23	1,170.88
Payable Related to Employees	310.13	210.21
Claims Outstanding of Health Insurance Business	39.18	51.32
Payable for Capex Creditors	3.69	1.55
Others	339.55	297.71
	2,513.68	2,175.76

NOTE: 25 PROVISIONS

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
Provisions for Employee Benefits	314.96	279.59
Provision on Corporate Guarantees	0.52	-
Other Provisions*	16.17	4.29
	331.65	283.88

* Movement of Other Provisions

Balance at the beginning of the year	4.29	-
Add: Provision during the year	11.88	4.29
Balance at the end of the year	16.17	4.29

Nature of Provision:

The provision is for anticipated liability which is made on the basis of the Management expectation as expected timing of any resulting outflow of economic benefits is uncertain.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

NOTE: 26 OTHER NON-FINANCIAL LIABILITIES

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
Income Received in Advance	187.20	132.28
Statutory Dues	193.94	140.20
Dues to Other Health Insurance Companies	83.61	130.06
Others	25.65	34.64
	490.40	437.18

NOTE: 27 SHARE CAPITAL

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
Authorised:		
4,000,000,000 (Previous Year: 4,000,000,000) Equity Shares of ₹ 10/- each	4,000.00	4,000.00
	4,000.00	4,000.00
Issued, Subscribed and Paid-up:		
EQUITY SHARE CAPITAL		
2,416,311,986 (Previous Year: 2,415,277,978) Equity Shares of ₹ 10/- each, fully paid-up	2,416.31	2,415.28
	2,416.31	2,415.28

1) Reconciliation of the Number of Shares Outstanding at the beginning and at the end of the Year

Sr. No.	Description	As at 31 Mar 22	As at 31 Mar 21
		Equity Shares	Equity Shares
1	Number of Shares Outstanding at the beginning of the Year	2,415,277,978	2,413,760,708
2	Allotment of fully paid-up Shares during the Year	1,034,008	1,517,270
a)	Employee Stock Options Plan (Refer Note No. 47)	734,293	1,085,516
b)	ABCL ESOP 2017 (Refer Note No. 47)	299,715	431,754
3	Number of Shares Outstanding at the end of the Year	2,416,311,986	2,415,277,978

2) Terms/Rights Attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 10 per Share. Each holder of Equity Shares is entitled to one vote per Share.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of the Equity Shares held by the shareholders.



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

- 3) Equity Shares in the Company held by each shareholder holding more than 5 per cent Shares and the number of Equity Shares held are as under:

Equity Shares

Sr. No.	Name of the Shareholder	As at 31 Mar 22		As at 31 Mar 21	
		No. of Shares Held	% of Total Paid-up Equity Share Capital	No. of Shares Held	% of Total Paid-up Equity Share Capital
1	Grasim Industries Limited	1,309,240,000	54.18%	1,309,240,000	54.21%
2	Birla Group Holdings Private Limited	184,506,156	7.64%	175,006,156	7.25%

- 4) The Number of Shares held in the Company by each promoter are as under:

Equity Shares

Sr. No.	Name of the Promoter	Year Ended 31 Mar 22			Year Ended 31 Mar 21	
		No. of Shares Held	% of Total Paid-up Equity Share Capital	% Change during the Year	No. of Shares Held	% of Total Paid-up Equity Share Capital
1	Grasim Industries Limited	1,309,240,000	54.18%	(0.03%)	1,309,240,000	54.21%
2	Birla Group Holdings Private Limited	184,506,156	7.64%	0.39%	175,006,156	7.25%
3	IGH Holdings Private Limited	53,692,810	2.22%	0.01%	53,367,810	2.21%
4	Hindalco Industries Limited	39,511,455	1.64%	-	39,511,455	1.64%
5	Umang Commercial Company Private Limited	37,444,766	1.55%	-	37,444,766	1.55%
6	Pilani Investment and Industries Corporation Limited	33,601,721	1.39%	-	33,601,721	1.39%
7	PT Indo Bharat Rayon	28,005,628	1.16%	-	28,005,628	1.16%
8	Surya Kiran Investments Pte Limited	22,507,000	0.93%	-	22,507,000	0.93%
9	Thai Rayon Public Company Limited	2,695,000	0.11%	-	2,695,000	0.11%
10	PT Sunrise Bumi Textiles	1,776,250	0.07%	-	1,776,250	0.07%
11	PT Elegant Textile Industry	1,132,250	0.05%	-	1,132,250	0.05%
12	Birla Institute of Technology and Science	925,687	0.04%	-	925,687	0.04%
13	Ms. Rajashree Birla	773,989	0.03%	-	773,989	0.03%
14	ECE Industries Limited	471,931	0.02%	-	471,931	0.02%
15	Renuka Investments & Finance Limited	339,059	0.01%	-	339,059	0.01%
16	Mr. Vasavadatta Bajaj	165,951	0.01%	-	165,951	0.01%
17	Aditya Vikram Kumarmangalam Birla HUF	125,608	0.01%	-	125,608	0.01%
18	Birla Industrial Finance (India) Limited	122,479	0.01%	-	122,479	0.01%
19	Birla Consultants Limited	122,334	0.01%	-	122,334	0.01%
20	Ms. Neerja Birla	102,286	0.00%	-	102,286	0.00%
21	Mr. Kumar Mangalam Birla	51,790	0.00%	-	51,790	0.00%
22	Birla Industrial Investments (India) Limited	26,119	0.00%	-	26,119	0.00%
23	Vikram Holdings Private Limited	1,050	0.00%	-	1,050	0.00%
24	Vaibhav Holdings Private Limited	938	0.00%	-	938	0.00%
25	Rajratna Holdings Private Limited	938	0.00%	-	938	0.00%

- 5) During the last five years no Bonus Shares were issued.
- 6) Details of the Shares reserved for issue under Employee Stock Options Plan (ESOP) of the Company is disclosed in Note No. 47.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

NOTE: 28 OTHER EQUITY

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
1) Special Reserve ^(a)		
Special Reserve u/s 45-IC of the Reserve Bank of India Act, 1934		
Opening Balance	998.18	829.76
Addition:		
Transfer from Surplus in the Statement of Profit and Loss	312.61	168.42
	1,310.79	998.18
Special Reserve u/s 29C of the National Housing Bank Act, 1987		
Opening Balance	3.29	3.29
Addition:		
Transfer from Surplus in the Statement of Profit and Loss	2.14	-
	5.43	3.29
Reserve u/s 36(1)(viii) of the Income-tax Act, 1961		
Opening Balance	67.91	38.69
Addition:		
Transfer from Surplus in the Statement of Profit and Loss	37.31	29.22
	105.22	67.91
	1,421.44	1,069.38
2) Capital Reserve	48.40	48.40
3) Securities Premium Reserve ^(b)		
Opening Balance	6,076.48	6,059.39
Addition during the Year	10.58	17.09
	6,087.06	6,076.48
4) Capital Fund	0.01	0.01
5) Debenture Redemption Reserve		
Opening Balance	7.65	-
Addition:		
Transfer from Surplus in Profit and Loss Account	17.85	7.65
	25.50	7.65
6) Share Options Outstanding Account		
Opening Balance	173.82	174.79
Addition:		
Charges for the Period	35.09	18.31
Deduction:		
Transfer to General Reserve on account of lapse of vested options	(7.60)	(1.96)
Transfer to Securities Premium on exercise of options	(8.79)	(17.09)
Others	(0.31)	(0.23)
	192.21	173.82
7) Surplus in Profit and Loss Account		
Opening Balance	3,852.62	2,939.77
Addition:		
Profit for the Year	1,705.97	1,126.54
Other Comprehensive Income/(Loss) for the Year arising from Re-measurement Gains/(Losses) on Defined Benefit Plans	3.28	6.12
Share of Associates/Joint Ventures in Other Comprehensive Income	1.35	0.66
Reclassification of Gain/Loss on Sale of FVOCI Equity Instruments	(2.53)	-
Others including Subvention Money Received	3.41	0.05



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
Deduction:		
Transfer to General Reserve	(17.06)	(7.88)
Transfer to Special Reserve	(352.06)	(197.64)
Transfer to Debenture Redemption Reserve	(10.50)	(15.00)
	5,184.48	3,852.62
8) General Reserve ^(a)		
Opening Balance	29.55	19.71
Addition:		
Transfer to Surplus in Profit and Loss	17.06	7.88
Transfer from Share Options Outstanding Account on account of lapse of vested options	7.60	1.96
	54.21	29.55
9) Fair Value through Other Comprehensive Income ^(d)		
Opening Balance	63.79	44.10
Addition:		
- Fair Value Gain/(Loss) on Fair Value through Other Comprehensive Income (FVTOCI) Financial Assets and Cash Flow Hedges	(6.64)	19.69
	57.15	63.79
10) Foreign Currency Translation Reserve		
Opening Balance	4.22	4.12
Addition during the Year	1.00	0.10
	5.22	4.22
11) Share Application Money Pending Allotment		
Opening Balance	1.38	-
Add: Addition during the Year	-	1.38
Less: Application Money Received	(1.26)	-
	0.12	1.38
Total Other Equity	13,075.80	11,327.30

(a) Special Reserve

Special Reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 ("the RBI Act"). In terms of Section 45-IC of the RBI Act, a Non-Banking Finance Company is required to transfer an amount not less than 20 per cent of its net profit to a Reserve Fund before declaring any dividend. Appropriation from this Reserve Fund is permitted only for the purposes specified by RBI.

As per Section 29C(i) of the National Housing Bank Act, 1987, the Housing Finance subsidiary of the Company is required to transfer at least 20 per cent of its net profit every year to a reserve before any dividend is declared. For this purpose any special reserve created by the Company under Section 36(1) (viii) of the Income-tax Act, 1961, is considered to be an eligible transfer.

(b) Securities Premium Reserve

Securities Premium Reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

(c) General Reserve

General Reserve is created by appropriation from profits of the current year and/or undistributed profits of previous years. There is no policy for regular transfer. As the general reserve is created by a transfer from one component of equity to another, and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

(d) Fair Value through Other Comprehensive Income - Reserve

This reserve represents the cumulative gains and losses arising on the revaluation of equity and debt instruments measured at fair value through other comprehensive income. The Company transfers amounts from this reserve to retained earnings when the relevant equity instruments are derecognised/sold. In case of debt instruments, the same is reclassified to profit and loss when the relevant debt instruments are derecognised/sold.

NOTE: 29 INTEREST INCOME

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Interest on Loans		
On Financial Assets Measured at Amortised Cost	6,620.82	6,446.76
Interest Income from Investments		
On Financial Assets Measured at Fair Value through OCI	219.51	186.86
On Financial Assets Measured at Amortised Cost	45.30	14.16
On Financial Assets Classified at Fair Value through Profit or Loss	90.90	91.73
Interest on Deposits with Banks		
On Financial Assets Measured at Amortised Cost	52.55	34.71
Interest on Deposits with Others		
On Financial Assets Measured at Amortised Cost	0.45	-
	7,029.53	6,774.22

NOTE: 30 DIVIDEND INCOME

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
On Financial Assets Classified at Fair Value through Profit or Loss	2.85	2.85
	2.85	2.85

NOTE: 31 NET GAIN ON FAIR VALUE CHANGES

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Net Gain/(Loss) on Financial Instruments at Fair Value through Profit or Loss		
On Trading Portfolio		
Equity Investments at FVTPL	51.59	74.89
Debt Instruments at FVTPL	26.90	79.99
Net Gain/(Loss) on Financial Instruments at Fair Value through OCI		
Debt Instruments at FVTOCI	3.10	1.80
Others		
Gain/(Loss) on Sale of FVTOCI Debt Instruments	3.93	2.95
	85.52	159.63
Fair Value Changes:		
Realised	57.83	119.60
Unrealised	27.69	40.03
	85.52	159.63



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

NOTE: 32 OTHER INCOME

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Interest Income on Other Financial Assets	1.82	5.45
(Loss)/Profit on Sale of Property, Plant and Equipment	(0.02)	0.14
Miscellaneous Income	9.64	13.92
	11.44	19.51

NOTE: 33 FINANCE COSTS

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Interest on Financial Liabilities Measured at Amortised Cost		
Debt Securities	1,356.92	1,425.74
Borrowings other than Debt Securities	1,877.23	2,276.90
Subordinated Liabilities	223.33	187.21
Other Borrowing Costs	7.18	12.23
Finance Costs - Lease Liabilities (Refer Note No. 42)	14.87	13.68
	3,479.53	3,915.76

NOTE: 34 IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
On Loans Held at Amortised Cost	718.02	770.82
On Trade Receivables	12.21	1.12
	730.23	771.94

NOTE: 35 EMPLOYEE BENEFITS EXPENSES

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Salaries and Wages	797.51	705.69
Contribution to Provident and Other Funds (Refer Note No. 46)	30.17	26.80
Contribution to Gratuity Funds (Refer Note No. 46)	11.93	12.03
Expenses on Employee Stock Options Scheme (Refer Note No. 47)*	5.15	5.67
Staff Welfare Expenses	22.83	7.83
	867.59	758.02
* ESOP charges are net of recovery of ESOP expense from Associate and Joint Venture Companies.	-	3.88

NOTE: 36 DEPRECIATION AND AMORTISATION EXPENSES

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Depreciation of Property, Plant and Equipment	25.84	29.24
Depreciation on Investment Property	0.43	0.43
Amortisation of Intangible Assets	51.20	37.82
Amortisation of Lease Assets (Refer Note No. 42)	44.44	46.96
	121.91	114.45

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

NOTE: 37 OTHER EXPENSES

Particulars	(₹ crore)	
	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Rent	13.88	16.62
Repairs and Maintenance - Buildings	0.72	0.67
Repairs and Maintenance - Others	34.77	52.97
Insurance	35.07	28.47
Rates and Taxes	4.73	3.48
Advertisement and Sales Promotion Expenses	13.92	20.58
Legal and Professional Expenses	144.65	124.61
Travelling and Conveyance	14.81	14.39
Printing and Stationery	4.93	3.19
Communication Expenses	10.08	12.32
Electricity Charges	6.21	6.18
Information Technology Expenses	47.99	24.21
Miscellaneous Expenses	140.70	94.53
	472.46	402.22

NOTE: 38 OTHER COMPREHENSIVE INCOME

Particulars	(₹ crore)	
	Year Ended 31 Mar 22	Year Ended 31 Mar 21
A Relating to Revenue Account of Life Insurance Policyholders'		
(i) Items that will not be reclassified to Profit or Loss		
Re-measurement of Post-Employment Benefits Obligations	(3.47)	(1.44)
	(3.47)	(1.44)
Transferred to Policyholders' Fund in the Balance Sheet	3.47	1.44
	-	-
(ii) Items that will be reclassified to Profit or Loss		
Changes in Fair Values of FVTOCI Debt Instruments	(129.46)	12.08
Cash Flow Hedges	(53.42)	35.30
	(182.88)	47.38
Transferred to Policyholders' Fund in the Balance Sheet	182.88	(47.38)
	-	-
B Relating to Revenue Account of Health Insurance Policyholders'		
(i) Items that will not be reclassified to Profit or Loss		
Re-measurement of Post-Employment Benefit Obligations	(0.59)	1.46
	(0.59)	1.46
(ii) Items that will be reclassified to Profit or Loss		
Changes in Fair Value of FVTOCI Debt Instruments	(14.03)	(5.71)
	(14.03)	(5.71)
C Relating to Others		
(i) Items that will not be reclassified to Profit or Loss		
Re-measurement of Post-Employment Benefit Obligations	6.32	7.53
Changes in Fair Value of FVTOCI Equity Instruments	(0.59)	62.30
Share of Other Comprehensive Income of Associate and Joint Venture Companies	0.36	0.67
Accounted for using Equity Method of Accounting		
	6.08	70.50
Income Tax relating to items that will not be reclassified to Profit or Loss		
Income Tax Relating to Re-measurement of Post-Employment Benefit Obligations	(1.60)	(1.83)
Income Tax Relating to Changes in Fair Value of FVTOCI Equity Instruments	0.06	(9.11)
	(1.54)	(10.94)



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

		(₹ crore)	
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21	
(ii) Items that will be reclassified to Profit or Loss			
Changes in Fair Values of FVTOCI Debt Instruments	(57.51)	22.43	
Cash Flow Hedges	31.18	(19.17)	
Share of Foreign Currency Translation Reserve (FCTR) of Associate Companies Accounted for using Equity Method of Accounting	1.00	0.10	
	(25.33)	3.36	
Income Tax relating to items that will be reclassified to Profit or Loss			
Income Tax Effect - Net Movement on FVTOCI Debt Instruments	7.56	(3.30)	
Income Tax Effect - Net Movement on Cash Flow Hedges	(7.86)	4.82	
	(0.28)	1.52	
Other Comprehensive Income	(35.69)	60.19	

NOTE: 39 DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 33 EARNINGS PER SHARE

		(₹ crore)	
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21	
Earnings Per Share (EPS) is calculated as under:			
Weighted-Average Number of Equity Shares for calculation of Basic EPS (A)	2,415,907,318	2,414,388,770	
Add: Dilutive Impact of Employee Stock Options	2,459,566	3,187,132	
Weighted-Average Number of Equity Shares for calculation of Diluted EPS (B)	2,418,366,884	2,417,575,902	
Nominal Value of Shares (₹)	10.00	10.00	
Profit Attributable to Equity Holders of the Parent (C)	1,705.97	1,126.54	
Basic EPS (₹) (C/A)	7.06	4.67	
Diluted EPS (₹) (C/B)	7.05	4.66	

NOTE: 40 CONTINGENT LIABILITIES NOT PROVIDED FOR

A) Claims against the Company not Acknowledged as Debts

		(₹ crore)	
Nature of Statute	Brief Description of Contingent Liabilities	As at 31 Mar 22	As at 31 Mar 21
Goods and Services Tax Act, 2017/Service Tax	Various cases pertaining to indirect taxes like disallowance of CENVAT credit of Service Tax and show cause-cum-demand notices relating to Service Tax	63.83	59.05
Income-tax Act, 1961	Various cases pertaining to demand in tax assessment for various years	71.76	50.61
Others Statutes	Claims pending in Consumer Redressal Forums, Lok Adalat, National Commission, Motor Accidental Claims Tribunal, Arbitrator, other Courts/Authorities, other legal matters and claims against the Company not acknowledged as debts	95.05	62.18
Grand Total		230.64	171.84

- B) Corporate Guarantees given by the Group
- 1,614.92 257.96
- i) Includes Corporate Guarantees given to the National Housing Bank on behalf of its subsidiary Aditya Birla Housing Finance Limited (ABHFL) of ₹ 2,500 Crore up to 31st March 2022 (Previous Year as at 31st March 2021, ₹ 500 Crore). The Corporate Guarantees valid as on 31st March 2022 is ₹ 1,541.76 Crore, against which the amount liable by ABHFL as at 31st March 2022, is ₹ 1,498.73 Crore (Previous Year as at 31st March 2021, ₹ 225.93 Crore). As per the terms of the Guarantee, on invocation, the Company's liability is capped at the outstanding amount.
- ii) Includes Corporate Guarantees given by the Subsidiaries on behalf of its clients of ₹ 115.34 Crore as at 31st March 2022. (Previous Year as at 31st March 2021, ₹ 31.49 Crore).

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

NOTE: 41 CAPITAL AND OTHER COMMITMENTS

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	92.31	48.57
b) Uncalled Liabilities on Shares and other Investments partly paid	282.43	447.61

NOTE: 42 DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD (IND AS) 116 - LEASES IS AS UNDER

Following are the changes in the carrying value of Right-of-Use Assets for the year ended 31st March 2022:

Particulars	(₹ crore)	
	ROU Assets Leasehold Premises	
Gross Carrying Value		
Balance as at 1 st April 2020		395.96
Additions		165.95
Deletions		42.12
Balance as at 31st March 2021		519.79
Additions		131.46
Deletions		65.45
Balance as at 31st March 2022		585.80
Accumulated Amortisation		
As at 1 st April 2020		87.92
Additions		92.13
Balance as at 31st March 2021		180.05
Additions		85.47
Deletions		26.89
Balance as at 31st March 2022		238.63
Net Carrying Value as at 31st March 2021		339.74
Net Carrying Value as at 31st March 2022		347.17

Amounts Recognised in the Statement of Profit and Loss

Particulars	(₹ crore)	
	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Amortisation Expenses on Right-of-Use Assets	85.47	92.13
Interest Expenses on Lease Liabilities	28.23	29.28
Expenses Relating to Short-Term Leases	3.83	4.46
Expenses Relating to Leases of Low Value Assets	14.63	15.27
Income from Sub-Leasing Right-of-Use Assets	5.46	4.43
Others	1.33	2.43
Gains/(Losses) arising from changes in Lease Agreements	0.86	8.26

The following is the break-up of Current and Non-Current Lease Liabilities as at 31st March 2022

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
Current Lease Liabilities	95.45	94.10
Non-Current Lease Liabilities	278.11	274.65
Total	373.56	368.75



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

The following is the movement in lease liabilities during the year ended 31st March 2022

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Balance as at 1 st April 2021	368.75	336.62
Additions	126.69	160.34
Deletions	(45.88)	(50.27)
Finance Costs Accrued during the Period	28.24	29.28
Payment of Lease Liabilities	(104.24)	(107.22)
Balance as at 31st March 2022	373.56	368.75

The table below provides details regarding the contractual maturities of lease liabilities as at 31st March 2022 on an undiscounted basis:

(₹ crore)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
Less than one year	99.11	97.76
One to five years	272.33	285.12
More than five years	77.89	63.38
Total	449.33	446.26

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

The Group has applied the practical expedient as given in para 46B of Ind AS 116 in relation to Rent Concessions being given due to COVID-19 pandemic by the lessor.

NOTE: 43 CAPITAL WORK-IN-PROGRESS (CWIP)/INTANGIBLE ASSETS UNDER DEVELOPMENT(IAUD)

(a) Ageing Schedule of Capital Work-in-Progress as on 31st March 2022:

(₹ crore)					
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	11.63	0.12	-	-	11.75
Projects Temporarily Suspended	-	-	-	-	-

Ageing Schedule of Capital Work-in-Progress as on 31st March 2021:

(₹ crore)					
Particulars	To be Completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	1.31	0.10	-	-	1.41
Projects Temporarily Suspended	-	-	-	-	-

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

(b) Ageing Schedule of Intangible Assets Under Development as on 31st March 2022:

(₹ crore)

Particulars	Amount in IAUD for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	29.03	3.82	-	0.02	32.87
Projects Temporarily Suspended	-	-	-	-	-

Ageing Schedule of Intangible Assets Under Development as on 31st March 2021:

(₹ crore)

Particulars	To be completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	38.10	4.59	0.31	0.54	43.54
Projects Temporarily Suspended	-	-	-	-	-

NOTE: 44 CURRENT INCOME TAX

(₹ crore)

Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Current Income Tax:		
Current Income Tax Charges	623.66	422.44
Short/(Excess) Provision for Tax Related to Earlier Years (Net)	4.40	(6.44)
Deferred Tax:		
Relating to origination and reversal of temporary differences	(1.41)	24.04
Income Tax Expenses reported in the Statement of Profit and Loss	626.65	440.04
Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for 31st March 2022		
Accounting Profit Before Income Tax	2,286.72	1,545.69
At India's Statutory Income Tax Rate of 25.168%	575.52	389.02
Short/(Excess) Provision for Tax Related to Earlier Years (Net)	4.40	(6.44)
Differences other than temporary in nature on account of tax benefits u/s 36 (1)(viii) of the Income-tax Act, 1961	(7.46)	(6.91)
Income not Considered for Tax Purpose	(5.54)	(9.46)
Allocation of Bonus to Policyholders	38.77	38.21
Income Taxed at Different Rates	(50.12)	(17.88)
Deferred Tax on undistributed earnings of Subsidiary, Associate and Joint Venture Companies	16.99	56.31
Tax Effect of Share of Associate and Joint Venture Companies	(85.80)	(67.55)
Deferred Tax not created on loss making Companies	78.78	50.58
Others	61.11	14.16
At the effective Income Tax Rate of 27.40% (31st March 2021: 28.47%)	626.65	440.04

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

NOTE: 45 LIST OF RELATED PARTIES AS PER IND AS 24 AND WITH WHOM THE GROUP HAS TRANSACTIONS

Holding Company:

Grasim Industries Limited

Associates and Joint Ventures:

Aditya Birla Sun Life AMC Limited (Associate w.e.f. 7th October 2021)

Aditya Birla Sun Life Trustee Private Limited

Aditya Birla Wellness Private Limited

Other Related Parties in which Directors are Interested:

Aditya Birla Management Corporation Private Limited

Fellow Subsidiaries:

UltraTech Cement Limited

Waacox Energy Private Limited

Post-Employment Benefit Plans:

Grasim Industries Limited Employee Gratuity Fund

Key Management Personnel:

Mr. Kumar Mangalam Birla (Chairman and Non-Executive Director)

Dr. Santrupt Misra (Non-Executive Director)

Mr. Sushil Agarwal (Non-Executive Director)

Mr. Romesh Sobti (Non-Executive Director) (w.e.f. 14th January 2021)

Mr. Arun Adhikari (Independent Director)

Mr. P. H. Ravikumar (Independent Director)

Mr. S. C. Bhargava (Independent Director)

Ms. Vijayalakshmi R. Iyer (Independent Director)

Mr. Ajay Srinivasan (Chief Executive Officer)

During the year ended 31st March 2022 the following transactions were carried out with the related parties:

							(₹ crore)
Particulars	Holding Company	Associates/ Joint Ventures	Fellow Subsidiaries	Other Related Parties in which Directors are Interested	Post-Employment Benefit Plans	Key Management Personnel	Grand Total
Interest Income							
Grasim Industries Limited	1.92 (0.78)	-	-	-	-	-	1.92 (0.78)
UltraTech Cement Limited	-	-	2.18 (2.80)	-	-	-	2.18 (2.80)
Waacox Energy Private Limited	-	-	3.89	-	-	-	3.89
	-	-	-	-	-	-	-
TOTAL	1.92 (0.78)	-	6.07 (2.80)	-	-	-	7.99 (3.58)
Dividend Income							
Aditya Birla Sun Life AMC Limited	-	116.64 (71.40)	-	-	-	-	116.64 (71.40)
	-	-	-	-	-	-	-
TOTAL	-	116.64 (71.40)	-	-	-	-	116.64 (71.40)

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

(₹ crore)

Particulars	Holding Company	Associates/ Joint Ventures	Fellow Subsidiaries	Other Related Parties in which Directors are Interested	Post-Employment Benefit Plans	Key Management Personnel	Grand Total
Brokerage Income					-		
Aditya Birla Sun Life AMC Limited	-	1.15	-	-	-	-	1.15
	-	(0.75)	-	-	-	-	(0.75)
TOTAL	-	1.15	-	-	-	-	1.15
	-	(0.75)	-	-	-	-	(0.75)
Insurance Income							
Grasim Industries Limited	8.08	-	-	-	-	-	8.08
	(8.16)	-	-	-	-	-	(8.16)
UltraTech Cement Limited	-	-	9.54	-	-	-	9.54
	-	-	(3.60)	-	-	-	(3.60)
TOTAL	8.08	-	9.54	-	-	-	17.62
	(8.16)	-	(3.60)	-	-	-	(11.76)
Rent Income							
Aditya Birla Wellness Private Limited	-	0.82	-	-	-	-	0.82
	-	(0.82)	-	-	-	-	(0.82)
Aditya Birla Sun Life AMC Limited	-	0.15	-	-	-	-	0.15
	-	(0.36)	-	-	-	-	(0.36)
TOTAL	-	0.97	-	-	-	-	0.97
	-	(1.18)	-	-	-	-	(1.18)
Sale of Services							
Aditya Birla Sun Life AMC Limited	-	2.77	-	-	-	-	2.77
	-	(3.12)	-	-	-	-	(3.12)
TOTAL	-	2.77	-	-	-	-	2.77
	-	(3.12)	-	-	-	-	(3.12)
Payment of Other Services							
Grasim Industries Limited	0.68	-	-	-	-	-	0.68
	(0.16)	-	-	-	-	-	(0.16)
Aditya Birla Sun Life AMC Limited	-	3.16	-	-	-	-	3.16
	-	(1.40)	-	-	-	-	(1.40)
Aditya Birla Wellness Private Limited	-	0.36	-	-	-	-	0.36
	-	-	-	-	-	-	-
Aditya Birla Management Corporation Private Limited	-	-	-	33.52	-	-	33.52
	-	-	-	(28.36)	-	-	(28.36)
UltraTech Cement Limited	-	-	0.17	-	-	-	0.17
	-	-	-	-	-	-	-
TOTAL	0.68	3.52	0.17	33.52	-	-	37.90
	(0.16)	(1.40)	-	(28.36)	-	-	(29.92)
Receipts against Reimbursement of Expenses							
Grasim Industries Limited	0.18	-	-	-	-	-	0.18
	(0.19)	-	-	-	-	-	(0.19)
Aditya Birla Wellness Private Limited	-	0.17	-	-	-	-	0.17
	-	(0.19)	-	-	-	-	(0.19)
Aditya Birla Management Corporation Private Limited	-	-	-	0.79	-	-	0.79
	-	-	-	(0.21)	-	-	(0.21)
Aditya Birla Sun Life AMC Limited	-	46.43	-	-	-	-	46.43
	-	(46.24)	-	-	-	-	(46.24)
UltraTech Cement Limited	-	-	0.15	-	-	-	0.15
	-	-	(0.05)	-	-	-	(0.05)
TOTAL	0.18	46.60	0.15	0.79	-	-	47.73
	(0.19)	(46.43)	(0.05)	(0.21)	-	-	(46.88)



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

(₹ crore)

Particulars	Holding Company	Associates/ Joint Ventures	Fellow Subsidiaries	Other Related Parties in which Directors are Interested	Post-Employment Benefit Plans	Key Management Personnel	Grand Total
Other Expenses							
Aditya Birla Wellness Private Limited	-	12.35	-	-	-	-	12.35
	-	(11.69)	-	-	-	-	(11.69)
TOTAL	-	12.35	-	-	-	-	12.35
	-	(11.69)	-	-	-	-	(11.69)
Contribution to PF/Gratuity Fund Trust							
Grasim Industries Limited	-	-	-	-	0.22	-	0.22
Employee Gratuity Fund	-	-	-	-	(4.21)	-	(4.21)
TOTAL	-	-	-	-	0.22	-	0.22
	-	-	-	-	(4.21)	-	(4.21)
Payment to Key Management Personnel							
Mr. Kumar Mangalam Birla	-	-	-	-	-	0.04	0.04
	-	-	-	-	-	-	-
Dr. Sanrupt Misra	-	-	-	-	-	0.17	0.17
	-	-	-	-	-	-	-
Mr. Sushil Agarwal	-	-	-	-	-	0.17	0.17
	-	-	-	-	-	-	-
Mr. Romesh Sobti	-	-	-	-	-	0.09	0.09
	-	-	-	-	-	-	-
Mr. Arun Adhikari	-	-	-	-	-	0.12	0.12
	-	-	-	-	-	(0.05)	(0.05)
Mr. P. H. Ravikumar	-	-	-	-	-	0.16	0.16
	-	-	-	-	-	(0.06)	(0.06)
Mr. S. C. Bhargava	-	-	-	-	-	0.17	0.17
	-	-	-	-	-	(0.06)	(0.06)
Ms. Vijayalakshmi R. Iyer	-	-	-	-	-	0.19	0.19
	-	-	-	-	-	(0.06)	(0.06)
Mr. Ajay Srinivasan*							
Remuneration	-	-	-	-	-	21.21	21.21
	-	-	-	-	-	(23.48)	(23.48)
ESOP Accounting Charge	-	-	-	-	-	1.95	1.95
	-	-	-	-	-	(4.14)	(4.14)
TOTAL	-	-	-	-	-	24.27	24.27
	-	-	-	-	-	(27.85)	(27.85)
Deposit Given/Paid Back							
Aditya Birla Management Corporation Private Limited	-	-	-	-	-	-	-
	-	-	-	(2.04)	-	-	(2.04)
Aditya Birla Sun Life AMC Limited	-	1.33	-	-	-	-	1.33
	-	(0.25)	-	-	-	-	(0.25)
TOTAL	-	1.33	-	-	-	-	1.33
	-	(0.25)	-	(2.04)	-	-	(2.29)
Deposit Taken/Received Back							
Aditya Birla Management Corporation Private Limited	-	-	-	-	-	-	-
	-	-	-	(6.05)	-	-	(6.05)
TOTAL	-	-	-	(6.05)	-	-	(6.05)

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

(₹ crore)

Particulars	Holding Company	Associates/ Joint Ventures	Fellow Subsidiaries	Other Related Parties in which Directors are Interested	Post-Employment Benefit Plans	Key Management Personnel	Grand Total
Sale of Non-Convertible Debentures							
UltraTech Cement Limited	-	-	15.00	-	-	-	15.00
	-	-	(10.00)	-	-	-	(10.00)
TOTAL	-	-	15.00	-	-	-	15.00
	-	-	(10.00)	-	-	-	(10.00)
Equity Accounted Investments							
Aditya Birla Sun Life AMC Limited	-	1,098.33	-	-	-	-	1,098.33
	-	(869.29)	-	-	-	-	(869.29)
Aditya Birla Sun Life Trustee Private Limited	-	0.67	-	-	-	-	0.67
	-	(0.64)	-	-	-	-	(0.64)
Aditya Birla Wellness Private Limited	-	10.73	-	-	-	-	10.73
	-	(9.62)	-	-	-	-	(9.62)
TOTAL	-	1,109.72	-	-	-	-	1,109.72
	-	(879.55)	-	-	-	-	(879.55)
Outstanding Balances							
Amount Receivables	33.46	5.31	21.17	6.15	9.32	-	75.41
	(11.43)	(5.02)	(36.02)	(6.21)	(8.58)	-	(67.26)
Amount Payables	1.80	8.32	0.45	7.51	-	-	18.08
	(1.35)	(6.14)	(0.08)	(5.70)	-	-	(13.27)
TOTAL	35.26	13.63	21.62	13.66	9.32	-	93.49
	(12.78)	(11.16)	(36.10)	(11.91)	(8.58)	-	(80.53)

- Figures in brackets represent the corresponding amount of Previous Year.

- Related parties are defined under Ind AS 24 "Related Party Disclosures" basis information available with the Group.

* Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall Company basis at the end of each year, and, accordingly, have not been considered in the above information.

* Variable pay is within 70% of Gross Salary.

NOTE: 46 EMPLOYEE BENEFITS

Disclosure in respect of Employee Benefits pursuant to Ind AS 19

A. The details of the Company's Defined Benefit Plans in respect of Gratuity (Funded by the Group):

General Description of the Plan:

The Group operates gratuity plan through a trust, wherein every employee is entitled to the benefits equivalent to fifteen days salary, last drawn, for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In case of some employees, the Company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972.

Nature of Benefits:

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

Notes forming part of the Consolidated Financial Statements

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Regulatory Framework:

There are no minimum funding requirements for a gratuity plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Group and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the Income Tax Act and Rules. Besides this, if the Group is covered by the Payment of Gratuity Act, 1972, then the Group is bound to pay the statutory minimum gratuity as prescribed under this Act.

Governance of the Plan:

The Group has set-up an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan.

Inherent Risks:

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

Particulars	(₹ crore)	
	As at/For the Year Ended 31 Mar 22	As at/For the Year Ended 31 Mar 21
Amounts recognised in the Balance Sheet in respect of Gratuity		
Present Value of the funded Defined Benefit Obligation at the end of the period	153.00	137.25
Rights from insurance policies that exactly match the amount and timing of some of the benefits payable under the plan. Those benefits have a present value of ₹ 140.96 Crore	140.96	122.33
Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity		
Current Service Cost	18.90	17.77
Interest on Net Defined Benefit Liabilities/(Assets)	0.72	1.03
Less: Recovery from Associate and Joint Venture Companies	(0.42)	(0.72)
Net Gratuity Cost	19.20	18.08
Amounts recognised in Other Comprehensive Income (OCI) for the Year		
Actual Return on Reimbursement Rights excluding Interest Income	(3.82)	(12.37)
Actuarial changes arising from changes in demographic assumptions	(6.83)	4.95
Actuarial changes arising from changes in financial assumptions	0.61	4.62
Actuarial changes arising from changes in experience assumptions	7.25	(3.77)
Less: Amount Recovered from Associate and Joint Venture Companies	0.49	(0.88)
Closing Amount recognised in OCI	(2.31)	(7.45)
Opening Defined Benefit Obligation	137.25	114.64
Current Service Cost	18.90	17.77
Interest Cost	7.95	6.66
Actuarial (Gain)/Loss	1.03	5.76
Benefits Paid	(11.58)	(7.47)
Impact of Liabilities Assumed or (Settled)	(0.55)	(0.11)
Closing Defined Benefit Obligation	153.00	137.25
Change in Fair Value of the Reimbursement Rights:		
Opening Fair Value of the Reimbursement Rights	122.33	94.70
Interest Income on Reimbursement Rights	7.23	5.63
Actual Return on Reimbursement Rights less Interest on Reimbursement Rights	3.82	12.37
Contributions by the Employer	18.59	17.10
Benefits Paid	(11.01)	(7.47)
Closing Fair Value of the Reimbursement Rights	140.96	122.33

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

Particulars	(₹ crore)	
	As at/For the Year Ended 31 Mar 22	As at/For the Year Ended 31 Mar 21
Funding Arrangement and Policy		
The money contributed by the Group to the fund to finance the liabilities of the plan has to be invested. The trustees of the plan are required to invest the funds as per the prescribed pattern of investments laid out in the Income Tax Rules for such approved schemes.		
Change in Present Value of the Obligation:		
Maturity Profile of Defined Benefit Obligation		
Within the next 12 months (next annual reporting period)	17.75	11.86
More than 1 and upto 5 years	59.26	47.34
More than 5 and upto 10 years	61.83	52.78
Above 10 years	59.24	83.35
The weighted-average duration to the payment of these cash flows	4 Years to 10 Years	4 Years to 17 Years
Quantitative sensitivity analysis for significant assumption is as below:		
Increase/Decrease in Present Value of Defined Benefit Obligation for the Year		
i) 50 bps Increase in Discount Rate	(3.11%)	(3.43%)
ii) 50 bps Decrease in Discount Rate	3.23%	3.72%
iii) 50 bps Increase in the Rate of Salary Escalation	3.16%	3.62%
iv) 50 bps Decrease in the Rate of Salary Escalation	(3.08%)	(3.24%)
Sensitivity Analysis Method		
These sensitivities have been calculated to show the movement in defined benefit obligation in isolation, and assuming there are no other changes in the market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.		
Disaggregation of the Reimbursement Rights		
Non-Quoted Value		
Government of India Securities	3.27%	3.89%
Corporate Bonds	0.57%	0.76%
Insurer Managed Funds	78.29%	78.67%
Others	17.87%	16.68%
	100%	100%
Fair Value of the Reimbursement Rights include:		
Group's own Financial Instruments	110.36	96.06
Principal Actuarial Assumptions at the Balance Sheet Date		
Discount Rate	5.6% - 6.95%	4.9% - 6.82%
Salary Escalation	7% - 10%	7% - 10%

B. The details of the Company's Defined Benefit Plans in respect of Gratuity (Unfunded by the Group):

Particulars	(₹ crore)	
	As at/For the Year Ended 31 Mar 22	As at/For the Year Ended 31 Mar 21
Amounts recognised in the Balance Sheet in respect of Gratuity		
Present Value of the Unfunded Defined Benefit Obligation at the end of the period	1.08	0.84
Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity		
Current Service Cost (Unfunded)	0.21	0.12
Interest on Defined Benefit Obligation	0.05	0.01
Net Gratuity Cost	0.26	0.13



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for the year ended 31st March 2022

(₹ crore)		
Particulars	As at/For the Year Ended 31 Mar 22	As at/For the Year Ended 31 Mar 21
Amounts recognised in Other Comprehensive Income (OCI) for the Year		
Actuarial changes arising from changes in financial assumptions	(0.02)	-
Actuarial changes arising from changes in experience assumptions	0.06	(0.10)
	0.04	(0.10)
Change in Present Value of the Obligation:		
Opening Defined Benefit Obligation	0.84	0.08
Current Service Cost	0.21	0.12
Interest Cost	0.05	0.01
Actuarial changes arising from changes in financial assumptions	(0.02)	-
Actuarial changes arising from changes in experience assumptions	0.06	(0.10)
Actuarial (Gain)/Loss	0.04	(0.11)
Benefits Paid	(0.06)	0.73
Closing Defined Benefit Obligation	1.08	0.84
Maturity Profile of Defined Benefit Obligation		
Within the next 12 months (next annual reporting period)	0.01	0.02
More than 1 and upto 5 years	0.07	0.08
More than 5 and upto 10 years	0.40	0.22
Above 10 years	0.32	0.05
The weighted-average duration to the payment of these cash flows	3 Years to 6 Years	3 Years to 6 Years
Quantitative Sensitivity Analysis for Significant Assumption is as below:		
Increase/Decrease in Present Value of Defined Benefit Obligation at the end of the Year (in %)		
i) 50 bps Increase in Discount Rate	(3.62%)	(3.88%)
ii) 50 bps Decrease in Discount Rate	3.87%	3.04%
iii) 50 bps Increase in the Rate of Salary Escalation	3.85%	2.99%
iv) 50 bps Decrease in the Rate of Salary Escalation	(3.64%)	(3.87%)
Principal Actuarial Assumptions at the Balance Sheet Date		
Discount Rate	6.10% - 6.85%	5.70% - 6.40%
Salary Escalation	6.50% - 7.00%	6.50% - 7.00%
Estimated amount of contribution expected to be paid to the Gratuity Fund during the annual period after the Balance Sheet date is ₹ 20.99 Crore (31 st March 2021: ₹ 22.66 Crore).		

C. Defined Contribution Plan

(₹ crore)		
Particulars	As at/For the Year Ended 31 Mar 22	As at/For the Year Ended 31 Mar 21
Amount recognised as an expense and included in the Note 35: as "Contribution to Provident and Other Funds"	68.30	67.26
Contribution to the Company Provident Fund Trust	1.90	1.93
	70.20	69.19

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

NOTE: 47 DISCLOSURE UNDER EMPLOYEE STOCK OPTIONS SCHEME OF THE COMPANY

(A) Aditya Birla Capital Limited

At the Annual General Meeting held on 19th July 2017, the shareholders of the Company approved the grant of not more than 32,286,062 Equity Shares by way of grant of Stock Options ("ESOPs") and Restricted Stock Units ("RSUs"). Out of these, the Nomination, Remuneration and Compensation Committee has granted 24,062,864 ESOPs and 5,742,636 RSUs under the Scheme titled "Aditya Birla Capital Limited Employee Stock Option Scheme 2017" in 3 categories of Long-Term Incentive Plans ("LTIP") identified as LTIP 1, LTIP 2, and LTIP 3. The Scheme allows the grant of Stock Options to employees of the Company (whether in India or abroad) that meet the eligibility criteria. Each option comprises one underlying Equity Share.

Features	LTIP 1		LTIP 2		LTIP 3	
Instrument	RSU		ESOP		ESOP	
Plan Period	2017-2019		2017-2021		2017-2019	
Quantum of Grant	4,343,750		11,557,872		1,398,886	
Method of Accounting	Fair Value		Fair Value		Fair Value	
Vesting Period	100% (2 years)		25% p.a. (4 years)		100% (2 years)	
Vesting Condition(s)	Continued employment		Employees of ABCL: 75% of the Consolidated PBT achievement against Annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against Annual P&B targets		Continued employment	
Exercise Period	5 years from the Date of Vesting		5 years from the Date of Vesting		5 years from the Date of Vesting	
Grant Date	11 th August 2017		11 th August 2017		11 th August 2017	
Grant/Exercise Price (₹ Per Share)	10.00		115.00		10.00	
Value of Equity Shares as on the Date of Grant of Original Option (₹ Per Share)	139.00		139.00		139.00	

Granted during the Financial Year - 2021-2022, to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

Features	LTIP 2		LTIP 2	
Instrument	ESOP		ESOP	
Plan Period	2021-2025		2021-2025	
Quantum of Grant	269,352		140,352	
Method of Accounting	Fair Value		Fair Value	
Vesting Period	Equal Vesting in 4 years from the Date of Grant		Equal Vesting in 4 years from the Date of Grant	
Vesting Condition(s)	75% of the Profit Before Tax achievement against annual performance target immediately preceding the Vesting Date		75% of the Profit Before Tax achievement against annual performance target immediately preceding the Vesting Date	
Exercise Period	5 years from the Date of Vesting		5 years from the Date of Vesting	
Grant Date	14 th May 2021		30 th September 2021	
Grant/Exercise Price (₹ Per Share)	119.4		114.2	

Re-granted during the Financial Year - 2020-2021, to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

Features	LTIP 2	LTIP 3
Instrument	ESOP	ESOP
Plan Period	2021-2022	2021-2022
Quantum of Grant	110,424	140,439
Method of Accounting	Fair Value	Fair Value
Vesting Period	One year from the Date of Grant	One year from the Date of Grant
Vesting Condition(s)	75% of the Profit Before Tax achievement against annual performance target	75% of the Profit Before Tax achievement against annual performance target
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	5 th February 2021	5 th February 2021
Grant/Exercise Price (₹ Per Share)	90.4	90.4

Granted during the Financial Year - 2019-2020, to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

Features	LTIP 2	LTIP 2	LTIP 3	LTIP 3	LTIP 2	LTIP 3
Instrument	ESOP	ESOP	ESOP	RSU	ESOP	RSU
Plan Period	2019-2023	2019-2023	2019-2024	2019-2021	2020-2024	2020-2023
Quantum of Grant	560,376	307,020	441,704	7,686	798,768	523,810
Method of Accounting	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Vesting Period	25% p.a. (4 years)	25% p.a. (4 years)	20% p.a. (5 years)	100% (2 years)	25% p.a. (4 years)	100% (3 years)
Vesting Condition(s)	Employees of ABCL: 75% of the Consolidated PBT achievement against Annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against Annual P&B targets	Employees of ABCL: 75% of the Consolidated PBT achievement against Annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against Annual P&B targets	Employees of ABCL: 75% of the Consolidated PBT achievement against Annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against Annual P&B targets	Continued employment	Employees of ABCL: 75% of the Consolidated PBT achievement against Annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against Annual P&B targets	Continued employment
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting	5 years from the Date of Vesting	5 years from the Date of Vesting	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	2 nd August 2019	18 th October 2019	18 th October 2019	18 th October 2019	25 th February 2020	25 th February 2020
Grant/Exercise Price (₹ Per Share)	82.4	76.4	76.4	10	87.1	10

Granted during the Financial Year - 2018-2019, to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

Features	LTIP 3	LTIP 3
Instrument	ESOP	RSU
Plan Period	2018-2023	2018-2020
Quantum of Grant	1,623,834	300,000
Method of Accounting	Fair Value	Fair Value
Vesting Period	20% p.a. (5 years)	100% (2 years)
Vesting Condition(s)	75% of the Consolidated Profit Before Tax achievement against annual performance target	Continued employment
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	9 th April 2018	9 th April 2018
Grant/Exercise Price (₹ Per Share)	115.00	10

Details of Activities in the Plan as at 31st March 2022

Features	LTIP 1	LTIP 2	LTIP 3	
Instrument	RSU	ESOP	RSU	ESOP
Options/RSUs Outstanding at beginning of the year	1,256,100	10,714,241	872,906	13,225,030
Granted during the year	-	409,704	-	-
Exercised during the year	517,431	171,862	-	45,000
Lapsed during the year	84,300	679,668	1,500	629,577
Options/RSUs Outstanding at the end of the year	654,369	10,272,415	871,406	12,550,453
Options/RSUs unvested at the end of the year	-	1,038,191	531,496	2,680,089
Options/RSUs exercisable at the end of the year	654,369	9,234,224	339,910	9,870,364

Details of Activities in the Plan as at 31st March 2021

Features	LTIP 1	LTIP 2	LTIP 3	
Instrument	RSU	ESOP	RSU	ESOP
Options/RSUs Outstanding at beginning of the year	1,718,500	11,475,079	1,439,450	13,225,030
Granted during the year	-	110,424	-	140,439
Exercised during the year	386,000	146,372	566,544	-
Lapsed during the year	76,400	724,890	-	140,439
Options/RSUs Outstanding at the end of the year	1,256,100	10,714,241	872,906	13,225,030
Options/RSUs unvested at the end of the year	-	3,291,083	531,496	5,413,673
Options/RSUs exercisable at the end of the year	1,256,100	7,423,158	341,410	7,811,357

Fair Valuation

The Fair Value of the options used to compute proforma Net Profit and Earnings Per Share has been done by an Independent Valuer on the date of grant using Black-Scholes-Merton Formula. The Key Assumptions and the Fair Value are as:

Features	LTIP 1	LTIP 2	LTIP 3	
Instrument	RSU	ESOP	RSU	ESOP
Risk - Free Interest Rate	6.50%	6.2% to 6.8%	6.5% to 7.2%	6.5% to 7.6%
Option Life (Years)	4.5	3.5 to 6.5	4.5	3.5 to 7.5
Expected Volatility	38.50%	36.2% to 46.5%	35.4% to 38.5%	37.0% to 46.5%
Expected Dividend Yield (%)	-	-	-	-
Weighted-Average Fair Value per Option (₹)	131.60	70.4 to 119.4	131.60	73.1 to 90.4

As at 31st March 2022, under Aditya Birla Capital Limited Stock Appreciation Rights Scheme 2019, the Company has approved grant of 4,356 RSU Stock Appreciation Rights and 143,448 Options SARs to the employees of the Company and its Subsidiaries.



Notes forming part of the Consolidated Financial Statements

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Of Subsidiary Companies

(B) Aditya Birla Money Limited

Stock Options granted under ABML – Employee Stock Option Scheme-2014

The objective of the Employee Stock Options Scheme is to attract and retain talent, and align the interest of employees with Aditya Birla Money Limited (ABML), as well as to motivate them to contribute to its growth and profitability. The Company adopts Senior Executive Plan in granting Stock Options to its Senior Employees. (Employee Stock Option Scheme-2014)

During 2014 the Company had formulated the ABML Employee Stock Option Scheme-2014 (ABML ESOP Scheme-2014) with the approval of the shareholders at the Annual General Meeting dated 9th September 2014. The Scheme provides that the total number of options granted thereunder will be 2,770,000 and to follow the Market Value Method (Intrinsic Value) for valuation of the Options. Each option, on exercise, is convertible into one equity share of the Company having face value of ₹ 1/- each. Subsequently, the Nomination and Remuneration Committee of the Board of Directors on 2nd December 2014 has granted 2,509,341 Stock Options to its eligible employees under the ABML ESOP Scheme-2014 at an exercise price of ₹ 34.25/-. The Exercise Price was based on the latest available closing price, prior to the 2nd December 2014 (the date of grant by the Nomination and Remuneration Committee) on the recognised stock exchanges on which the shares of the Company are listed with the highest trading volume.

Summary of Stock Options granted under ABML ESOP Scheme-2014 is as under	As at 31 Mar 22
Options Granted on 2 nd December 2015	2,509,341
Options Outstanding as on 1 st April 2021	520,312
No. of Options Granted during the Year	Nil
Method of Accounting	Intrinsic Value
Vesting Plan	25% every year
Exercise Period	Within 5 years from the Date of Vesting of respective options
Grant/Exercise Price (₹ per Share)	₹ 34.25/-
Market Price as on the Date of the Grant	₹ 34.25/-(previous day closing price on the Recognised Stock Exchange)
Options Forfeited/Lapsed during the Year	314,942
Options Exercised during the Year	73,641
Options Outstanding as at 31 st March 2022	131,729

Summary of Stock Options granted under ABML ESOP Scheme – 2014 is as under	As at 31 Mar 21
Options Granted on 2 nd December 2015	2,509,341
Options Outstanding as on 1 st April 2020	520,312
No. of Options Granted during the Year	Nil
Method of Accounting	Intrinsic Value
Vesting Plan	25% every year
Exercise Period	Within 5 years from the Date of Vesting of respective options
Grant/Exercise Price (₹ per Share)	₹ 34.25/-
Market Price as on the Date of the Grant	₹ 34.25/-(previous day closing price on the Recognised Stock Eexchange)
Options Forfeited/Lapsed during the Year	-
Options Exercised during the Year	-
Options Outstanding as at 31 st March 2021	520,312

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

The vesting period in respect of the options granted under ABML ESOP Scheme-2014 is as follows:

Sr. No.	Vesting Date	% of Options that shall Vest
1	12 months from the date of grant	25% of the grant
2	24 months from the date of grant	25% of the grant
3	36 months from the date of grant	25% of the grant
4	48 months from the date of grant	25% of the grant

ABML has granted options to the eligible employees at an exercise price of ₹ 34.25 per share being the latest market price as per SEBI ESOP Regulations. In view of this, there being no intrinsic value (being the excess of the market price of share under ESOP over the exercise price of the option), on the date of grant, the ABML is not required to account the accounting value of option as per SEBI ESOP Regulations.

Fair Valuation:

The Fair Value of the options on the date of grant has been done by an Independent Valuer using Black-Scholes Formula.

The key assumptions are as under:

Risk-Free Interest Rate	8.13%
Expected Life (No. of Years)	5
Expected Volatility	54.26%
Dividend Yield (%)	-
Weighted-Average Fair Value per Option	₹ 34.25/-

ABCL Incentive Plan 2017

The Scheme titled as "ABCL Incentive Scheme for Stock Options and Restricted Stock Units – 2017 (ABCL Incentive Scheme)" was approved by the shareholders through postal ballot on 10th April 2017. The Nomination, Remuneration and Compensation Committee of the Company at its meeting held on 15th January 2018, granted 1,465,927 ESOPs and 252,310 Restricted Stock Units (RSUs) (collectively called as "Stock Options") to the eligible grantees pursuant to the Composite Scheme of Arrangement between erstwhile Aditya Birla Nuvo Limited (now merged with Grasim Industries Limited), Grasim Industries Limited and Aditya Birla Capital Limited. The Stock Options allotted under the Scheme are convertible into equal number of Equity Shares.

The vesting conditions and the vesting dates under the ABCL Incentive Scheme shall follow the same vesting conditions, as applicable to the grantees under the corresponding Grasim Employee Benefits Schemes 2006 and 2013.

Particulars	ABCL Incentive Scheme	
	Options	RSUs
Plan Period	As per Grasim Employee Benefits Schemes 2006 and 2013	
Quantum of Grant	1,465,927	252,310
Method of Accounting	Fair Value	Fair Value
Vesting Period	The Options and RSUs shall deemed to have been vested from the original date of grant under the Grasim ESOP Schemes 2006 and 2013, and shall be subject to a minimum vesting period of one year from the date of original grant, and would vest not earlier than one year and not later than five years from the date of grant of Options and RSUs or such other period as may be determined by the Nomination, Remuneration and Compensation Committee.	
Vesting Condition(s)	Achievement of threshold level of budgeted annual performance target	
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	15 th January 2018	15 th January 2018
Grant/Exercise Price (₹ Per Share)	10	10



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for the year ended 31st March 2022

Re-granted during the Financial Year - 2020-2021 to the eligible employees of the Company and its Subsidiaries, the details of which are given hereunder:

Particulars	Options
Plan Period	2020-2021
Quantum of Grant	25,585
Method of Accounting	Fair Value
Vesting Period	One year from the Date of Grant
Vesting Condition(s)	Achievement of threshold level of budgeted annual performance target
Exercise Period	5 years from the Date of Vesting
Grant Date	5 th March 2021
Grant/Exercise Price (₹ Per Share)	10

Details of Activities in the Plan

Particulars	ABCL Incentive Scheme			
	As at 31 Mar 22		As at 31 Mar 21	
	Options	RSUs	Options	RSUs
Options/RSUs Outstanding at the beginning of the year	385,721	113,447	761,865	169,057
Granted during the year	-	-	25,585	-
Exercised during the year	189,686	110,029	376,144	55,610
Lapsed during the year	-	-	25,585	-
Options/RSUs Outstanding at the end of the year	196,035	3,418	385,721	113,447

NOTE: 48 SEGMENT DISCLOSURES

Operating segments are defined as components of an enterprise for which discrete financial information is available and evaluated regularly by Chief Operating Decision Maker (CODM), in deciding how to allocate resources and assessing performance.

The Group has considered business segment as reportable segment for disclosure. The products and services included in each of the reported business segments are as follows:

SEGMENT	ACTIVITIES
NBFC	Non-Bank Financial Services
Housing Finance	Housing Finance
Life Insurance	Life Insurance
Asset Management	Asset Management
General Insurance Broking	Insurance Broking
Stock and Securities Broking	Equity and Commodity Broking
Health Insurance	Health Insurance and Ancillary Services
Other Financial Services	Insurance Advisory, Asset Reconstruction, etc

Notes forming part of the Consolidated Financial Statements

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Information about Business Segments

(₹ crore)

Segment Revenue	For the Year Ended 31 Mar 2022			For the Year Ended 31 Mar 2021		
	External	Inter-Segment	Total	External	Inter-Segment	Total
NBFC	5,779.22	5.64	5,784.86	5,513.24	4.76	5,518.00
Housing Finance	1,212.61	2.55	1,215.16	1,278.26	2.30	1,280.56
Life Insurance	12,382.32	4.15	12,386.47	10,374.46	4.82	10,379.28
Asset Management	1,405.85	-	1,405.85	1,201.65	-	1,201.65
General Insurance Broking	688.81	2.59	691.40	588.97	2.31	591.28
Stock and Securities Broking	232.45	0.99	233.44	191.08	1.14	192.22
Health Insurance	1,633.15	0.01	1,633.16	1,202.02	0.06	1,202.08
Other Financial Services	298.44	30.82	329.26	103.64	25.10	128.74
Segment Revenue	23,632.86	46.74	23,679.60	20,453.32	40.49	20,493.81
Less: Inter-Segment Revenue			(46.74)			(40.49)
Total Segment Revenue from Operations			23,632.86			20,453.32
Less: Revenue of Associate and Joint Venture Entities, profits of which are equity accounted under the Ind AS framework			(1,419.22)			(1,214.64)
Add: Elimination of Intra-Group revenue from transactions with Associate and Joint Venture Entities			16.27			15.59
Total Revenue from Operations			22,229.91			19,254.27

(₹ crore)

Segment Result (PBT)	Year Ended 31 Mar 22	Year Ended 31 Mar 21
NBFC	1,487.12	1,031.41
Housing Finance	253.25	176.38
Life Insurance	174.85	151.46
Asset Management	894.71	695.89
General Insurance Broking	86.02	70.70
Stock and Securities Broking	35.68	22.40
Health Insurance	(308.68)	(199.05)
Other Financial Services	219.76	24.04
Total Segmental Results	2,842.71	1,973.23
Less: Share of Associate and Joint Venture Partners (not included in share of Profits of the Group) in Associate/Joint Venture Companies	(555.99)	(427.54)
Profit Before Tax	2,286.72	1,545.69

(₹ crore)

Other Information	Carrying Amount of Segment Assets (including Goodwill) as on		Carrying Amount of Segment Liabilities as on	
	31 Mar 22	31 Mar 21	31 Mar 22	31 Mar 21
Segments				
NBFC	56,431.72	50,319.78	47,093.65	41,902.62
Housing Finance	12,534.65	12,334.90	10,869.60	10,855.94
Life Insurance	65,674.05	56,777.21	62,737.30	53,909.17
Asset Management	2,404.21	1,967.63	214.63	256.77
General Insurance Broking	237.85	202.85	166.17	147.05
Stock and Securities Broking	1,438.50	1,059.61	1,192.40	835.54
Health Insurance	1,872.39	1,565.56	1,336.40	1,136.89
Other Financial Services	1,307.36	1,228.51	463.56	570.55
Total Segment	141,900.73	125,456.05	124,073.71	109,614.53



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

(₹ crore)

Other Information	Carrying Amount of Segment Assets (including Goodwill) as on		Carrying Amount of Segment Liabilities as on	
	31 Mar 22	31 Mar 21	31 Mar 22	31 Mar 21
Inter-Segment Elimination	(224.48)	(190.96)	(224.48)	(190.96)
Add: Unallocated Corporate Liabilities	804.22	650.28	433.05	419.25
Total Segment Assets/Liabilities	142,480.47	125,915.37	124,282.28	109,842.82
Less: Assets/Liabilities of Associate and Joint Venture Entities, which are equity accounted under the Ind AS framework	(2,460.99)	(2,009.31)	(243.79)	(284.63)
Add: Elimination of Intra-Group Assets/Liabilities from transactions with Associate and Joint Venture Entities	10.30	8.62	10.30	8.62
Add: Investments in Associate and Joint Venture Entities, which are equity accounted under the Ind AS framework	1,109.72	879.55	-	-
Total Assets/Liabilities	141,139.50	124,794.23	124,048.79	109,566.81

(₹ crore)

Other Information	Depreciation and Amortisation for the Year Ended	
	31 Mar 22	31 Mar 21
Segments		
NBFC	68.35	58.50
Housing Finance	10.03	11.18
Life Insurance	74.35	73.78
Asset Management	35.62	37.44
General Insurance Broking	8.07	7.57
Stock and Securities	6.77	7.02
Health Insurance	41.33	37.58
Other Financial Services	28.51	29.99
Total Segment	273.03	263.07
Less: Depreciation of Associate and Joint Venture Entities	35.62	40.01
Less: Depreciation of Life Insurance Policyholders' Business	74.17	73.60
Less: Depreciation of Health Insurance Policyholders' Business	41.33	35.01
Total Depreciation and Amortisation	121.91	114.45

(₹ crore)

Other Information	Interest Income for the Year Ended		Interest Expenses for the Year Ended	
	31 Mar 22	31 Mar 21	31 Mar 22	31 Mar 21
Segments				
NBFC	5,531.29	5,289.87	2,709.10	3,019.91
Housing Finance	1,185.68	1,234.51	694.94	849.23
Life Insurance	1,943.84	1,586.27	35.68	12.68
Asset Management	14.23	10.62	4.85	5.53
General Insurance Broking	4.38	2.21	0.79	0.57
Stock and Securities	70.08	43.38	26.14	22.06
Health Insurance	83.96	69.03	2.49	2.92
Other Financial Services	22.08	11.93	33.67	36.60
Sub-Total	8,855.54	8,247.82	3,507.65	3,949.50
Less: Inter-Segment Elimination	(9.91)	(12.61)	(9.91)	(12.61)
Interest Income/Expenses	8,845.63	8,235.21	3,497.74	3,936.89
Less: Interest Income/Expenses of Associate and Joint Venture Companies	14.23	10.62	4.85	5.53
Less: Interest Income/Expenses of Life Insurance Policyholders' Business	1,737.51	1,400.37	10.87	12.68
Less: Interest Income/Expenses of Health Insurance Policyholders' Business	64.37	49.99	2.49	2.92
Total Interest Income/Expenses	7,029.53	6,774.22	3,479.53	3,915.76

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

(₹ crore)

Impairment on Financial Instruments including Loss on Derecognition of Financial Assets at Amortised Cost (Expected Credit Loss)	Year Ended 31 Mar 22	Year Ended 31 Mar 21
NBFC	653.46	681.78
Housing Finance	74.70	87.51
Life Insurance	1.09	0.42
General Insurance Broking	1.79	1.67
Stock and Securities	0.29	0.93
Other Financial Services	(0.02)	0.05
Total	731.32	772.36
Less: Impairment of Life Insurance Policyholders' Business	1.09	0.42
Grand Total	730.23	771.94

Information about Geographical Segments

(₹ crore)

Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Revenue by Geographical Market		
In India	23,603.38	20,426.10
Outside India	29.48	27.22
Total	23,632.86	20,453.32

NOTE: 49 ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III OF THE COMPANIES ACT, 2013, FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ crore)

Particulars	Net Assets*		Share in Profit and Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	% of Consolidated Net Assets	Amount	% of Consolidated Profit and Loss	Amount	% of Consolidated OCI	Amount	% of Consolidated TCI	Amount
HOLDING COMPANY								
Aditya Birla Capital Limited	63.96	9,908.20	20.20	344.69	(0.85)	0.03	20.25	344.72
SUBSIDIARY COMPANIES								
Aditya Birla Money Limited	0.48	74.43	1.57	26.13	(4.81)	0.17	1.54	26.30
Aditya Birla Finance Limited	63.65	9,860.42	64.97	1,108.33	(663.54)	23.46	66.48	1,131.79
Aditya Birla Insurance Brokers Limited	0.84	129.69	3.76	64.06	(4.81)	0.17	3.77	64.23
Aditya Birla Money Mart Limited	0.66	101.83	0.56	9.47	0.57	(0.02)	0.56	9.45
Aditya Birla Money Insurance Advisory Services Limited	0.06	9.46	0.16	2.75	0.85	(0.03)	0.16	2.72
Aditya Birla Housing Finance Limited	11.11	1,720.99	11.56	197.29	(128.69)	4.55	11.86	201.84
Aditya Birla Health Insurance Co. Limited	3.24	501.95	(18.22)	(310.80)	587.46	(20.77)	(19.48)	(331.57)



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

NOTE: 49 ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III OF THE COMPANIES ACT, 2013, FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (CONTD.)

(₹ crore)

Particulars	Net Assets*		Share in Profit and Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	% of Consolidated Net Assets	Amount	% of Consolidated Profit and Loss	Amount	% of Consolidated OCI	Amount	% of Consolidated TCI	Amount
ABCAP Trustee Company Private Limited	-	-	(0.00)	(0.01)	-	-	(0.00)	(0.01)
Aditya Birla Sun Life Insurance Company Limited	16.79	2,601.05	7.04	120.07	1,275.60	(45.10)	4.40	74.97
Aditya Birla Sun Life Pension Management Limited	0.36	56.39	(0.16)	(2.73)	-	-	(0.16)	(2.73)
Aditya Birla Financial Shared Services Limited	0.01	1.74	0.03	0.47	0.00	-	0.03	0.47
Aditya Birla Stressed Asset AMC Private Limited	0.15	23.98	0.24	4.05	0.57	(0.02)	0.24	4.03
Aditya Birla Special Situations Fund I	1.05	162.99	1.23	20.97	-	-	1.23	20.97
Aditya Birla ARC Limited (Consolidated)	0.95	147.24	1.24	21.20	2.26	(0.08)	1.24	21.12
Aditya Birla PE Advisors Private Limited	0.03	4.14	(0.02)	(0.41)	(0.85)	0.03	(0.02)	(0.38)
Aditya Birla Capital Technology Services Limited (Formerly known as Aditya Birla MyUniverse Limited)	(0.24)	(37.41)	(0.10)	(1.67)	0.28	(0.01)	(0.10)	(1.68)
Aditya Birla Trustee Company Private Limited	0.003	0.42	-	-	-	-	-	-
ASSOCIATES AND JOINT VENTURES								
Aditya Birla Sun Life AMC Limited (Consolidated including Foreign Subsidiaries)	7.09	1,098.44	19.92	339.80	(37.46)	1.32	20.04	341.12
Aditya Birla Wellness Private Limited	0.07	10.71	0.06	1.07	(0.85)	0.03	0.06	1.10
Aditya Birla Sun Life Trustee Private Limited	0.004	0.67	-	0.03	-	-	-	0.03
Eliminations/Consolidation Adjustments	(70.26)	(10,885.22)	(14.00)	(238.79)	(926.00)	32.73	(12.10)	(206.06)
Total	100	15,492.11	100	1,705.97	100	(3.54)	100	1,702.43

Notes: * Net Assets = Total Assets - Total Liabilities

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

NOTE: 49 ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III OF THE COMPANIES ACT, 2013 FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (CONTD.)

(₹ crore)

Particulars	Net Assets*		Share in Profit and Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
	% of Consolidated Net Assets	Amount	% of Consolidated Profit and Loss	Amount	% of Consolidated Profit and Loss	Amount	% of Consolidated Profit and Loss	Amount
HOLDING COMPANY								
Aditya Birla Capital Limited	69.50	9,550.98	6.48	73.04	0.98	0.26	6.36	73.30
SUBSIDIARY COMPANIES								
Aditya Birla Money Limited	0.35	47.88	1.43	15.78	3.12	0.83	1.44	16.61
Aditya Birla Finance Limited	64.31	8,837.88	68.25	768.83	(34.24)	(9.10)	65.89	759.73
Aditya Birla Insurance Brokers Limited	0.74	101.36	4.70	52.97	0.94	0.25	4.62	53.22
Aditya Birla Money Mart Limited	0.67	92.37	0.08	0.90	(0.08)	(0.02)	0.08	0.88
Aditya Birla Money Insurance Advisory Services Limited	0.05	6.75	0.32	3.64	(0.11)	(0.03)	0.31	3.61
Aditya Birla Housing Finance Limited	11.05	1,519.15	12.18	137.23	(3.54)	(0.94)	11.82	136.29
Aditya Birla Health Insurance Co. Limited	2.89	396.52	(17.66)	(198.94)	(16.52)	(4.39)	(17.63)	(203.33)
ABCAP Trustee Company Private Limited	0.003	0.01	-	-	-	-	-	-
Aditya Birla Sun Life Insurance Company Limited	18.34	2,520.57	9.11	102.64	272.10	72.31	15.17	174.95
Aditya Birla Sun Life Pension Management Limited	0.21	29.12	(0.10)	(1.08)	-	-	(0.09)	(1.08)
Aditya Birla Financial Shared Services Limited	0.01	1.27	0.04	0.43	0.00	-	0.04	0.43
Aditya Birla Stressed AMC Private Limited	0.15	19.94	0.14	1.59	0.11	0.03	0.14	1.62
Aditya Birla Special Situations Fund I	0.59	81.17	0.24	2.73	-	-	0.24	2.73
Aditya Birla ARC Limited (Consolidated)	0.92	126.15	2.13	24.01	0.08	0.02	2.08	24.03
Aditya Birla PE Advisors Private Limited	0.03	4.52	(0.12)	(1.33)	0.71	0.19	(0.10)	(1.14)
Aditya Birla Capital Technology Services Limited (Formerly known as Aditya Birla MyUniverse Limited)	(0.26)	(35.73)	(0.28)	(3.17)	0.49	0.13	(0.26)	(3.04)
Aditya Birla Trustee Company Private Limited	0.003	0.43	0.002	0.02	-	-	0.002	0.02
ASSOCIATES AND JOINT VENTURES								
Aditya Birla Sun Life Asset Management (Consolidated including Foreign Subsidiaries)	6.33	869.30	23.83	268.40	2.80	0.74	23.34	269.14
Aditya Birla Wellness Private Limited	0.07	9.62	(0.01)	(0.07)	0.08	0.02	0.00	(0.05)
Aditya Birla Sun Life Trustee Private Limited	0.005	0.64	0.01	0.06	-	-	0.01	0.06
Eliminations/Consolidation Adjustments	(75.95)	(10,437.31)	(10.75)	(121.14)	(127.00)	(33.73)	(13.43)	(154.87)
Total	100	13,742.58	100	1,126.54	100	26.57	100	1,153.11

Notes: * Net Assets = Total Assets - Total Liabilities



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

NOTE: 50 MATERIAL PARTLY OWNED SUBSIDIARIES

(1) Financial Information of Subsidiaries that have material Non-Controlling Interest is provided below

(A) Aditya Birla Sun Life Insurance Company Limited

Name of the Entity	Principal Place of Business	Proportion of Ownership Interest	
		As at 31 Mar 22	As at 31 Mar 21
Aditya Birla Sun Life Insurance Company Limited, including Aditya Birla Sun Life Pension Management Limited (100% subsidiary of Aditya Birla Sun Life Insurance Company Limited)	India	51.00%	51.00%
(₹ crore)			
Particulars		As at 31 Mar 22	As at 31 Mar 21
Proportion of Interest Held by Non-Controlling Entity		49.00%	49.00%
Accumulated Balances of Non-Controlling Interest		1,268.34	1,237.59
Summarised Financial Information for Balance Sheet			
Current Assets		8,660.63	8,903.39
Non-Current Assets		56,778.25	47,610.92
Current Liabilities		4,399.87	4,668.86
Non-Current Liabilities		58,381.57	49,296.21
(₹ crore)			
Particulars		Year Ended 31 Mar 22	Year Ended 31 Mar 21
Profit/(Loss) Allocated to Non-Controlling Interest		57.49	49.77
Summarised Financial Information for the Statement of Profit and Loss			
Revenue from Operations		12,386.47	10,379.28
Profit for the Year		117.34	101.57
Other Comprehensive Income		(45.09)	72.31
Total Comprehensive Income		72.25	173.87
Summarised Financial Information for Cash Flows			
Cash Flows from Operating Activities		2,880.61	3,420.22
Cash Flows from Investing Activities		(3,086.58)	(3,333.06)
Cash Flows from Financing Activities		284.15	99.35
Net Increase/(Decrease) in Cash and Cash Equivalents		78.18	186.51

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

(B) Aditya Birla Insurance Brokers Limited

Name of the Entity	Principal Place of Business	Proportion of Ownership Interest	
		As at 31 Mar 22	As at 31 Mar 21
Aditya Birla Insurance Brokers Limited	India	50.002%	50.002%
(₹ crore)			
Particulars		As at 31 Mar 22	As at 31 Mar 21
Proportion of Interest Held by Non-Controlling Entity		49.998%	49.998%
Accumulated Balances of Non-Controlling Interest		64.84	40.68
Summarised Financial Information for Balance Sheet			
Current Assets		203.71	171.42
Non-Current Assets		92.15	77.00
Current Liabilities		57.80	130.22
Non-Current Liabilities		71.89	16.84
(₹ crore)			
Particulars		Year Ended 31 Mar 22	Year Ended 31 Mar 21
Profit/(Loss) Allocated to Non-Controlling Interest		42.03	22.69
Dividend Paid to Non-Controlling Interest		17.95	11.54
Summarised Financial Information for the Statement of Profit and Loss			
Revenue from Operations		691.40	591.28
Profit for the Year		64.06	52.97
Other Comprehensive Income		0.18	0.25
Total Comprehensive Income		64.23	53.22
Summarised Financial Information for Cash Flows			
Cash Flows from Operating Activities		55.85	75.26
Cash Flows from Investing Activities		(15.06)	(48.70)
Cash Flows from Financing Activities		(40.00)	(26.48)
Net Increase/(Decrease) in Cash and Cash Equivalents		0.79	0.08

(C) Aditya Birla Health Insurance Co. Limited

Name of the Entity	Principal Place of Business	Proportion of Ownership Interest	
		As at 31 Mar 22	As at 31 Mar 21
Aditya Birla Health Insurance Co. Limited	India	51.00%	51.00%
(₹ crore)			
Particulars		As at 31 Mar 22	As at 31 Mar 21
Proportion of Interest Held by Non-Controlling Entity		49.00%	49.00%
Accumulated Balances of Non-Controlling Interest		245.95	194.29
Summarised Financial Information for Balance Sheet			
Current Assets		417.74	335.21
Non-Current Assets		1,418.19	1,196.22
Current Liabilities		1,302.16	1,102.63
Non-Current Liabilities		31.82	32.28



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

Particulars	(₹ crore)	
	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Profit/(Loss) Allocated to Non-Controlling Interest	(152.30)	(97.48)
Summarised Financial Information for the Statement of Profit and Loss		
Revenue from Operations	1,632.25	1,200.96
Profit for the Year	(310.80)	(198.94)
Other Comprehensive Income	(20.77)	(4.39)
Total Comprehensive Income	(331.57)	(203.33)
Summarised Financial Information for Cash Flows		
Cash Flows from Operating Activities	(176.65)	72.44
Cash Flows from Investing Activities	(250.33)	(366.60)
Cash Flows from Financing Activities	428.87	310.51
Net Increase/(Decrease) in Cash and Cash Equivalents	1.89	16.35

NOTE: 51 INTEREST IN JOINT VENTURES AND ASSOCIATES

- (1) Below is the Associate Company of the Group which, in the opinion of the Management, is material to the Group which has been accounted as per Equity Method of Accounting.

Name of the Entity	Principal Place of Business	Proportion of Ownership Interest		Quoted Fair Value (₹ per share)	
		As at 31 Mar 22	As at 31 Mar 21	As at 31 Mar 22	As at 31 Mar 21
Aditya Birla Sun Life AMC Limited	India	50.01%	51.00%	532.95	-*

* Unlisted Equity - No quoted price available

- (i) Aditya Birla Sun Life AMC Limited ("ABSLAMC") was incorporated on 5th September 1994

The Company is registered with Securities and Exchange Board of India (SEBI) under the SEBI (Mutual Funds) Regulations, 1996, and the principal activity is to act as an investment manager to Aditya Birla Sun Life Mutual Fund. The Company manages the investment portfolios of Aditya Birla Sun Life Mutual Fund, India Advantage Fund Ltd., Mauritius, India Excel (Mauritius) Fund and Aditya Birla Real Estate Fund. The Company is also registered under the SEBI (Portfolio Managers) Regulations, 1993, and provides portfolio management services and investment advisory services to offshore funds and high net worth investors. Aditya Birla Sun Life AMC Limited has set-up two Alternate Investment Funds (AIF), one under Category III and the other under Category II, with Securities Exchange Board of India (SEBI) under the SEBI AIF Regulations, 2012. Aditya Birla Sun Life AMC Limited has been appointed as an Investment Manager of the said AIF by the Trustee to the Fund.

- (2) Summarised Financial Information of material Associate Company

- a) Summarised Balance Sheet

Aditya Birla Sun Life AMC Limited

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
Current Assets		
Cash and Cash Equivalents	65.25	56.53
Other Assets	1,488.03	1,633.49
Total Current Assets	1,553.28	1,690.02
Total Non-Current Assets	881.46	294.53
Current Liabilities		
Financial Liabilities (excluding Trade Payables)	84.80	69.27
Other Liabilities	91.30	74.61
Total Current Liabilities	176.10	143.88

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
Non-Current Liabilities		
Financial Liabilities (Excluding Trade Payables)	-	-
Other Liabilities	62.41	136.06
Total Non-Current Liabilities	62.41	136.06
Net Assets	2,196.23	1,704.61
Group Share in %	50.01%	51.00%
Group Share in ₹	1,098.33	869.35
Carrying Amount	1,098.33	869.35

b) Summarised Statement of Profit and Loss

Aditya Birla Sun Life AMC Limited

Particulars	(₹ crore)	
	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Revenue from Operations	1,292.96	1,201.65
Depreciation and Amortisation Expenses	35.62	37.44
Income Tax Expenses	221.93	169.60
Profit for the Year	672.77	526.28
Group Share	339.82	268.40
Other Comprehensive Income	2.63	1.46
Group Share	1.32	0.74
Total Comprehensive Income	675.40	527.74
Group Share	341.01	269.15
Dividend Received	116.64	71.40

(3) Commitments and Contingent Liabilities in respect of Associate Companies

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
Group Share in Commitments in respect of Associate Companies not being included in Note No. 41 *	74.96	0.70
Group Share in Contingent Liabilities in respect of Associate Companies not being included in Note No. 40	35.96	17.18

* This includes commitment to invest in Mutual Fund Schemes managed by ABSLAMC vide SEBI circular SEBI/HO/IMD/IMD-IDOF5/P/ CIR/2021/624, dated 2nd September 2021.

(4) Individually immaterial Joint Venture Companies

The Group also has interest in number of individually immaterial Joint Ventures that are accounted for using Equity Method of Accounting. Below is the combined financial information with respect to those entities

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
Aggregate carrying amount of individually immaterial Joint Venture Companies	11.40	10.26

Particulars	(₹ crore)	
	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Aggregate Amount of the Group Share of:		
Profit for the year	1.11	0.01
Other Comprehensive Income	0.03	0.02

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

- (5) As per the Shareholders' agreements, Aditya Birla Sun Life Trustee Private Limited and Aditya Birla Wellness Limited cannot distribute their profits until they obtain consent from other venture partners.
- (6) Aditya Birla Capital Limited holds, either directly or through its subsidiary, more than half of the equity share holding in the following entities. However, as per the Shareholders' agreement/statute, the Company needs to jointly decide with other Shareholders of the respective entity on certain relevant activities. Hence, the same are being accounted as per equity method of accounting.
- Aditya Birla Sun Life Trustee Private Limited
 - Aditya Birla Wellness Private Limited

NOTE: 52 ASSETS AND LIABILITIES OF THE POLICYHOLDERS OF LIFE INSURANCE BUSINESS

		(₹ crore)	
Particulars	Note No.	As at 31 Mar 22	As at 31 Mar 21
ASSETS			
Financial Assets			
(a) Cash and Cash Equivalents	(i)	704.64	622.04
(b) Bank Balances other than (a) above	(i)(a)	0.25	0.25
(c) Derivative Financial Instruments	(x)	-	23.77
(d) Trade Receivables	(ii)	264.53	224.73
(e) Loans	(iii)	664.42	412.36
(f) Investments of Policyholders'	(iv)	28,457.95	23,011.02
(g) Assets Held to Cover Linked Liabilities	(v)	30,160.05	27,969.19
(h) Other Financial Assets	(vi)	1,615.62	1,155.03
Sub-Total		61,867.46	53,418.39
Non-Financial Assets			
(a) Property, Plant and Equipment	(vii)	34.82	26.14
(b) Right-to-Use of Assets		124.04	140.14
(c) Capital Work-in-Progress		9.46	0.74
(d) Intangible Assets Under Development		15.59	10.23
(e) Other Intangible Assets	(viii)	62.26	67.59
(f) Other Non-Financial Assets	(ix)	150.44	136.71
Sub-Total		396.61	381.55
Total Assets of Policyholders of Life Insurance Business		62,264.07	53,799.94
EQUITY AND LIABILITIES			
Financial Liabilities			
(a) Derivative Financial Instruments	(x)	43.95	-
(b) Trade Payables			
- Micro Enterprises and Small Enterprises		3.42	0.42
- Creditors other than Micro Enterprises and Small Enterprises	(xi)	375.11	365.84
(c) Subordinated Liabilities		499.74	149.94
(d) Lease Liabilities		135.05	154.46
(e) Life Insurance Contract Liabilities and Restricted Surplus	(xiv)	60,109.04	51,865.76
(f) Other Financial Liabilities	(xii)	1,400.64	1,225.75
Sub-Total		62,566.95	53,762.17
Non-Financial Liabilities			
(a) Provisions	(xiii)	111.89	97.44
(b) Deferred Tax Liabilities (Net)		24.97	33.80
(c) Other Non-Financial Liabilities	(xv)	56.01	47.93
Sub-Total		192.87	179.17
Total Liabilities of Policyholders of Life Insurance Business		62,759.82	53,941.34

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

Note (i): Cash and Cash Equivalents

(₹ crore)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
Cash on Hand	4.39	2.87
Balances with Banks		
- Current Accounts	230.83	375.37
- Deposits with original maturity period of three months or less	396.84	185.04
Cheques/Drafts on Hand	72.58	58.76
	704.64	622.04

Note(i)(a): Bank Balances other than (i) above

(₹ crore)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
Balances at Banks		
- Deposits with original maturity of more than three months	0.25	0.25
	0.25	0.25

Note (ii): Trade Receivables

(₹ crore)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
Trade Receivables at Amortised Cost		
Secured, Considered Good	-	-
Unsecured, Considered Good	264.53	224.73
	264.53	224.73

Note (iii): Loans at Amortised Cost

(₹ crore)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
Loans and Advances:		
Subsidiaries	-	0.41
Other Related Parties	0.55	1.36
Agents' Balances (Gross)	1.48	1.64
Less: Provision for Doubtful Debts	(0.56)	(0.64)
Advances Recoverable in cash or in kind or for value to be received	368.89	194.59
Lease Accommodation Loans	-	0.04
Loans Against Policies	294.06	214.96
	664.42	412.36
Secured		
Secured by Tangible Assets	294.06	214.95
Unsecured	370.36	197.41
	664.42	412.36
Loans within India		
Public Sectors	-	-
Others	664.42	412.36
	664.42	412.36

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

Note (iv): Financial Assets - Investments of Policyholders'

		(₹ crore)
Particulars	As at 31 Mar 22	As at 31 Mar 21
A. Investments in Mutual Funds		
Quoted Investments		
Quoted Investments - at Fair Value through Profit or Loss	-	1.51
B. Investments in Equity Instruments		
Quoted Investments		
At Fair Value through Profit or Loss	1,926.95	1,089.38
C. Investments in Government or Trust Securities		
Quoted Investments		
At Amortised Cost	12,134.08	8,972.89
At Fair Value through Other Comprehensive Income	3,495.28	2,864.09
	15,629.36	11,836.98
D. Investments in Debentures		
Quoted Investments		
At Amortised Cost	5,950.20	5,645.48
Less: Allowance for Impairment Loss	3.79	3.52
	5,946.41	5,641.96
At Fair Value through Other Comprehensive Income	3,562.98	3,285.49
Less: Allowance for Impairment Loss	1.84	2.30
	3,561.14	3,283.19
	9,507.55	8,925.15
E. Other Investments		
Unquoted Investments		
At Fair Value through Other Comprehensive Income	5.31	6.29
Quoted Investments		
At Fair Value through Other Comprehensive Income	411.58	391.93
Less: Allowance for Impairment Loss	0.03	0.06
	411.55	391.87
At Amortised Cost	977.23	759.85
Less: Allowance for Impairment Loss	-	0.01
	977.23	759.84
	1,394.09	1,158.00
	28,457.95	23,011.02

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

Note (v): Assets Held to Cover Linked Liabilities:

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
Quoted Investments at Fair Value through Profit or Loss		
Mutual Funds	598.40	497.86
Equity Instruments	13,028.13	10,716.52
Government or Trust Securities	7,012.11	7,222.11
Debentures	7,789.91	7,590.61
Other Investments	1,855.99	1,801.30
Other Assets	(165.49)	120.60
Unquoted Investments at Fair Value through Profit or Loss		
Other Investments	41.00	20.19
	30,160.05	27,969.19

Note (vi): Other Financial Assets

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
Security Deposits	50.76	46.04
Unclaimed Maturity Fund	256.69	294.43
Re-Insurance Assets	1256.79	816.90
Less: Provision for Doubtful Debts	-	(2.35)
Others	51.38	0.01
	1,615.62	1,155.03

Note (vii): Property, Plant and Equipment

Property, Plant and Equipment consist of the following:

Particulars	(₹ crore)					
	Information Technology Equipment	Leasehold Improvement	Furniture and Fixtures	Vehicles	Office Equipment	Total
As at 31st March 2022						
Gross Carrying Amount						
Opening Gross Carrying Amount	21.51	8.21	8.08	7.31	5.35	50.47
Additions	4.10	6.80	4.47	2.43	2.30	20.11
Disposals	3.92	4.33	2.12	1.51	1.53	13.42
	21.69	10.68	10.43	8.23	6.12	57.16
Accumulated Depreciation						
Opening Depreciation	10.79	4.38	3.03	4.12	2.03	24.35
Depreciation for the Year	4.57	1.82	0.97	1.54	1.63	10.52
Disposals	3.88	4.23	1.81	1.15	1.47	12.53
	11.48	1.97	2.19	4.51	2.19	22.34
Net Carrying Amount	10.21	8.71	8.24	3.72	3.93	34.82
As at 31st March 2021						
Gross Carrying Amount						
Opening Gross Carrying Amount	21.95	8.57	7.52	8.28	4.88	51.21
Additions	1.71	0.98	1.10	0.18	1.15	5.11
Disposals	2.15	1.32	0.54	1.14	0.68	5.84
	21.51	8.23	8.08	7.32	5.35	50.48
Accumulated Depreciation						
Opening Depreciation	8.18	3.73	2.78	3.28	1.09	19.05
Depreciation for the Year	4.74	1.85	0.69	1.89	1.59	10.76
Disposals	2.13	1.20	0.44	1.05	0.65	5.47
	10.79	4.38	3.03	4.12	2.03	24.34
Net Carrying Amount	10.72	3.85	5.05	3.20	3.32	26.14

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

Note (viii): Intangible Assets

		(₹ crore)
Particulars	Software	
As at 31st March 2022		
Gross Carrying Amount		
Opening Gross Carrying Amount	152.01	
Additions	24.62	
Disposals	3.76	
	172.87	
Accumulated Amortisation		
Opening Amortisation	84.42	
Amortisation for the Year	29.37	
Disposals	3.19	
	110.60	
Net Carrying Amount	62.26	
As at 31st March 2021		
Gross Carrying Amount		
Opening Gross Carrying Amount	125.15	
Additions	26.86	
Disposals	-	
	152.01	
Accumulated Amortisation		
Opening Amortisation	57.53	
Amortisation for the Year	26.89	
Disposals	-	
	84.42	
Net Carrying Amount	67.59	

Note: All intangibles are other than internally generated.

Note (ix): Other Non-Financial Assets

		(₹ crore)
Particulars	As at 31 Mar 22	As at 31 Mar 21
Capital Advances	4.88	0.14
Prepaid Expenses	36.08	25.10
Deferred Acquisition Cost	2.58	3.90
Leave Encashment Fund	40.78	37.93
Gratuity Fund	61.50	50.27
Advance to Suppliers	1.00	13.63
Other Statutory Receivables	3.25	5.67
Advance to Employees	0.22	-
SCWF Fund	0.15	0.07
	150.44	136.71

Note (x): Derivative Financial Instruments

		(₹ crore)
Particulars	As at 31 Mar 22	As at 31 Mar 21
Interest Rate Derivatives (Cash Flow Hedges)	(43.95)	23.77

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

Note (xi): Trade Payables

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
Dues of Micro and Small Enterprises	3.42	0.42
Dues of Others	375.11	365.84
	378.53	366.26

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2022 (₹ Nil as at 31st March 2021). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

Terms and Conditions of the above Financial Liabilities:

- Trade payables are non-interest bearing, and are normally settled on 60-90 day terms.
- Other payables are non-interest bearing, and have an average term of six months.

Note (xii): Financial Liabilities

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
At Amortised Cost		
Payable for Salaries, Wages, Bonus and other Employee Benefits	87.58	32.63
Payables for Capital Expenditure	3.03	-
Dues to Policyholders'	1,034.47	876.45
Unclaimed Amounts of Policyholders'	256.76	294.34
Deposits	1.48	0.88
Interest Payable on NCD	0.07	-
Subvention Money Received	2.47	3.87
MTM - FRA	14.78	17.58
	1,400.64	1,225.75

Note (xiii): Provisions

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
Provision for Employee Benefits	111.89	97.44
	111.89	97.44

Note (xiv): Life Insurance Contract Liabilities and Restricted Surplus

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
Contract Liabilities of Life Insurance		
Insurance Contract Liabilities	43,254.25	36,871.88
Investment Contract Liabilities	16,386.38	14,383.02
Fair Value Changes of Policyholders' Investments		
Fair Value through Profit and Loss	177.77	173.70
Fair Value through Other Comprehensive Income	222.18	405.06
Policyholder Fund Other Changes		
Fair Value through Profit and Loss	8.07	13.55
Fair Value through Other Comprehensive Income	56.26	27.26
Amortised Cost (Others)	4.13	(8.71)
	60,109.04	51,865.76



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

Note (xv): Other Non-Financial Liabilities

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
Advance from Customers	12.29	11.02
Other Payables		
Deferred Liabilities for Deposit	1.24	-
Deferred Fees	1.26	1.90
Statutory Dues	41.03	34.49
Deposits for Agents Training and Others	0.19	0.26
Payables to Employees	-	0.26
	56.01	47.93

Note (xvi): Income from Life Insurance Operations

Particulars	Note No.	(₹ crore)	
		Year Ended 31 Mar 22	Year Ended 31 Mar 21
Life Insurance Premium (Net of Service Tax/GST)		10,657.93	8,653.99
Reinsurance Ceded		(498.78)	(292.94)
Fees and Commission Income		0.63	0.80
Interest Income	(xvi)A	1,737.51	1,400.37
Dividend Income		30.27	22.42
Fair Value Changes	(xvi)B	241.53	395.97
Other Income	(xvi)C	10.11	13.30
		12,179.20	10,193.91

Note (xvi)A: Interest Income of Life Insurance Operations

Particulars	(₹ crore)	
	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Interest on Loans		
On Financial Assets Measured at Amortised Cost	21.73	17.83
Interest Income from Investments		
On Financial Assets Measured at Fair Value through OCI	476.9	403.34
On Financial Assets Measured at Amortised Cost	1,212.62	944.64
On Financial Assets Classified at Fair Value through Profit or Loss	8.23	12.60
Interest on Deposits with Banks		
On Financial Assets Measured at Fair Value through OCI	0.31	0.18
On Financial Assets Measured at Amortised Cost	0.03	4.20
Other Interest Income		
On Financial Assets Measured at Amortised Cost	17.69	17.58
	1,737.51	1,400.37

Note (xvi)B: Net Gain/(Loss) on Fair Value Changes of Life Insurance Operations

Particulars	(₹ crore)	
	Year Ended 31 Mar 22	Year Ended 31 Mar 21
A. On Financial Instruments at Fair Value through Profit or Loss		
On Trading Portfolio		
Debts	-	(2.31)
Equity	259.10	413.36
Derivatives	(23.24)	(23.55)

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
B. On Financial Instruments at Fair Value through Other Comprehensive Income		
Debts	0.02	7.23
C. On Financial Instruments at Amortised Cost		
Debts	5.65	1.24
Total Net Gain/(Loss) on Fair Value Changes	241.53	395.97
Fair Value Changes:		
Realised	216.81	62.69
Unrealised	24.72	333.28

Note (xvi)C: Other Income of Life Insurance Operations

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Changes in Market Value of Leave Encashment Fund	7.35	10.56
Notional Interest Income	0.43	(1.13)
Profit on Sale/Discard of Fixed Assets (Net)	-	0.14
Others	2.33	0.75
Rent Concession	-	2.87
Sub-Lease Rent Income	-	0.11
	10.11	13.30

Note (xvii): Expenses of the Life Insurance Operations

		(₹ crore)	
Particulars	Note No.	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Finance Costs	(xvii)A	10.87	12.68
Fees and Commission Expenses		565.02	498.43
Impairment on Financial Instruments	(xvii)B	1.09	0.42
Employee Benefits Expenses	(xvii)C	770.74	697.04
Benefits Payout	(xvii)D	6,572.39	4,424.81
Claims Ceded to Reinsurers		(690.46)	(321.31)
Changes in Valuation of Liabilities	(xvii)E	4,078.30	3,873.78
Depreciation and Amortisation Expenses	(xvii)F	74.17	73.60
Other Expenses	(xvii)G	741.16	629.03
		12,123.28	9,888.48
Add: Restricted Life Insurance Surplus Retained in Policyholders' Fund		8.90	280.97
		12,132.18	10,169.45

Note (xvii)A: Finance Costs of Life Insurance Operations

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Finance Cost - Lease Liabilities	10.87	12.68
	10.87	12.68

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

Note (xvii)B: Impairment on Financial Instruments of Life Insurance Operations

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Provision for Security Deposits	0.50	-
Provision for Doubtful Investments	(0.20)	0.39
Provision for Standard and Non-Standard Assets	(0.02)	(0.02)
Provision for Doubtful Debts (Agent Balances)	(0.19)	0.05
Provision Others	1.00	-
	1.09	0.42

Note (xvii)C: Employee Benefits Expenses of Life Insurance Operations

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Salaries, Wages and Bonus	719.34	650.64
Contribution to Provident and Other Funds	33.92	31.57
Gratuity Expenses	5.47	4.47
Staff Welfare Expenses	10.86	8.09
ESOP Expenses	1.15	2.27
	770.74	697.04

Note (xvii)D: Benefits Payouts of Life Insurance Operations

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Claims by Death	1,481.90	780.28
Claims by Maturity	1,487.73	1,115.09
Annuities/Pension Payments	22.71	16.21
Surrender and Withdrawals	3,321.84	2,358.33
Other Benefits (Riders)	258.21	154.90
	6,572.39	4,424.81

Note (xvii)E: Changes in Valuation of Liabilities in Respect of Life Insurance Policies in force of Life Insurance Operations

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Changes in Valuation of Liabilities in respect of Life Insurance Policies	7,176.38	9,906.28
Changes in Premium Discontinuance Funds	289.40	275.90
Investments (Income)/Loss on Life Insurance Policyholders' Fund related to Linked Business	(3,387.48)	(6,308.40)
	4,078.30	3,873.78

Note (xvii)F: Depreciation and Amortisation Expenses of Life Insurance Operations

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Depreciation of Property, Plant and Equipment	10.54	10.76
Amortisation of Intangible Assets	29.37	26.89
Amortisation of Lease Assets	34.26	35.95
	74.17	73.60

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

Note (xvii)G: Other Expenses of Life Insurance Operations

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Rent	5.96	2.11
Repairs and Maintenance of:		
Buildings	1.92	1.87
Others	13.85	16.56
Rates and Taxes	37.09	33.95
Electricity Expenses	7.80	9.86
Advertisements	377.18	283.94
Distribution Expenses	27.84	41.13
Legal and Professional Fees	12.02	12.32
Printing and Stationery	2.82	3.18
Travelling and Conveyance	10.94	7.70
Communication Expenses	6.01	7.63
Loss on Sale/Discard of Fixed Assets (Net)	1.13	-
Information Technology Expenses	79.45	71.51
Miscellaneous Expenses	102.59	83.75
Others Expenses	54.56	53.52
	741.16	629.03

NOTE: 53 POLICYHOLDERS' INCOME FROM HEALTH INSURANCE OPERATIONS

(₹ crore)			
Particulars	Note No.	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Health Insurance Premium	(i) A	1,726.67	1,300.64
Reinsurance Ceded	(i) A	(378.62)	(301.36)
Fees and Commission Income		189.12	114.29
Interest Income	(i) B	64.37	49.99
Net Gain on Fair Value Changes	(i) C	6.50	13.36
Other Income		0.95	1.95
		1,608.99	1,178.87

Note (i)A: Health Insurance Premium

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Gross Written Premium	1,726.67	1,300.64
Less: Reinsurance Ceded	(378.62)	(301.36)
Net Written Premium	1,348.05	999.28

Note (i)B: Interest Income

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Interest Income from Investments		
On Financial Assets Measured at Fair Value through Other Comprehensive Income	64.35	49.84
Interest on Deposits with Banks		
On Financial Assets Measured at Amortised Cost	0.02	0.15
	64.37	49.99



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

Note (i)C: Net Gain on Fair Value Changes

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Gain/(Loss) on Sale of Debt FVTOCI Instruments	6.50	13.36
Net Gain on MTM/Fair Value Changes	6.50	13.36
Fair Value Changes		
Realised	6.50	13.36
Unrealised	-	-
	6.50	13.36

Policyholders' Expense from Health Insurance Operations

(₹ crore)			
Particulars	Note No.	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Fees and Commission Expenses		205.94	160.56
Employee Benefits Expenses	(ii) A	364.36	323.31
Benefits Paid	(ii) B	1,007.82	439.98
Claims Ceded to Reinsurers	(ii) B	(187.20)	(86.70)
Changes in Valuation of Liabilities	(ii) C	153.63	220.09
Depreciation and Amortisation Expenses	(ii) D	38.22	35.01
Finance Costs		2.49	2.92
Other Expenses	(ii) E	349.57	296.15
		1,934.83	1,391.32

Note (ii)A: Employee Benefits Expenses

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Salaries and Allowances	346.78	311.58
Gratuity Expenses	2.05	1.71
Contributions to Provident Fund and Other Funds	10.21	8.46
Staff Welfare Expenses	5.16	1.24
ESOP Expenses	0.16	0.32
	364.36	323.31

Note (ii)B: Benefits and Claims Paid

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Gross Benefits and Claims Paid	1,007.82	439.98
Less: Claims Ceded to Reinsurers	(187.20)	(86.70)
	820.62	353.28

Note (ii)C: Changes in Valuation of Policyholders' Liabilities

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Incurred But Not Reported (IBNR) Provisions	(5.14)	68.04
Reserve for Unexpired Risk	194.12	213.71
Less: Reinsurers' Share in Reserve for Unexpired Risk	(35.32)	(62.20)
Freelook Reserve	(0.03)	0.54
	153.63	220.09

Notes forming part of the Consolidated Financial Statements

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Note (ii)D: Depreciation and Amortisation Expenses

Particulars	(₹ crore)	
	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Depreciation on Property, Plant and Equipment	8.92	8.61
Amortisation on Intangible Assets	22.53	17.18
Amortisation of Lease Assets	6.77	9.22
	38.22	35.01

Note (ii)E: Other Expenses

Particulars	(₹ crore)	
	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Rent	-	0.85
Insurance	0.12	0.12
Repairs and Maintenance - Buildings	2.38	2.09
Repairs and Maintenance - Computers	0.41	0.30
Rates and Taxes	0.22	0.80
Recruitment Expenses	2.69	1.44
Advertisements	230.40	211.65
Legal and Professional Expenses	11.71	8.42
Training/Conference Expenses	3.58	(3.06)
Printing and Stationery	4.69	5.58
Travelling and Conveyance	8.32	3.09
Postage Expenses	2.89	1.69
Electricity Charges	1.84	1.54
Information Technology Expenses	13.96	11.98
Miscellaneous Expenses	66.36	49.66
	349.57	296.15

NOTE: 54 FAIR VALUES

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	As at 31 Mar 22		As at 31 Mar 21	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets at Amortised Cost				
Financial Assets related to Life Insurance Business	19,057.72	19,583.08	15,374.69	16,407.27
Financial Assets related to Health Insurance Business	2.57	2.57	-	-
Investments in Debentures/Bonds	137.70	137.70	51.19	51.19
Total	19,197.99	19,723.35	15,425.88	16,458.46
Financial Liabilities at Amortised Cost				
Debt Securities	18,573.75	19,137.56	18,901.33	19,724.85
Borrowings other than Debt Securities	35,931.37	35,931.58	31,131.63	31,131.75
Subordinated Liabilities	3,297.25	3,373.68	2,642.02	2,751.58
Total	57,802.37	58,442.82	52,674.98	53,608.18

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

The Management assessed that loans against policies, leave encashment, advances to related party and others, security deposits, cash and cash equivalents, trade receivables, trade payables, bank overdrafts, and other current financial liabilities and assets approximate their carrying amounts, largely due to the short-term maturities of these instruments.

Financial Instruments Measured at Fair Value – Fair Value Hierarchy

All assets and liabilities, for which fair value is measured or disclosed in the financial statements, are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1:** Category includes financial assets and liabilities that are measured in whole or in significant part by reference to published quotes in an active market.
- **Level 2:** Category includes financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. These include assets and liabilities, for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes and assets that are valued using the Group's own valuation models, whereby the material assumptions are market observable.
- **Level 3:** Category includes financial assets and liabilities measured using valuation techniques based on non-market observable inputs. This means that fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The main asset classes in this category are unlisted equity investments as well as unlisted funds.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Valuation Technique for Level 2 Instruments

Investment in Preference Shares: Investment made in preference share is not actively traded on stock exchange and such instruments are classified as Level 2.

Investment in Govt. Securities: The fair values of investments made in Government Securities are based on valuation report from ICRA as at the reporting period, and the same are classified under Level 2.

Investment in Alternate Funds: Units held in funds of AIF are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2. NAV represents the price at which the issuer will issue further units of AIF, and the price at which issuers will redeem such units from the investors.

Investment in Debt Securities:

a. NBFC

Fair value of these instrument is derived based on the indicative quote of price and yields prevailing in the market as at reporting date. The Company has used quoted price of National Stock Exchange wherever bonds are traded actively. In cases where debt securities are not actively traded, the Company has used CRISIL corporate bond valuer model for measuring fair value, i.e., fair value has been computed using the Fixed Income Money Market and Derivatives Association of India ('FIMMDA') data on corporate bond spreads, and such instruments are classified as Level 2.

b. Life Insurance

Fair valuation of Non-Convertible Debentures, AT1 Bonds, Non-Convertible Redeemable Preference Shares are carried basis yield matrix provided by CRISIL on daily basis using CRISIL Bond Valuer to arrive at security level prices. Similarly, basis the available yield matrix valuation is derived for Commercial Paper, Certificate of Deposit, and Treasury Bills. Such instruments are classified as Level 2.

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The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

Quantitative Disclosures of Fair Value Measurement Hierarchy for Assets as at 31st March 2022:

Particulars	Level 1	Level 2	Level 3	Total
Assets Measured at Fair Value:				
Derivative Assets	-	14.39	-	14.39
Re-insurance Assets	-	-	1,256.79	1,256.79
FVTOCI Assets:				
Equity	-	-	2.35	2.35
Financial Assets Related to Life Insurance Business				
Policyholders	3,470.56	4,002.72	-	7,473.28
Shareholders	1,040.24	1,937.65	0.83	2,978.72
Financial Assets Related to Health Insurance Business				
Policyholders	848.04	264.45	-	1,112.49
Shareholders	294.08	32.77	-	326.85
FVTPL Assets:				
Equity	0.45	-	-	0.45
Mutual Funds	-	394.73	-	394.73
Debentures/Bonds	-	1,538.60	-	1,538.60
Government Securities	-	471.38	-	471.38
Other Investments	-	116.91	382.10	499.01
Financial Assets Related to Life Insurance Business				
Policyholders	22,057.84	10,194.65	(165.49)	32,087.00
Shareholders	25.86	38.43	-	64.29
Financial Assets Related to Health Insurance Business				
Policyholders	78.30	-	-	78.30
Shareholders	20.01	-	-	20.01
FVTPL Liabilities:				
Debt Securities	-	249.54	-	249.54
	27,835.41	19,256.25	1,476.61	48,568.21
Assets for which Fair Values are Disclosed:				
Investments in Debentures/Bonds	-	-	137.70	137.70
Financial Assets related to Life Insurance Business				
Policyholders	12,328.52	7,254.56	-	19,583.08
Financial Assets related to Health Insurance Business				
Shareholders	2.57	-	-	2.57
Total	40,166.50	26,510.81	1,614.31	68,291.56
Liabilities Measured at Fair Value:				
Derivative Liabilities	-	78.00	-	78.00
Derivative Liabilities of Life Insurance Business	-	43.95	-	43.95
Insurance Contract Liabilities	20,921.51	-	22,332.74	43,254.25
Investment Contract Liabilities	9,238.68	-	7,147.70	16,386.38
Liabilities for which Fair Values are disclosed:				
Debt Securities	-	15,146.04	3,991.52	19,137.56
Borrowings (other than Debt Securities)	-	-	35,931.58	35,931.58
Subordinated Liabilities	-	3,362.68	11.00	3,373.68
Total	30,160.19	18,630.67	69,414.54	1,18,205.40

There have been no transfers between Level 1 and Level 2 during the period.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

Quantitative Disclosures Fair Value Measurement Hierarchy for Assets as at 31st March 2021:

(₹ crore)

Particulars	Level 1	Level 2	Level 3	Total
Assets Measured at Fair Value:				
Derivative Assets/(Liabilities) of Life Insurance Business	-	6.18	-	6.18
Re-insurance Assets	-	-	814.55	814.55
FVTOCI Assets:				
Equity	-	-	2.11	2.11
Financial Assets Related to Life Insurance Business				-
Policyholders	2,864.09	3,681.37	-	6,545.46
Shareholders	831.89	1,635.36	0.79	2,468.04
Financial Assets Related to Health Insurance Business				-
Policyholders	639.70	223.77	-	863.47
Shareholders	271.61	32.99	-	304.60
FVTPL Assets:				-
Equity	0.37	-	-	0.37
Mutual Funds	-	450.05	-	450.05
Debentures/Bonds	568.93	256.49	-	825.42
Government Securities	-	154.21	-	154.21
Other Investments	-	67.13	425.57	492.69
Financial Assets Related to Life Insurance Business				-
Policyholders	18,507.66	10,431.80	120.60	29,060.06
Shareholders	25.97	104.80	-	130.77
Financial Assets Related to Health Insurance Business				-
Policyholders	100.09	-	-	100.09
	23,810.29	17,044.12	1,363.62	42,218.02
Assets for which Fair Values are Disclosed:				
Investments in Debentures/Bonds	-	-	51.19	51.19
Financial Assets Related to Life Insurance Business				
Policyholders	9,548.89	6,858.38	-	16,407.27
	9,548.89	6,858.38	51.19	16,458.46
Liabilities Measured at Fair Value:				
Derivative Liabilities	-	33.71	-	33.71
Insurance Contract Liabilities	19,819.98	-	17,051.89	36,871.88
Investment Contract Liabilities	8,147.36	-	6,235.66	14,383.02
Liabilities for which Fair Values are Disclosed:				
Debt Securities	322.09	15,921.16	3,481.60	19,724.85
Borrowings (other than Debt Securities)	-	-	31,131.75	31,131.75
Subordinated Liabilities	-	2,740.58	11.00	2,751.58
Total	28,289.43	18,695.45	57,911.90	1,04,896.78

There have been no transfers between Level 1 and Level 2 during the period.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

Level 3 Fair Value Measurement

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 31st March 2022 and 31st March 2021 are as shown below:

				(₹ crore)
Financial Assets/Liabilities Related to Insurance Business	Valuation Techniques	Significant Unobservable Inputs	Range	Sensitivity of the Input to Fair Value
For 31 st March 2022				
Private Equity Investment Funds	Price to Book Value Method	Valuation at 10% Discount compared to peer group	0.45	6.00
Private Equity Investment Funds		Valuation at par with peer group	0.50	6.60
Private Equity Investment Funds		Valuation at 10% Premium compared to peer group	0.55	7.28
For 31 st March 2021				
Private Equity Investment Funds	Price to Book Value Method	Valuation at 10% Discount compared to peer group	0.45	5.70
Private Equity Investment Funds		Valuation at par with peer group	0.50	6.35
Private Equity Investment Funds		Valuation at 10% Premium compared to peer group	0.55	7.00

Impact on Fair Value of Level 3 Financial Instruments measured at Fair Value of changes to key assumptions

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Group's Level 3 assets and liabilities.

Relationships between unobservable inputs have not been incorporated in this summary.

(₹ crore)			
Financial Assets Related to Other Business	Fair Value		
	Level 3 Assets 31 Mar 2022	Valuation Technique	Significant Unobservable Inputs
Equity Shares	2.35	Net worth of Investee Company	Instrument Price
Others	382.09	Discounted Projected Cash Flow	Expected Gross Recoveries and Discount Rates

(₹ crore)			
Financial Assets Related to Other Business	Fair Value		
	Level 3 Assets 31 Mar 2021	Valuation Technique	Significant Unobservable Inputs
Equity Shares	2.11	Net worth of Investee Company	Instrument Price
Others	425.57	Discounted Projected Cash Flow	Expected Gross Recoveries and Discount Rates

Sensitivity of Fair Value Measurements to changes in unobservable market data

(₹ crore)				
Particulars	As at 31 Mar 22		As at 31 Mar 21	
	Favourable Changes (+5%)	Unfavourable Changes (-5%)	Favourable Changes (+5%)	Unfavourable Changes (-5%)
Equity Shares	0.12	(0.12)	0.11	(0.11)
Others	19.10	(19.10)	21.28	(21.28)

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

Reconciliation of Level 3 Fair Value Instruments for the year ended 31st March 2022

(₹ crore)		
Particulars	Year Ended 2021-22	Year Ended 2020-21
Balance at the beginning of the year	1,363.62	1,514.47
Gains or Losses		
in Profit or Loss	44.47	41.11
in OCI	0.27	0.35
Purchases	164.05	89.10
Sales	(251.95)	(407.07)
Movement of Other Current Assets	(286.09)	(2.66)
Movement of Re-Insurance Assets	442.24	128.32
Balance at the year end	1,476.61	1,363.62

NOTE: 55 RISK RELATED TO INSURANCE BUSINESS

Insurance and Financial Risk

The principal risk the Group faces under insurance contracts is that the actual claims and benefits payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

1. Life Insurance Contracts and Investment Contracts with and without Discretionary Participation Feature (DPF)

Ind AS 104 requires products offered by the Insurance Group to classify them in Insurance Contract and Investment Contract. Each contract needs to be classified in insurance contract and investment contract based on the risk they carry.

A contract would be an insurance contract and investment contract with DPF, if the benefits payable on death is higher by:

- at least 5% of the fund value at any time during the life on the contract for unit-linked products, or
- at 5% of the premium at any time during the life of the contract for other than unit-linked products.

All other contracts are categorised as Investment Contracts.

For contracts with DPF, the participating nature of these contracts result in a significant portion of the insurance risk being shared with the insured party. For contracts without DPF, the Group charges for death and disability risks on a quarterly basis. Under these contracts, the Group has the right to alter these charges to take account of death and disability experience, thereby mitigating the risks to the Group.

The main risks that the Group is exposed to are as follows:

- Persistency Risk** – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected.
- Mortality Risk** – risk of loss arising due to policyholder death experience being different than expected.
- Morbidity Risk** – risk of loss arising due to policyholder health experience being different than expected.
- Longevity Risk** – risk of loss arising due to the annuitant living longer than expected.
- Investment Return Risk** – risk of loss arising from actual returns being different than expected.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

- vi) **Expense Risk** – risk of loss arising from expense experience being different than expected.
- vii) **Product and Pricing Risk** – risk of loss due to incorrect pricing or not adhering to the product regulations or higher payouts due to ambiguity in terms and conditions.
- viii) **Reinsurance Risk** – The Group enters into reinsurance agreements in order to mitigate insurance risk. However, this leads to default risk from the reinsurer at the time of claim payment or also concentration risk, if all the risk is insured to one reinsurer.
- ix) **Concentration Risk** – The Group faces concentration risk by selling business to specific geography or by writing only single line business, etc.

Control Measures

The actuarial department has set up systems to continuously monitor the Group's experience with regard to parameters like policy lapses, premium persistency, maintenance expenses and investment returns. The underwriting team, with actuarial guidance, has set in place processes and procedures to review proposal. Many products offered by the Group also have an investment guarantee. The Group has set aside additional reserves to cover this risk.

Further, the possible financial effect of adverse mortality and morbidity experience has been reduced by entering into reinsurance agreements with multiple reinsurers. The Group has entered into a separate agreement with reinsurers to cover the catastrophic risks under Individual and the Group business.

A further element of managing risk is to limit the exposure to individual segments of the population. In essence, being over-represented in any population segment will increase the variance of the Group's experience, and so, there are advantages to diversifying across all relevant population segments, at least until data is available to confirm which segments can be expected to have relatively favourable experience. At the present stage in the Group's development, the focus is on building new distribution, and so, geographical diversification is actively taking place. In future, the actuarial team will need to be alert to assess potential risk aggregations.

The Group has a Board approved Risk Management Policy covering underwriting, claims and reserving for policy liabilities. The Group has a detailed claims processing manual in place. Complicated and large claims are referred to the Group's Claims Review Committee.

Life Insurance Contracts Liabilities: Change in Liabilities

(₹ crore)

Particulars	As at 31 Mar 22				As at 31 Mar 21			
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
Gross Liabilities at the beginning of the year	4,820.53	20,198.66	11,852.69	36,871.88	3,528.79	16,478.86	9,142.91	29,150.56
Add/(Less)								
Premium	1,506.70	2,664.95	5,090.14	9,261.79	1,406.11	2,285.76	3,667.29	7,359.16
Unwinding of the Discount/Interest Credited	462.82	2,666.28	1,259.69	4,388.79	317.72	5,145.50	908.93	6,372.15
Insurance Liabilities Released	(253.03)	(3,787.38)	(2,008.47)	(6,048.88)	(211.87)	(3,273.45)	(1,235.96)	(4,721.28)
Others (Expense over-run, Contribution from S/H and Profit/Loss)	(263.97)	(486.83)	(468.52)	(1,219.32)	(220.22)	(438.01)	(630.48)	(1,288.71)
Gross Liabilities at the end of the year	6,273.04	21,255.67	15,725.52	43,254.25	4,820.53	20,198.66	11,852.69	36,871.88
Recoverable from Reinsurance	8.71	29.48	1,218.60	1,256.79	8.73	40.36	765.46	814.55
Net Liabilities	6,264.34	21,226.19	14,506.92	41,997.47	4,811.80	20,158.30	11,087.23	36,057.33



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

Investment Contracts Liabilities

Particulars	As at 31 Mar 22				As at 31 Mar 21			
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
At the beginning of the year	5,939.39	8,150.47	293.16	14,383.02	4,504.54	6,744.92	222.38	11,471.84
Additions								
Premium	1,517.67	1,195.79	164.98	2,878.44	1,408.57	909.50	97.99	2,416.06
Interest and Bonus Credited to Policyholders	239.98	697.03	28.63	965.65	239.59	1,172.09	22.09	1,433.77
Deductions								
Withdrawals/Claims	1,189.17	848.70	34.15	2,072.03	334.92	661.70	26.11	1,022.73
Fee Income and Other Expenses	4.08	11.97	1.29	17.34	6.34	15.07	1.18	22.59
Other Profit and Loss	(211.25)	(57.60)	22.16	(246.69)	(127.95)	1.74	22.01	(104.20)
Others (includes DAC, DOF and Profit/Loss)	-	(1.95)	-	(1.95)	-	(2.47)	-	(2.47)
At the end of the year	6,715.04	9,242.17	429.17	16,386.38	5,939.39	8,150.47	293.16	14,383.02

Reinsurance Assets

Particulars	31 Mar 22	31 Mar 21
At the beginning of the year	814.55	686.23
Add/(Less)		
Premium	498.78	292.94
Unwinding of the Discount/Interest Credited	53.22	45.78
Insurance Liabilities Released	(690.46)	(321.31)
Others (Experience Variations)	580.69	110.91
At the end of the year	1,256.79	814.55

Deferred Acquisition Costs

Particulars	Amount
As at 1st April 2020	5.57
Amortisation	(1.67)
As at 31st March 2021	3.90
Amortisation	(1.32)
As at 31st March 2022	2.58

Insurance Contracts Liabilities: Change in Liabilities of Health Insurance Business

Particulars	31 Mar 22	31 Mar 21
Gross Liabilities at the beginning of the year	610.71	390.62
Add/(Less)		
Incurred But Not Reported Provision	(5.14)	68.04
Reserve for Unexpired Risk	194.12	213.71
Freelook Reserve	(0.03)	0.54
Recoverable from Re-insurance	(35.32)	(62.20)
Net Liabilities	764.34	610.71

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

Key Assumptions

The assumptions play vital role in calculating Insurance Liabilities for the Group. Material judgement is required in determining the liabilities and in the choice of assumptions. Best estimate assumptions in use are based on historical and current experience, internal data, some judgement and as per guidance notes/actuarial practice standards. However, for the purpose of valuation, an additional level of prudence has been kept on all the best estimate assumptions known as MfAD (Margin for Adverse Deviation). The Group keeps adequate MfAD, as prescribed in APS 7, issued by the Institute of Actuaries of India (IAI), in all assumptions over the best estimate value.

Best Estimate Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

Assumptions can vary by type of product, duration, gender, etc., if the experience of any category is significantly different, and data is credible for the respective category.

The key assumptions, to which the estimation of liabilities is particularly sensitive, are as follows:

i) Mortality and Morbidity Rates

Assumptions are based on historical experience and for new products based on industry, reinsurers data. An appropriate, but not excessive, allowance may be made for expected future improvements. Assumptions may vary by type of product, distribution channel, gender, etc.

An increase in mortality/morbidity rates will usually lead to a larger number/amount of claims (and claims could occur sooner than anticipated), which will increase the liability and reduce profits for the shareholders.

ii) Longevity

Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Group's own risk experience. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are normally differentiated by gender, underwriting class and contract type. An increase in longevity rates will lead to an increase in the number of annuity payments to be made, which will increase the liability and reduce profits for the shareholders.

iii) Investment Returns and Discount Rates

The weighted-average rate of return is derived based on a model portfolio that is assumed to back liabilities, consistent with the long-term asset allocation strategy. These estimates are based on current market returns as well as expectations about future economic and financial developments.

An increase in investment return would lead to an increase in profits for the shareholders.

Life Insurance Liabilities are determined as the sum of the discounted value of the expected benefits and future administration expenses directly related to the contract, less the discounted value of the expected theoretical premiums that would be required to meet these future cash outflows. Discount rates are based on investment strategy of the Group, current industry risk rates, adjusted for the Group's own risk exposure.

A decrease in the discount rate will increase the value of the insurance liability and, therefore, reduce profits for the shareholders.

iv) Expenses and Inflation

Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation, if appropriate.

An increase in the level of expenses would result in an increase in expenditure, thereby reducing profits for the shareholders.

v) Lapse, Surrender and Partial Withdrawal Rates

Lapses relate to the termination of policies due to non-payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Group's experience, and usually vary by product type, policy duration and sales trends.

An increase in lapse rates early in the life of the policy would tend to reduce profits for shareholders, but later increases are broadly neutral in effect.



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

The best estimate assumptions, that have the greatest effect on the statement of financial position and the Statement of Profit and Loss of the Group, are listed below.

(₹ crore)

Portfolio Assumptions by the Type of Business Impacting Net Liabilities	Mortality Rates		Investment Returns		Lapse and Surrender Rates	
	31 Mar 22	31 Mar 21	31 Mar 22	31 Mar 21	31 Mar 22	31 Mar 21
Insurance						
With DPF	75% - 223% of IALM 2012 - 14	87.5% - 223% of IALM 2012 - 14	7.15% p.a.	6.95% p.a.	PY1: 10% - 25% PY2: 2% - 10% PY3+: 1% - 2% (varying by product)	PY1: 10% - 25% PY2: 7.5% - 10% PY3+: 2% (varying by product)
Linked Business	55% of IALM 2012 - 14	61% of IALM 2012 - 14	a) 9.0% p.a. for assets backing linked liabilities b) 6.9% p.a. for asset backing non-unit liabilities	a) 9.0% p.a. for assets backing linked liabilities b) 6.5% p.a. for asset backing non-unit liabilities	PY1: 10% - 35% PY2: 5% - 35% PY3+: 3% - 20% (varying by product and duration)	PY1: 10% - 35% PY2: 5% - 25% PY3+: 3% - 15% (varying by product and duration)
Others	20% - 292.5% of IALM 2012 - 14	20% - 429% of IALM 2012 - 14	6.70% - 7.55% p.a.	6.08% - 7.7% p.a.	PY1: 0% - 40% PY2: 0% - 15% PY3+: 1% - 12% (varying by product and duration)	PY1: 0% - 40% PY2: 0% - 25% PY3+: 1% - 25% (varying by product and duration)

(₹ crore)

Portfolio Assumptions by the Type of Business Impacting Net Liabilities	Partial Withdrawal		Renewal Per Policy Expense Assumptions		Inflation	
	31 Mar 22	31 Mar 21	31 Mar 22	31 Mar 21	31 Mar 22	31 Mar 21
Insurance						
With DPF	N/A	N/A	Max 745 Per Policy	422-645 Per Policy	0.05	0.05
Linked Business	0% - 3% p.a.	0% - 3% p.a.	745 Per Policy	645 Per Policy	0.05	0.05
Others	N/A	N/A	Max 745 Per Policy (varies by product)	Max 645 Per Policy (varies by product)	0.05	0.05

Note: Commission scales have been allowed in accordance with the product filing with IRDA.

Sensitivity Analysis

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross liabilities. The correlation of assumptions will have a significant effect in determining the ultimate liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that the movements in these assumptions are non-linear. The method used for deriving sensitivity information and significant assumptions made did not change from the previous period. The sensitivities are same as shared with Regulators during annual reporting.

(₹ crore)

Sensitivity Parameters	Current Year				Previous Year			
	Insurance with DPF	Insurance without DPF	Investment with DPF	Investment without DPF	Insurance with DPF	Insurance without DPF	Investment with DPF	Investment without DPF
Lapses Increased by 10%	6,227.30	36,711.55	6,715.06	9,600.79	4,775.24	31,750.83	5,939.41	8,425.78
Lapses Decreased by 10%	6,320.65	37,261.89	6,715.06	9,744.72	4,867.61	32,365.57	5,939.41	8,462.78
Mortality Increased by 10%	6,306.67	37,179.46	6,715.06	9,723.16	4,845.29	32,238.56	5,939.41	8,451.30
Mortality Decreased by 10%	6,240.18	36,787.49	6,715.06	9,620.65	4,795.78	31,869.35	5,939.41	8,435.37
Expenses Increased by 10%	6,311.48	37,207.82	6,715.06	9,730.58	4,869.06	32,302.88	5,939.41	8,472.72
Expenses Decreased by 10%	6,235.14	36,757.81	6,715.06	9,612.89	4,772.34	31,803.94	5,939.41	8,420.08
Interest Rate Increased by 100 bps	6,273.04	36,781.51	6,715.06	9,961.46	4,820.52	31,928.07	5,939.41	8,621.84
Interest Rate Decreased by 100 bps	6,273.04	37,177.20	6,715.06	9,400.52	4,820.52	32,273.25	5,939.41	8,317.58
Inflation Rate Increased by 100 bps	6,319.85	37,257.15	6,715.06	9,743.48	4,892.88	32,255.39	5,939.41	8,467.98
Inflation Rate Decreased by 100 bps	6,234.15	36,751.93	6,715.06	9,611.35	4,765.17	31,731.88	5,939.41	8,426.97

Notes forming part of the Consolidated Financial Statements

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Financial Risks

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to other party by failing to discharge an obligation. The Group is subject to credit risk in connection with issuers of securities held in our investment portfolio and reinsurers. Losses may occur when a counterparty fails to make timely payments, pursuant to the terms of the underlying contractual arrangement or when the counterparty's credit rating or risk profile otherwise deteriorates. Credit risk can occur at multiple levels, as a result of broad economic conditions, challenges within specific sectors of the economy, or from issues affecting individual companies. Events that result in defaults, impairments or downgrades of the securities in our investment portfolio would cause the Group to record realised or unrealised losses and increase our provisions for asset default, adversely impacting earnings.

Governance structure, in form of the Investment Committee, and well defined investment policies and processes are in place to ensure that the risks involved in investments are identified and acceptable levels are defined. Stringent investment norms and approval structure ensures healthy portfolio while delivering the expected performance. All Regulatory and Internal Norms are built in the investment system, which monitors the investment limits and exposure norms on real-time basis.

The policyholders' funds are invested in accordance with regulatory norms, investment policy, fund objective of unit-linked funds and risk profile of the respective fund in fixed income segment. Majority of the investments are made in the government securities having sovereign rating and debt securities issued by reputed corporate having appropriate rating as per Investment Committee.

Derivative financial instrument: The settlement risk, the Group is exposed to, is mitigated by an adequate amount of margin money.

Industry Analysis

As on 31st March 2022

(₹ crore)

Particulars	Infrastructure	Financial and Insurance	Government	IT Services	Manufacturing	Others	Total
1 Financial Assets at FVTOCI							
Policyholders							
Debt	318.04	3,068.83	-	32.34	244.59	161.79	3,825.59
Government Securities	-	-	4,295.73	19.85	-	27.74	4,343.32
Others	-	29.32	387.53	-	-	-	416.85
Shareholders							
Debt	293.06	1,175.25	-	16.75	261.99	92.58	1,839.63
Equity	-	92.82	-	-	-	-	92.82
Government Securities	-	-	1,266.54	-	-	27.72	1,294.26
Others	-	-	78.86	-	-	-	78.86
2 Financial Assets at FVTPL							
Policyholders							
Debt	1,178.97	5,288.84	-	166.93	1,028.99	126.18	7,789.91
Equity	1,599.31	3,929.01	-	2,384.42	6,641.44	400.90	14,955.08
Government Securities	-	10.55	7,001.57	-	-	-	7,012.11
Mutual Fund Units	-	598.40	-	-	-	78.30	676.70
Others	-	502.52	1,358.06	-	36.41	(165.49)	1,731.50
Shareholders							
Debt	-	25.41	-	-	-	0.45	25.86
Equity	-	9.93	-	-	-	-	9.93
Mutual Fund Units	-	28.50	-	-	-	20.01	48.51



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

(₹ crore)

Particulars	Infrastructure	Financial and Insurance	Government	IT Services	Manufacturing	Others	Total
3 Financial Assets at Amortised Cost							
Policyholders							
Debt	1,540.20	4,149.24	-	42.32	194.37	20.28	5,946.41
Government Securities	-	-	12,104.03	30.05	-	-	12,134.08
Others	-	-	977.23	-	-	-	977.23
Shareholders							
Others	-	-	-	-	-	2.57	2.57
Total Credit Risk Exposure	4,929.58	18,908.62	27,469.55	2,692.66	8,407.79	793.03	63,201.23

As on 31st March 2021

(₹ crore)

Particulars	Infrastructure	Financial and Insurance	Government	IT Services	Manufacturing	Others	Total
1 Financial Assets at FVTOCI							
Policyholders							
Debt	299.15	2,815.95	-	33.15	214.74	143.98	3,506.97
Government Securities	-	-	3,434.36	20.12	-	49.31	3,503.79
Others	-	74.21	323.95	-	-	-	398.16
Shareholders							
Debt	224.04	907.78	-	17.03	178.78	92.24	1,419.87
Equity	-	106.04	-	-	-	-	106.04
Government Securities	-	-	1,033.32	-	-	28.13	1,061.45
Others	-	14.80	170.49	-	-	-	185.29
2 Financial Assets at FVTPL							
Policyholders							
Debt	1,278.18	4,799.87	-	224.45	1,119.28	168.83	7,590.61
Equity	1,107.22	3,395.65	-	1,726.84	5,249.98	326.20	11,805.89
Government Securities	-	10.73	7,193.58	-	-	17.80	7,222.11
Mutual Fund Units	-	499.37	-	-	-	100.09	599.46
Others	39.92	417.37	1,364.19	-	-	120.60	1,942.08
Shareholders							
Debt	-	25.97	-	-	-	-	25.97
Equity	-	103.61	-	-	-	-	103.61
Mutual Fund Units	-	1.19	-	-	-	-	1.19
3 Financial Assets at Amortised Cost							
Policyholders							
Debt	1,474.93	3,896.94	-	42.33	207.48	20.28	5,641.96
Government Securities	-	-	8,942.84	30.05	-	-	8,972.89
Others	-	9.69	750.15	-	-	-	759.84
Total Credit Risk Exposure	4,423.44	17,079.17	23,212.88	2,093.97	6,970.26	1,067.46	54,847.18

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

Credit Exposure by Credit Rating

As on 31st March 2022

(₹ crore)

Particulars	UNR	Sovereign	AAA	AA+	AA-	AA	Others	Total
1 Financial Assets at FVTOCI								
Policyholders								
Debt	-	-	3,494.73	68.00	-	254.64	8.22	3,825.59
Government Securities	-	4,295.77	47.55	-	-	-	-	4,343.32
Others	5.31	387.53	24.01	-	-	-	-	416.85
Shareholders								
Debt	-	-	1,288.45	61.99	72.83	390.00	26.36	1,839.63
Equity	92.82	-	-	-	-	-	-	92.82
Government Securities	-	1,266.54	27.72	-	-	-	-	1,294.26
Others	-	78.87	-	-	-	-	-	78.87
2 Financial Assets at FVTPL								
Policyholders								
Debt	-	-	6,734.46	564.46	57.72	429.40	3.87	7,789.91
Equity	14,606.70	-	314.23	16.73	-	17.42	-	14,955.08
Government Securities	-	7,001.56	10.55	-	-	-	-	7,012.11
Mutual Fund Units	598.40	-	-	-	-	-	78.30	676.70
Others	41.00	1,358.06	497.93	-	-	-	(165.49)	1,731.50
Shareholders								
Debt	-	-	25.41	-	-	-	0.45	25.86
Equity	-	-	-	5.57	-	4.36	-	9.93
Mutual Fund Units	-	-	-	-	-	-	48.51	48.51
3 Financial Assets at Amortised Cost								
Policyholders								
Debt	-	-	5,512.21	210.11	20.80	179.45	23.84	5,946.41
Government Securities	-	12,104.03	30.05	-	-	-	-	12,134.08
Others	-	977.23	-	-	-	-	-	977.23
Shareholders								
Others	-	-	-	-	-	-	2.57	2.57
Total Credit Risk Exposure	15,344.23	27,469.59	18,007.30	926.87	151.35	1,275.27	26.63	63,201.23

As on 31st March 2021

(₹ crore)

Particulars	UNR	Sovereign	AAA	AA+	AA-	AA	Others	Total
1 Financial Assets at FVTOCI								
Policyholders								
Debt	-	-	3,229.16	21.40	-	242.22	14.19	3,506.97
Government Securities	-	3,434.36	69.43	-	-	-	-	3,503.79
Others	6.29	323.95	67.92	-	-	-	-	398.16
Shareholders								
Debt	-	-	970.17	29.51	101.60	267.23	51.36	1,419.87
Equity	106.04	-	-	-	-	-	-	106.04
Government Securities	-	1,033.32	28.13	-	-	-	-	1,061.45
Others	-	170.49	14.80	-	-	-	-	185.29



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

								(₹ crore)
Particulars	UNR	Sovereign	AAA	AA+	AA-	AA	Others	Total
2 Financial Assets at FVTPL								
Policyholders								
Debt	-	-	6,515.00	164.64	122.73	768.45	19.79	7,590.61
Equity	11,520.70	-	134.12	69.79	-	81.28	-	11,805.89
Government Securities	-	7,193.58	28.53	-	-	-	-	7,222.11
Mutual Fund Units	499.37	-	-	-	-	-	100.09	599.46
Others	20.19	1,364.18	437.11	-	-	-	120.60	1,942.08
Shareholders								
Debt	-	-	25.97	-	-	-	-	25.97
Equity	-	-	-	53.51	-	50.10	-	103.61
Mutual Fund Units	-	-	-	-	-	-	1.19	1.19
3 Financial Assets at Amortised Cost								
Policyholders								
Debt	-	-	5,220.88	115.16	24.85	221.91	59.16	5,641.96
Government Securities	-	8,942.84	30.05	-	-	-	-	8,972.89
Others	-	750.15	9.69	-	-	-	-	759.84
Total Credit Risk Exposure	12,152.59	23,212.87	16,780.96	454.02	249.18	1,631.20	366.38	54,847.18

It is the Group's policy to maintain accurate and consistent risk ratings across its credit portfolio. This enables the Management to focus on the applicable risks and the comparison of credit exposures across all lines of business, geographic regions and products. The rating system is supported by a variety of financial analytics combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal risk ratings are tailored to various categories, and are derived in accordance with the Group's rating policy. The attributable risk ratings are assessed and updated regularly.

The Group manages its product mix to ensure that there is no significant concentration of credit risk.

Expected Credit Loss

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

- Financial assets that are measured at amortised cost, and
- Financial assets (debt) that are measured as at FVTOCI.

ECL has been calculated on Non-ULIP portfolio as ULIP portfolio is marked-to-market. For recognition of impairment loss on financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk, since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. Loss Given Default (LGD) of 75% has been assumed across all securities (maximum as per RBI directives). The credit rating provided by the external rating agencies has been considered while assigning PD for each individual company. The PD for each rating category is as under:

Credit Rating	Default Rate (%)
Gsec	0
State	0
AAA	0.03
AAA (so)	0.03
AA	0.5
AA (so)	0.5
AA+	0.5
A+	0.74
AA-	0.74

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

ECL allowance (or reversal) recognised during the period is recognised as an expense/income in the Statement of Profit and Loss. The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit-impaired on purchase/origination.

ECL allowance computed, basis above, during the period under consideration is as follows:

	(₹ crore)
Movement of Allowances	Financial Assets
As at 1st April 2020	14.33
Provided during the Year	0.35
Amounts Written Off	(5.75)
As at 31st March 2021	8.93
Provided during the Year	1.41
Amounts Written Off	(0.19)
As at 31st March 2022	10.15

Liquidity Risk

Liquidity risk is the possibility that the Group will not be able to fund all cash outflow commitments as they fall due. The Group's primary funding obligations arise in connection with the payment of policyholder benefits. Sources of available cash flow include general fund premiums and investment related inflows (such as maturities, principal repayments, investment income and proceeds of asset sales).

An asset-liability mismatch occurs when the financial terms of the Group's assets and liabilities do not correspond. These can lead to non-payment/deferment of claims, expenses, etc. Through effective cash management and capital planning, the Group ensures that, it is properly funded and maintain adequate liquidity to meet obligations. Based on the Group's historical cash flows and liquidity management processes, we believe that the cash flows from our operating activities will continue to provide sufficient liquidity for us to satisfy debt service obligations and to pay other expenses as they fall due. A governance structure, in the form of ALM Committee and well defined Asset Liability Management framework, requires periodic monitoring of the Asset-Liability position of the Group. Insurance Business's Asset Liability Management Techniques aim to manage the volume, mix, maturity, rate sensitivity, quality and liquidity of assets and liabilities, as a whole, so as to attain a pre-determined acceptable risk/reward ratio. Further, the NAV guarantee products use proprietary monitoring mechanisms to ensure adequate ALM.

Maturity Profiles

For insurance contracts liabilities and reinsurance assets, maturity profiles are determined based on estimated timing of net cash outflows from the recognised insurance liabilities. Unearned premiums have been excluded from the analysis as they are not contractual obligations. Unit-linked liabilities are repayable or transferable on demand, and are included in the up-to-a-year column. Repayments, which are subject to notice, are treated as if notice were to be given immediately.

The Group maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseeable interruption of cash flow.

The Group manages its product mix to ensure that there is no significant concentration of credit risk.

The table below summarises the expected settlement of Other Financial Liabilities and Trade Payables.

Maturity Analysis on Expected Maturity Basis

As on 31st March 2022

	(₹ crore)						
Particulars	Less than 3 Months	3 to 12 Months	1 to 2 Years	2 to 3 Years	3 to 5 Years	> 5 Years	Total
Financial Liabilities							
Other Financial Liabilities	1,492.11	-	-	-	-	0.61	1,492.72
Trade and Other Payables	491.39	-	-	-	-	-	491.39

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

As on 31st March 2021

							(₹ crore)
Particulars	Less than 3 Months	3 to 12 Months	1 to 2 Years	2 to 3 Years	3 to 5 Years	> 5 Years	Total
Financial Liabilities							
Other Financial Liabilities	1,330.24	-	-	-	-	-	1,330.24
Trade and Other Payables	430.40	-	-	-	-	-	430.40

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to financial and capital market risks – the risk that the fair value or future cash flows of an insurance contract or financial instrument will fluctuate because of changes or volatility in market prices. Market risk includes equity market and interest rate risks.

Market risk governance practices are in place, including independent monitoring, review and reporting to Senior Management and the Risk Management Committee. The Group has investment policy in place, which deals with guidelines for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities.

The Group issues unit-linked investment policies in a number of its operations. In the unit-linked business, the policyholder bears the investment risk on the assets held in the unit-linked funds as the policy benefits are directly linked to the value of the assets in the fund. The Group's exposure to market risk on this business is limited to the extent that income arising from asset management charges is based on the value of assets in the fund.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments exposes the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity. The correlation of variables will have significant effect in determining the ultimate impact of interest rate risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non-linear. The method used for deriving sensitivity information and significant variables have not changed from the previous period.

						(₹ crore)
Market Indices	Change in Interest Rate	As at 31 Mar 22		As at 31 Mar 21		
		Impact on Profit Before Tax*	Impact on Equity	Impact on Profit Before Tax	Impact on Equity	
Interest Rate	25 Basis Point Down	-	135.76	26.51	20.21	
	50 Basis Point Down	-	271.52	53.03	40.43	
	25 Basis Point Up	-	(135.76)	(26.51)	(20.21)	
	50 Basis Point Up	-	(271.52)	(53.03)	(40.43)	

* Impact only on Interest Rate on FVTOCI instrument and, hence, no impact on Profit Before Tax considered.

Equity Price Risk

Equity market risk is the potential for financial loss arising from declines or volatility in equity market prices. The Group is exposed to equity risk from a number of sources. A portion of our exposure to equity market risk arises in connection with benefit guarantees on contracts. The cost of providing for these guarantees is uncertain, and will depend upon a number of factors, including general capital market conditions, underlying fund performance, policyholder behaviour, and mortality experience, which may result in negative impacts on our net income and capital.

The Group has no significant concentration of equity price risk.

The analysis below is performed for reasonably possible movements in market indices, i.e., BSE 100 with all other variables held constant, showing the impact on profit before tax (due to changes in fair value of financial assets and liabilities, whose fair values are recorded in the Statement of Profit and Loss) and equity (that reflects changes in fair value of FVTPL financial assets).

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

The correlation of variables will have a significant effect in determining the ultimate impact on price risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis.

Market Indices	Change in Variables	(₹ crore)			
		As at 31 Mar 22		As at 31 Mar 21	
		Impact on Profit Before Tax	Impact on Equity	Impact on Profit Before Tax	Impact on Equity
BSE 100	10% Rise	193.54	202.82	0.13	3.02
	10% Fall	(193.54)	(202.82)	(0.13)	(3.02)

Operational Risks

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

Operational risks are governed through Operational Risk Management policy. The Group maintains an operational loss database to track and mitigate risks resulting in financial losses. The Group has also initiated a Risk Control and Self Assessment process to embed the control testing as a part of day-to-day operations. To control operational risk, operating and reporting processes are reviewed and updated regularly. Ongoing training through internal and external programmes is designed to equip staff at all levels to meet the demands of their respective positions.

The Group has a robust Business Continuity Plan and Information Technology Disaster Recovery Plan in place to manage any business/technology interruption risk. Business Continuity Management System is certified against the global standard ISO 22301. It also has Business Continuity Policy to have a planned response in the event of any contingency ensuring recovery of critical activities at agreed levels within agreed timeframe, thereby complying with various regulatory requirements and minimising the potential business impact to the Group.

Information Security Risk is the risk arising from IT systems (data leakage, application vulnerabilities, lack of segregation of duties and access control), human error, etc., which can cause damage to finances or reputation. Information Security Risks are governed through Information Security Management System aligned and certified against ISO 27001:2013, which is a global benchmark. The Group has a comprehensive Information Security Policy designed to comply with ISO 27001:2013, privacy and/or data protection legislations as specified in Indian Information Technology Act, 2008, and Notification dated 11th April 2011, on protection of sensitive personal information, and it provides direction to Information Security Staff, Management and Employees regarding their roles and responsibilities towards Information Security.

Fraud management is handled through an internal committee, and is governed by the Fraud Reporting and Investigation Policy.

Nature and Term of Outstanding Derivative Contracts

a) Forward Rate Agreements

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
i) Total notional principal amount of forward rate agreement undertaken during the year (Instrument-wise)		
7.40% GOI 2035 (MD 09/09/2035)	-	73.81
7.62% GOI 2039 (MD 15/09/2039)	-	327.02
7.73% GOI 2034 (MD 19/12/2034)	67.10	170.24
7.95% GOI 2032 (28/08/2032)	-	390.25
8.13% GOI 2045 (MD 22/06/2045)	107.26	49.35
8.24% GOI 2033 (MD 10/11/2033)	-	82.15
8.28% GOI (MD 15/02/2032)	-	50.21



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
8.30% GOI 2040 (MD 02/07/2040)	50.68	26.97
8.30% GOI 2042 (MD 31/12/2042)	99.31	78.73
8.32% GOI (MD 02/08/2032)	-	135.85
8.33% GOI 2036 (07/06/2036)	269.73	199.61
8.83% GOI 2041 (MD 12/12/2041)	171.17	24.47
9.20% GOI 2030 (MD 30/09/2030)	-	30.00
9.23% GOI 2043 (MD 23/12/2043)	71.87	34.08
8.17% GOI 2044 (MD 01/12/2044)	79.79	30.05
7.06% GOI 2046 (MD 10/10/2046)	76.43	37.22
7.72% GOI 2055 (MD 26/10/2055)	164.51	-
7.63% GOI 2059 (MD 17/06/2059)	68.09	-
6.67% GOI 2050 (MD 17/12/2050)	187.26	-
6.64% GOI 2035 (MD 16/06/2035)	291.70	-
6.76% GOI 2061 (MD 22/02/2061)	78.07	-
7.50% GOI 2034 (10/08/2034)	47.49	-
6.99% GOI 2051 (MD 15/12/2051)	55.94	-
6.67% GOI 2035 (MD 15/12/2035)	38.22	-
ii) Total notional principal amount of forward rate agreement outstanding as on end of the year (Instrument-wise)		
7.40% GOI 2035 (MD 09/09/2035)	91.24	162.07
7.62% GOI 2039 (MD 15/09/2039)	403.08	437.44
7.73% GOI 2034 (MD 19/12/2034)	251.92	244.18
7.95% GOI 2032 (28/08/2032)	263.37	321.23
8.13% GOI 2045 (MD 22/06/2045)	156.61	49.35
8.24% GOI 2033 (MD 10/11/2033)	127.42	170.69
8.28% GOI (MD 15/02/2032)	50.21	50.21
8.30% GOI 2040 (MD 02/07/2040)	77.65	26.97
8.30% GOI 2042 (MD 31/12/2042)	267.71	195.43
8.32% GOI (MD 02/08/2032)	135.85	141.55
8.83% GOI 2041 (MD 12/12/2041)	230.36	73.39
8.97% GOI 2030 (MD 05/12/2030)	26.64	75.44
9.20% GOI 2030 (MD 30/09/2030)	327.74	450.81
9.23% GOI 2043 (MD 23/12/2043)	95.73	28.28
8.17% GOI 2044 (MD 01/12/2044)	109.84	30.05
7.06% GOI 2046 (MD 10/10/2046)	113.65	37.22
7.63% GOI 2059 (MD 17/06/2059)	68.09	-
7.72% GOI 2055 (MD 26/10/2055)	164.51	-
6.67% GOI 2050 (MD 17/12/2050)	187.27	-
6.76% GOI 2061 (MD 22/02/2061)	78.07	-
6.64% GOI 2035 (MD 16/06/2035)	291.70	-
6.99% GOI 2051 (MD 15/12/2051)	55.94	-
7.50% GOI 2034 (10/08/2034)	47.49	-
6.67% GOI 2035 (MD 15/12/2035)	38.22	-
iii) Notional principal amount of forward rate agreement outstanding and not 'highly effective' as at Balance Sheet Date	-	-
iv) Mark-to-market value of forward rate agreement outstanding and not 'highly effective' as at Balance Sheet Date	-	-
v) Loss which would be incurred if counterparty failed to fulfil their obligation under agreements	-	-

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

- b) The fair value mark-to-market (MTM) gains or losses in respect of Forward Rate Agreement outstanding as at the Balance Sheet Date is stated below:

Hedging Instrument	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
7.40% GOI 2035 (MD 09/09/2035)	0.96	4.40
7.62% GOI 2039 (MD 15/09/2039)	(14.70)	(6.80)
7.73% GOI 2034 (MD 19/12/2034)	(2.27)	3.35
7.95% GOI 2032 (28/08/2032)	1.01	2.04
8.13% GOI 2045 (MD 22/06/2045)	(3.84)	(0.78)
8.24% GOI 2033 (MD 10/11/2033)	2.49	4.08
8.28% GOI (MD 15/02/2032)	2.67	2.25
8.30% GOI 2040 (MD 02/07/2040)	(1.43)	0.04
8.30% GOI 2042 (MD 31/12/2042)	(6.17)	(0.16)
8.32% GOI (MD 02/08/2032)	3.91	3.69
8.33% GOI 2036 (07/06/2036)	(7.61)	(0.70)
8.83% GOI 2041 (MD 12/12/2041)	(1.71)	1.31
8.97% GOI 2030 (MD 05/12/2030)	0.66	2.74
9.20% GOI 2030 (MD 30/09/2030)	4.70	7.78
9.23% GOI 2043 (MD 23/12/2043)	0.49	1.65
8.17% GOI 2044 (MD 01/12/2044)	(3.43)	(0.68)
7.06% GOI 2046 (MD 10/10/2046)	(1.84)	(0.43)
7.63% GOI 2059 (MD 17/06/2059)	(3.27)	-
7.72% GOI 2055 (MD 26/10/2055)	(4.00)	-
6.67% GOI 2050 (MD 17/12/2050)	(3.92)	-
6.76% GOI 2061 (MD 22/02/2061)	0.33	-
6.64% GOI 2035 (MD 16/06/2035)	(6.25)	-
6.99% GOI 2051 (MD 15/12/2051)	(0.63)	-
7.50% GOI 2034 (10/08/2034)	(0.22)	-
6.67% GOI 2035 (MD 15/12/2035)	0.09	-

- c) Movement in Hedge Reserve

Hedge Reserve Account	(₹ crore)		
	As at 31 Mar 22		
	Realised	Unrealised	Total
i) Balance at the beginning of the year	(34.67)	(79.27)	(113.94)
ii) Add: Changes in the Fair Value during the year	(28.46)	53.42	24.96
iii) Less: Amounts reclassified to Revenue/Profit and Loss Account	(4.02)	-	(4.02)

Hedge Reserve Account	(₹ crore)		
	As at 31 Mar 21		
	Realised	Unrealised	Total
i) Balance at the beginning of the year	0.32	(44.29)	(43.97)
ii) Add: Changes in the Fair Value during the year	(34.67)	(33.30)	(67.97)
iii) Less: Amounts reclassified to Revenue/Profit and Loss Account	(2.00)	-	(2.00)

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

Particulars	As at 31 Mar 22	As at 31 Mar 21
i) Name of the Counterparty	HSBC Bank/J.P.Morgan/ Citi Bank/Credit Suisse/ HDFC Bank	J.P.Morgan/Citi Bank/ HSBC Bank
ii) Hedge Designation	Cash Flow Hedge	Cash Flow Hedge
iii) Likely impact of one percentage change in interest rate (100*PV01)		
a) Underlying being hedged	Sovereign Bonds	Sovereign Bonds
b) Derivative	Forward Rate Agreement	Forward Rate Agreement

Capital Management Objectives and Policies

The Group has established the following capital management objectives, policies and approach to manage the risks that affect its capital position:

- To maintain the required level of stability of the Group thereby providing a degree of security to policyholders
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and shareholders
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- To align the profile of assets and liabilities taking account of risks inherent in the business
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders
- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value

The Group has met all of these requirements throughout the financial year. In reporting financial strength, capital and solvency are measured using the rules prescribed by the Insurance Regulatory and Development Authority of India (IRDAI). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. The Group's capital management policy for its insurance business is to hold sufficient capital to cover the statutory requirements based on the IRDAI directives.

Regulatory Framework

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

NOTE: 56 RISK RELATED TO NBFC & HFC BUSINESS

Credit Risk

Credit risk is the risk that the NBFC & HFC will incur a loss, because its customers or counterparties fail to discharge their contractual obligations. The NBFC & HFC manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

The NBFC & HFC has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process aims to allow the NBFC & HFC to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

Analysis of maximum exposure to credit risk and collateral and other credit enhancements

(₹ crore)

Particulars	As at 31 Mar 22	As at 31 Mar 21
	Amortised Cost	Amortised Cost
i) Secured by Tangible Assets	49,033.36	47,670.43
ii) Covered by Bank/Government Guarantees	3,170.75	1,434.40
iii) Secured by Book Debts, Inventories, Fixed Deposits and Other Working Capital Items	1,058.77	2,510.39
iv) Unsecured	13,547.82	8,992.97
Total	66,810.70	60,608.19

The NBFC & HFC by way of loan sanction letter and other loan securing documents agrees with its customers on collateral security to be provided by the customers in secured loan exposures that are subject to credit risk. Collateral security enables us to recover all or part of the outstanding exposure by liquidating the collateral asset provided, in cases where the borrower is unable or unwilling to fulfil its primary obligations.

Collateral security accepted could be in the form of:

- Financial collateral in the form of pledge of equity shares, units of mutual funds, assignment of life insurance policies
- Current Assets in the form of inventories meant for sale or receivables arising out of the sale of finished goods
- Fixed Assets (in the form of immovable properties – Real Estate, Plant and Machinery, Equipment)
- Third-party obligation (in the form of Irrevocable Unconditional Guarantee issued by the bank, Third party)
- Risk participation from Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)
- Assignment of borrower's rights and interests under agreements with third parties.

In addition, we also stipulate escrow of cash flows and a Debt Service Reserve Account (DSRA) for project loans. Collateral serves to mitigate the inherent risk of credit loss in an exposure, by either improving recoveries in the event of a default or substituting the borrower.

As part of the assessment of a credit transaction the availability, adequacy and suitability of collateral for the transaction is evaluated and decided upon. The processes include verification of the title to the collateral offered and valuation by technical experts where warranted. We accept as collateral only securities of good quality and have in place legally effective and enforceable documentation.

For guarantees taken, the guarantor creditworthiness is assessed during the credit assessment process of the transaction. We have collateral type specific haircuts in place, which are reviewed at intervals as appropriate to the type of collateral.

The NBFC & HFC recognises that collateral can be a credit mitigant (alternative source of repayment), but does not replace or dilute the underwriting standards the Company adopts to underwrite credit exposures.

The Company is required to provide for impairment allowance basis expected credit loss (ECL), which is calculated using empirical portfolio performance and adjusted for forward looking macro-economic factors, as prescribed by Ind AS. The overall provisioning made through this approach, continues to be in excess of the floor provisions as prescribed by RBI for NBFCs.

The assessment of credit risk and estimation of ECL is statistically validated. It considers all relevant information about past events, current conditions and some elements of predicted performance of the portfolio.

In the process of determining the PD, the macro-economic impact is intrinsically built in our current approach. The overall performance through the life cycle of the loan, considers the impact of macro-economic parameters like GDP, Unemployment factor or once in events like de-monetisation, etc. Most of the portfolios have seen one to two complete economic cycles and, hence, the default probabilities experienced by the Company takes into account the upturn, downturn and central (balanced) economic scenario.

In the internally rated portfolio, the Industry Rating Module (sourced from CRISIL under agreement) recognises factors like demand prediction, supply side glut/constraints, impact of imports and exports and the government policies, which are more forward looking and making the through-the-cycle default probabilities to point-in-time default probability.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

Financial Risk Management and its Policies for NBFC & HFC Businesses

Liquidity Risk

Liquidity risk is defined as the risk that the NBFC & HFC will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the NBFC & HFC might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

NBFC & HFC manages its liquidity requirement by analysing the maturity pattern of NBFC & HFC's cash flows of financial assets and financial liabilities. The Asset Liability Management of the NBFC & HFC is periodically reviewed by its Risk Management Committee.

The table below summarises the maturity profile of the undiscounted cash flows of the NBFC & HFC's financial liabilities as at 31st March 2022 and 31st March 2021.

Financial Liabilities

(₹ crore)

As at 31 Mar 22	Within 12 Months	After 12 Months	Total
Trade and Other Payables	255.04	-	255.04
Other Financial Liabilities	593.95	221.12	815.07
Debt Securities	7,184.04	12,194.63	19,378.67
Borrowings other than Debt Securities	14,602.97	24,321.54	38,924.51
Subordinated Liabilities	245.13	3,423.44	3,668.57
Total	22,881.13	40,160.73	63,041.86

Financial Liabilities

(₹ crore)

As at 31 Mar 21	Within 12 Months	After 12 Months	Total
Trade and Other Payables	136.08	-	136.08
Other Financial Liabilities	415.44	-	415.44
Debt Securities	8,482.33	13,340.68	21,823.01
Borrowings other than Debt Securities	10,624.92	23,163.57	33,788.49
Subordinated Liabilities	207.13	3,068.78	3,275.91
Total	19,865.90	39,573.03	59,438.93

Operational and Business Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Group cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. In the case of the Group, market risk primarily comprises of interest rate risk. Financial instruments affected by market risk include loans and borrowings.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity, other post-retirement obligations and provisions.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March 2022 and 31st March 2021.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

The Group has borrowings which are primarily at floating rate of interest and, hence, the Group is not significantly exposed to Interest rate risk.

Interest Rate Sensitivity

Since the NBFC manages its interest rate risk on borrowings by ensuring, at maximum, its long-term borrowings at floating rate of interest and in case of reduction in interest rate, it initiates negotiations with bankers for realigning the interest rate and/or repaying the high interest rate exposures, the interest rate change in market as such does not affect the NBFC's profitability materially.

(₹ crore)					
Market Indices	Change in Interest Rate	31 Mar 22		31 Mar 21	
		Impact on Profit Before Tax	Impact on Equity	Impact on Profit Before Tax	Impact on Equity
Interest Rate	25 Basis Point Down	69.29	51.64	56.14	41.85
	50 Basis Point Down	138.59	103.29	112.27	83.69
	25 Basis Point Up	(69.29)	(51.64)	(56.14)	(41.85)
	50 Basis Point Up	(138.59)	(103.29)	(112.27)	(83.69)

Capital Management Objectives and Policies

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a capital adequacy ratio, which is weighted-assets divided by total capital derived as per the RBI requirements. As per the RBI guidelines, the Group, being a Non-Banking Finance group, has to maintain 15% of capital adequacy ratio of NBFC business and 12% of capital adequacy ratio of HFC business.

The actual Capital Adequacy Ratio is as under:

Particulars	31 Mar 22	31 Mar 21
Capital Adequacy Ratio of NBFC	21.77%	22.70%
Capital Adequacy Ratio of HFC	23.94%	21.73%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings. Breaches in meeting, the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2022 and 31st March 2021.

Risk Related to Other Business

Credit Risk of other Companies

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Group is exposed to credit risk from its operating activities primarily trade receivables and from its financing/investing activities, including deposits with banks, mutual fund investments, and investments in debt securities, foreign exchange transactions. The Group has no significant concentration of credit risk with any counterparty.

The carrying amount of financial assets represents the maximum credit risk exposure.

(₹ crore)							
As at 31 Mar 2022	Neither Past Due Nor Impaired	Past Due but Not Impaired					Total
		< 30 Days	30 to 60 Days	61 to 90 Days	91 to 120 Days	> 120 Days	
Trade Receivables	52.15	214.70	81.37	3.48	12.89	7.30	371.89
Total	52.15	214.70	81.37	3.48	12.89	7.30	371.89



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

As at 31 Mar 2021	Neither Past Due Nor Impaired	Past Due But Not Impaired					(₹ crore)
		< 30 Days	30 to 60 Days	61 to 90 Days	91 to 120 Days	> 120 Days	Total
Trade Receivables	102.09	90.67	14.72	1.69	1.39	7.85	218.41
Total	102.09	90.67	14.72	1.69	1.39	7.85	218.41

Movement of ECL	(₹ crore)	
	31 Mar 22	31 Mar 21
Opening	9.68	8.83
Provided during the year	2.10	1.86
Amounts Written Off	(1.17)	(1.01)
Closing	10.61	9.68

Investments, Derivative Instruments, Cash and Cash Equivalents and Bank Deposits:

Credit risk on cash and cash equivalents, deposits with banks/financial institutions is generally low, as the said deposits have been made with banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Credit risk on derivative instruments is generally low, as the Group enters into the Derivative Contracts with the reputed banks.

Investments of surplus funds are made only with approved Financial Institutions/Counterparties. Investments primarily include investments in units of quoted Mutual Funds, quoted Bonds, Non-Convertible Debentures issued by Government/Semi- Government Agencies/PSU Bonds/High Investment Grade Corporates, etc. These mutual funds and counterparties have low credit risk.

The Group has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt and arbitrage categories, and restricts the exposure in equity markets.

Compliances of these policies and principles are reviewed by internal auditors on periodical basis.

Financial Risk Management and its Policies for Other Businesses

Liquidity Risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of undrawn credit facilities to meet obligations, when due. The Group's finance team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by the Senior Management. The Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity Profile of Financial Liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at 31 Mar 2022	(₹ crore)					Total
	On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	More than 5 Years	
Debt Securities	-	651.34	112.68	92.22	-	856.24
Borrowings other than Debt Securities	6.89	4.63	7.93	12.59	-	32.04
Subordinated Liabilities	-	-	-	-	11.00	11.00
Trade and Other Payables	-	129.26	0.30	0.02	-	129.58
Other Financial Liabilities	361.18	38.67	60.96	44.81	2.44	508.06
Total	368.07	823.90	181.87	149.64	13.44	1,536.92

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

(₹ crore)

As at 31 Mar 2021	On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	More than 5 Years	Total
Debt Securities	-	339.56	48.86	101.20	-	489.62
Borrowings other than Debt Securities	-	6.81	6.61	15.31	-	28.73
Subordinated Liabilities	-	-	-	-	11.00	11.00
Trade and Other Payables	-	117.94	35.52	0.02	-	153.48
Other Financial Liabilities	348.15	5.80	68.79	7.07	0.18	429.99
Total	348.15	470.11	159.78	123.60	11.18	1,112.82

Capital Management Objectives and Policies

The primary objective of the Group's capital management is to maximise the shareholder value, comply to the regulatory requirements and maintain an optimal capital structure to reduce the cost of capital to the Company. The Holding Company continues its policy of a conservative capital structure, which has ensured that it retains the highest credit rating.

NOTE: 57 ECL RISK

Impairment Assessment

The credit loss provisioning approach is based on ECL model. This forces entity to understand the significance of credit risk and its movement, since its initial recognition. This model ensures (a) timely recognition of ECL (b) assessment of significant increase in credit risk, which will provide better disclosure, and (c) ascertainment of better business ratios.

- The references below show where the Group's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of Significant Accounting Policies.
- An explanation of the Group's internal grading system (Note 'Definition of Default' below).
- How the Group defines, calculates and monitors the probability of default, exposure at default and loss given default (Note 'The Group's internal rating and PD estimation process', 'Probability of Default', 'Exposure at Default' is given below).
- When the Group considers there has been a significant increase in credit risk of an exposure (Note 'Significant increase in credit risk' is given below).
- The Group's policy of segmenting financial assets where ECL is assessed on a collective basis (Note 'Grouping Financial assets measured on a collective basis is given below).
- The details of the ECL calculations for Stage 1, Stage 2 and Stage 3 assets (Note 'Probability of Default', 'Exposure at Default' and 'Loss Given Default' is given below).

Definition of Default

The Group considers a financial instrument defaulted and, therefore, Stage 3 (credit-impaired) for ECL calculations in all cases, when the borrower becomes 90 days past due on its contractual payments.

As part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and, therefore, assessed as Stage 3 for ECL calculations, or whether Stage 2 is appropriate. Such events include:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties, and the customer has delay in his repayments over a month.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

The Group's Internal Rating and PD Estimation Process

- (a) Internal Rating: A robust internal credit rating framework is vital for effective credit risk management. It is specified by RBI on credit risk management that lenders should have an internal rating framework, and the lenders must have independent Credit Risk Control Units (CRCU) or equivalents, that are responsible for the design or selection, implementation and performance of their internal rating systems. Accordingly, we also have an internal rating framework developed along with CRISIL, with ratings being assigned to all the customers/portfolio pools – (eligible customers for Ratings) and used extensively in internal decision-making.
- (b) It is further specified in the policy that internal rating/grading/scoring of the borrower/client is at least investment grade rating as per ABFL's internal credit rating model or valid/live external rating.

Probability of Default (PD)

PD is calculated basis likelihood that the borrower will default within one year horizon (Basis for Stage 1). For Stage 2 - it is defined as significant increase in credit risk, and probability is defined as borrower's probability to default in lifetime.

Exposure at Default

Gross exposure/potential gross exposure under a facility (i.e., the amount that is legally owed to the lender) at the time of default by a borrower. Exposure at Default gives an estimate of the amount outstanding.

Loss Given Default (LGD)

LGD is usually shown as the percentage of Exposure at Default that the lender might lose in case the borrower defaults. It depends, among others, on the type of collateral, its value, borrower rating and the expected proceeds from the sale (e.g., sales proceeds from sales of collaterals/securities) of the assets, NPV net of recovery costs.

Significant Increase in Credit Risk

- a. There is significant increase in credit risk, when there is deterioration in account performance and expected resolution is not available.
- b. Further, for large borrowers after assessing the following risks in totality and deterioration in each factor, it is then assessed whether there is a significant increase in credit risk.
 - i. Industry Risk
 - ii. Business Risk
 - iii. Management Risk
 - iv. Financial Risk
 - v. Banking Conduct and Facility-level Conduct.
- c. Significant increase in credit risk is also gauged through Credit Rating. Credit Rating is an opinion of capacity on borrower to meet its financial obligations to the depositor or bondholder (i.e., lender of money) on a particular issue or type of instrument (i.e., a domestic or foreign currency: short-term or medium or long-term, etc.) in a timely manner. The rating measures the relative risk of an issuer's ability and willingness to repay both interest and principal over the period of the rated instrument, i.e., rating signifies the risk of default of the borrower that is rated.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

Grouping Financial Assets Measured on a Collective Basis

The Group calculates ECL either on a collective or an individual basis.

Asset classes where the Group calculates ECL on an individual basis include:

- **Corporate Portfolio**

Asset classes where the Group calculates ECL on a collective basis include:

- **Retail Portfolio**

The ECL methodology allows for individual assessment for corporates and, therefore, these loans are generally measured individually as each of these exposures have unique characteristics and structuring. For retail exposures and exposures which can be clubbed in homogeneous pools, ECL is measured on a collective basis. This has been arrived at based on common characteristics like nature of product, customer profile, etc.

Analysis of Risk Concentration

Concentration analyses are presented for Portfolio pool, Location, Top borrower exposures, Group exposures, etc. These are regularly analysed and presented for further review/action.

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans relating to financing activity, is as follows:

A Reconciliation of Gross Carrying Amount of Housing Finance Business:

	(₹ crore)			
31 st March 2022	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount - Opening Balance	11,301.54	457.51	230.51	11,989.56
New Assets Originated or Purchased	3,709.58	37.78	3.92	3,751.28
Assets Derecognised or Repaid (excluding Write Offs)	(3,546.62)	(15.33)	(19.68)	(3,581.63)
Transfers to Stage 1	142.81	(113.80)	(29.01)	-
Transfers to Stage 2	(472.37)	481.41	(9.04)	-
Transfers to Stage 3	(57.75)	(48.35)	106.10	-
Amounts Written Off	(5.21)	(1.06)	(24.52)	(30.79)
Gross Carrying Amount Closing Balance	11,071.98	798.16	258.28	12,128.42
31 st March 2021	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount - Opening Balance	11,825.30	236.95	156.31	12,218.56
New Assets Originated or Purchased	2,971.00	44.43	4.06	3,019.49
Assets Derecognised or Repaid (excluding Write Offs)	(3,206.70)	(25.15)	(8.96)	(3,240.81)
Transfers to Stage 1	66.60	(57.36)	(9.24)	-
Transfers to Stage 2	(307.66)	308.74	(1.08)	-
Transfers to Stage 3	(46.18)	(46.74)	92.92	-
Amounts Written Off	(0.82)	(3.36)	(3.50)	(7.68)
Gross Carrying Amount Closing Balance	11,301.54	457.51	230.51	11,989.56

B Reconciliation of ECL Balance for Housing Finance Business is given below:

	(₹ crore)			
31 st March 2022	Stage 1	Stage 2	Stage 3	Total
ECL Allowance - Opening Balance	60.72	43.41	82.82	186.95
New Assets Originated or Purchased	23.51	4.67	1.40	29.58
Assets Derecognised or Repaid (excluding Write Offs)	(30.43)	(2.05)	(6.06)	(38.54)
Transfers to Stage 1	18.84	(11.83)	(7.01)	-
Transfers to Stage 2	(2.67)	4.21	(1.54)	-
Transfers to Stage 3	(0.37)	(6.71)	7.08	-
Impact on year end ECL of exposures transferred between Stages during the year	(10.77)	49.21	31.56	70.00
ECL recognised due to change in credit risk	0.23	9.16	(4.28)	5.11
Recoveries	(1.11)	(0.17)	(0.40)	(1.68)
Amounts Written Off	(0.49)	-	(17.96)	(18.45)
ECL Allowance - Closing Balance	57.46	89.90	85.61	232.97



Notes forming part of the Consolidated Financial Statements

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	(₹ crore)			
31 st March 2021	Stage 1	Stage 2	Stage 3	Total
ECL Allowance - Opening Balance	39.73	16.90	49.85	106.48
New Assets Originated or Purchased	16.56	3.12	1.27	20.95
Assets Derecognised or Repaid (excluding Write Offs)	(11.06)	0.75	(1.93)	(12.24)
Transfers to Stage 1	5.86	(3.94)	(1.92)	-
Transfers to Stage 2	(1.29)	1.52	(0.23)	-
Transfers to Stage 3	(0.18)	(2.98)	3.16	-
Impact on year end ECL of exposures transferred between Stages during the year	(1.69)	29.88	27.37	55.56
ECL recognised due to change in credit risk	13.27	0.99	9.14	23.40
Recoveries	(0.47)	(0.03)	0.23	(0.27)
Amounts Written Off	(0.01)	(2.80)	(4.12)	(6.93)
ECL Allowance - Closing Balance	60.72	43.41	82.82	186.95

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans of NBFC Business is as follows:

A Reconciliation of Gross Carrying Amount of NBFC Business:

	(₹ crore)			
31 st March 2022	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount Opening Balance	43,536.68	3,659.07	1,422.47	48,618.22
New Assets Originated or Purchased	24,272.95	229.14	161.16	24,663.25
Assets Derecognised or Repaid (excluding Write Offs)	(17,137.69)	(591.11)	(233.72)	(17,962.52)
Transfers to Stage 1	1,168.20	(1,134.11)	(34.09)	-
Transfers to Stage 2	(1,449.32)	1,454.73	(5.41)	-
Transfers to Stage 3	(445.17)	(579.66)	1,024.83	-
Amounts Written Off	(175.36)	(82.31)	(379.20)	(636.87)
Gross Carrying Amount Closing Balance	49,770.29	2,955.75	1,956.04	54,682.08
31 st March 2021	Stage 1	Stage 2	Stage 3	Total
Gross Carrying Amount Opening Balance	43,866.60	1,216.76	1,827.09	46,910.45
New Assets Originated or Purchased	14,368.72	421.77	23.45	14,813.94
Assets Derecognised or Repaid (excluding Write Offs)	(12,044.39)	(217.83)	(272.93)	(12,535.15)
Transfers to Stage 1	290.96	(158.46)	(132.50)	-
Transfers to Stage 2	(2,580.08)	2,585.90	(5.82)	-
Transfers to Stage 3	(340.63)	(189.07)	529.70	-
Amounts Written Off	(24.50)	-	(546.52)	(571.02)
Gross Carrying Amount Closing Balance	43,536.68	3,659.07	1,422.47	48,618.22

B Reconciliation of ECL balance is given below for NBFC Business:

	(₹ crore)			
31 st March 2022	Stage 1	Stage 2	Stage 3	Total
ECL Allowance - Opening Balance	230.21	201.01	589.96	1,021.18
Increase in New/Existing Assets Originated or Purchased	176.98	116.03	548.67	841.68
Assets Derecognised or Repaid (excluding Write Offs)	(83.01)	(42.14)	(26.03)	(151.18)
Transfers to Stage 1	17.97	(9.75)	(8.22)	-
Transfers to Stage 2	(4.17)	4.69	(0.52)	-
Transfers to Stage 3	(2.64)	(45.58)	48.22	-
Amounts Written Off	(175.34)	(82.31)	(379.20)	(636.85)
ECL Allowance - Closing Balance	160.00	141.95	772.88	1,074.83

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

	(₹ crore)			
31 st March 2021	Stage 1	Stage 2	Stage 3	Total
ECL Allowance - Opening Balance	210.94	104.98	565.61	881.53
New Assets Originated or Purchased	94.88	115.69	570.85	781.42
Assets Derecognised or Repaid (excluding Write Offs)	(45.48)	(9.70)	(15.57)	(70.75)
Transfers to Stage 1	9.64	(3.05)	(6.59)	-
Transfers to Stage 2	(10.26)	11.63	(1.37)	-
Transfers to Stage 3	(5.01)	(18.54)	23.55	-
Amounts Written Off	(24.50)	-	(546.52)	(571.02)
ECL Allowance - Closing Balance	230.21	201.01	589.96	1,021.18

Stage 1 represents 'High Grade' internal rating.

Stage 2 represents 'Sub-Standard' internal rating.

Stage 3 represents 'Credit-Impaired'.

NOTE: 58 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. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR.

	As at 31 Mar 22			As at 31 Mar 21		
Particulars	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
I ASSETS						
(1) Financial Assets						
(a) Cash and Cash Equivalents	2,048.85	-	2,048.85	2,727.47	-	2,727.47
(b) Bank Balances other than (a) above	554.93	33.88	588.81	451.67	-	451.67
(c) Derivative Financial Instruments	14.39	-	14.39	10.94	12.83	23.77
(d) Trade Receivables	658.50	-	658.50	445.99	-	445.99
(e) Loans	14,219.92	51,978.22	66,198.14	14,597.25	45,254.53	59,851.78
(f) Investments						
- Investments of Life Insurance Business						
- Investments of Life Insurance Policyholders'	1,825.23	26,632.72	28,457.95	1,592.72	21,418.30	23,011.02
- Investments of Life Insurance Shareholders'	249.14	2,793.87	3,043.01	292.67	2,306.14	2,598.81
- Investments of Health Insurance Business						
- Investments of Health Insurance Policyholders'	201.11	989.68	1,190.79	176.17	787.39	963.56
- Investments of Health Insurance Shareholders'	62.83	286.60	349.43	24.75	279.85	304.60
- Other Investments	2,608.28	435.94	3,044.22	1,556.63	419.42	1,976.05
(g) Assets Held to Cover Linked Liabilities of Life Insurance Business	4,022.72	26,137.33	30,160.05	4,717.90	23,251.29	27,969.19
(h) Other Financial Assets	1,161.69	578.90	1,740.59	1,257.32	26.59	1,283.91
Sub-Total	27,627.59	109,867.14	137,494.73	27,851.48	93,756.34	121,607.82



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

(₹ crore)

Particulars	As at 31 Mar 22			As at 31 Mar 21		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
(2) Non-Financial Assets						
(a) Current Tax Assets (Net)	-	447.09	447.09	-	321.91	321.91
(b) Deferred Tax Assets (Net)	-	324.43	324.43	-	309.60	309.60
(c) Investment Property	-	14.81	14.81	-	15.24	15.24
(d) Property, Plant and Equipment	-	114.43	114.43	-	102.21	102.21
(e) Capital Work-in-Progress	-	11.75	11.75	-	1.41	1.41
(f) Intangible Assets Under Development	-	32.87	32.87	-	43.54	43.54
(g) Goodwill	-	570.03	570.03	-	570.04	570.04
(h) Other Intangible Assets	-	258.95	258.95	-	231.57	231.57
(i) Right-to-Use of Assets	-	347.17	347.17	-	339.74	339.74
(j) Investments in Associate and Joint Venture Companies	-	1,109.72	1,109.72	-	879.55	879.55
(k) Other Non-Financial Assets	373.71	39.81	413.52	303.51	68.09	371.60
Sub-Total	373.71	3,271.06	3,644.77	303.51	2,882.90	3,186.41
Total Assets	28,001.31	113,138.19	141,139.50	28,154.99	96,639.24	124,794.23
II LIABILITIES AND EQUITY						
LIABILITIES						
(1) Financial Liabilities						
(a) Derivative Financial Instruments	85.58	36.37	121.95	-	33.71	33.71
(b) Payables						
- Trade Payables						
(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises	28.30	-	28.30	16.34	-	16.34
(ii) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	856.14	-	856.14	703.67	-	703.67
(c) Debt Securities	7,757.90	11,065.39	18,823.29	8,334.08	10,567.25	18,901.33
(d) Borrowings (other than Debt Securities)	13,239.42	22,691.96	35,931.37	9,390.11	21,741.52	31,131.63
(e) Subordinated Liabilities	161.90	3,135.35	3,297.25	-	2,642.02	2,642.02
(f) Lease Liabilities	95.45	278.11	373.56	94.11	274.64	368.75
(g) Policyholders' Liabilities	3,167.74	57,705.64	60,873.38	3,485.22	48,991.25	52,476.47
(h) Other Financial Liabilities	2,498.54	15.14	2,513.68	2,169.04	6.72	2,175.76
Sub-Total	27,890.96	94,927.96	122,818.92	24,192.57	84,257.11	108,449.68
(2) Non-Financial Liabilities						
(a) Current Tax Liabilities (Net)	34.05	-	34.05	36.70	-	36.70
(b) Provisions	267.73	63.92	331.65	251.10	32.78	283.88
(c) Deferred Tax Liabilities (Net)	-	373.77	373.77	-	359.37	359.37
(d) Other Non-Financial Liabilities	486.74	3.66	490.40	428.77	8.41	437.18
Sub-Total	788.52	441.35	1,229.87	716.57	400.56	1,117.13

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

(₹ crore)

Particulars	As at 31 Mar 22			As at 31 Mar 21		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
(3) Equity						
(a) Equity Share Capital	-	2,416.31	2,416.31	-	2,415.28	2,415.28
(b) Other Equity	-	13,075.80	13,075.80	-	11,327.30	11,327.30
Equity Attributable to Owners of the Parent	-	15,492.11	15,492.11	-	13,742.58	13,742.58
Non-Controlling Interests	-	1,598.60	1,598.60	-	1,484.84	1,484.84
Total Equity	-	17,090.71	17,090.71	-	15,227.42	15,227.42
Total Liabilities and Equity	28,679.48	112,460.02	141,139.50	24,909.14	99,885.09	124,794.23

NOTE: 59 FOREIGN CURRENCY EXPOSURES

(₹ crore)

Particulars	Currency	As at 31 Mar 22		As at 31 Mar 21	
		Foreign Currency	₹ Crore	Foreign Currency	₹ Crore
Trade Payables/Other Financial Liabilities	USD	173,000.00	1.31	135,000.00	0.99
	EURO	6,738,000.00	56.59	392,000.00	3.36
Trade Receivables	Bangladeshi Taka	-	-	66,994.57	0.01
	British Pound	-	-	1,318.96	0.01
	EURO	-	-	16,390.46	0.14
	Philippines Peso	-	-	162,388.09	0.02
	Sri Lankan Rupees	211,061.00	0.01	1,149,257.42	0.04
	Tanzanian Shilingi	-	-	1,173,294.92	β
	Turkish Lira	-	-	168,681.46	0.15
	United Arab Emirates Dirham	-	-	5,115.03	0.01
	USD	56,267.00	0.43	6,461.78	0.05

NOTE: 60 DISCLOSURE ON THE IMPACT OF COVID-19

Estimation uncertainty relating to COVID-19 Global Health Pandemic

The Group recognises the need to make reasonable estimation of the economic impact of this pandemic on the obligation on account of policy liabilities, recoverability of goodwill, repayment ability of its borrowers, and to make additional provisions as considered appropriate, over-and-above, the extant provisions as per the Group's ECL policy, for expected credit losses. The Group has segmented its portfolio basis various parameters to ascertain the likely detrimental impact on the credit risk in the portfolio as a result of the economic fallout of COVID-19 and basis its estimates, assumptions and judgements arrived at the additional provision required to take care of the expected credit loss in its Consolidated Financial Statements. Given the continued uncertainty over the potential macro-economic condition, the impact of economic fallout of the COVID-19 on the carrying value of assets and obligations of the Group may be different from that expected as at the date of approval of these Consolidated Financial Statements. The Group will continue to closely monitor any material changes to future economic conditions and suitable adjustments, as considered appropriate, will be given in the respective future period.



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

NOTE: 61 DERIVATIVE FINANCIAL INSTRUMENTS OF HFC AND NBFC BUSINESS

Aditya Birla Housing Finance Limited

1 Nature and Term of Outstanding Derivative Contracts:

a) Cross Currency Interest Rate Swaps (CCIRS)

Particulars	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
i) Total Notional Principal Amount of CCIRS agreement undertaken during the year	354.45	354.45
ii) Total Notional Principal Amount of CCIRS agreement outstanding as on end of the year	354.45	354.45
iii) Maturity Date of CCIRS	30 th October 2022	30 th October 2022
iv) Hedge Ratio	1:1	1:1
v) Currency Pair	USD/INR	USD/INR

b) The fair value mark-to-market (MTM) gains or losses in respect of CCIRS agreement outstanding as at the Balance Sheet date, is stated below

Hedging Instrument	(₹ crore)	
	As at 31 Mar 22	As at 31 Mar 21
CCIRS	14.20	(3.07)

c) Movement in Hedge Reserve

Cash Flow Hedge Reserve Account	As at 31 Mar 22			As at 31 Mar 21		
	Realised	Unrealised	Total	Realised	Unrealised	Total
i) Balance at the beginning of the year	-	(12.05)	(12.05)	-	(9.79)	(9.79)
ii) Add: Changes in the Fair Value during the year	22.29	17.22	39.51	20.23	(13.77)	6.45
iii) Less: Amounts Reclassified to the Statement of Profit and Loss	22.29	11.83	34.12	20.23	(11.51)	8.71
iv) Balance at the end of the year	-	(6.65)	(6.65)	-	(12.05)	(12.05)

Particulars	As at 31 Mar 22		As at 31 Mar 21	
i) Name of the Counterparty	State Bank of India		State Bank of India	
ii) Hedge Designation	Effective		Effective	
iii) Exchange Rate (USD/INR)	70.89		70.89	
iv) Interest Rate (p.a.)	7.79%		7.79%	

Aditya Birla Finance Limited

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that meet the hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

The notional amounts indicate the value of transactions outstanding at the year end, and are not indicative of either the market risk or credit risk.

(₹ crore)

Particulars	As at 31 Mar 22			As at 31 Mar 21		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
Part I						
(i) Cross Currency Interest Rate Swaps	1,463.68	-	77.71	1,463.68	-	30.63
(ii) INR Interest Rate Swaps	250.00	0.19	0.28	-	-	-
(iii) Currency Forward	0.08	-	0.01	0.36	-	0.01
Total	1,713.76	0.19	78.00	1,464.04	-	30.64
Part II						
(i) Fair Value Hedging						
- Interest Rate Derivatives	250.00	0.19	0.28	-	-	-
(ii) Cash Flow Hedging						
- Cross Currency Interest Rate Swaps	1,463.68	-	77.71	1,463.68	-	30.63
- Currency Forward	0.08	-	0.01	0.36	-	0.01
Total	1,713.76	0.19	78.00	1,464.04	-	30.64

Note a): Hedging Activities and Derivatives

The Company is exposed to certain risks relating to its external commercial borrowings. The primary risks, managed using derivative instruments, are foreign currency risk and interest rate risk.

Note b): Derivatives Designated as Hedging Instruments

Cash Flow Hedges

The Company is exposed to foreign currency risk arising from its External Commercial borrowings amounting to ₹ 1,463.68 Crore. Interest on the borrowings is payable at a floating rate. The Company economically hedged the foreign currency risk arising from the debt with a 'receive floating pay fixed' cross-currency interest rate swap ('swap'). The notional amount of swap is disclosed in the table below. The swap contract converts the cash outflows of the foreign currency borrowings as per the table below to cash outflows in INR with a notional amount of ₹ 1,463.68 Crore at fixed interest rate.

(₹ crore)

Name of the Lender	Foreign Currency Denominated Borrowing Amount	Interest Rate Type	Notional Amount of Swap	Interest Rate Swap Type
As at 31st Mar 2022				
JPY Denominated (in JPY Crore) (Maturity Range: September 2022 to February 2023)	1,893.66	Floating Rate Interest	1,240.90	Fixed Rate Interest
SMBC Bank (Maturity in March 2023)	3.00	Floating Rate Interest	222.78	Fixed Rate Interest
Total	1,896.66		1,463.68	

(₹ crore)

Name of the Lender	Foreign Currency Denominated Borrowing Amount	Interest Rate Type	Notional Amount of Swap	Interest Rate Swap Type
As at 31st Mar 2021				
JPY Denominated (in JPY Crore) (Maturity Range: September 2022 to February 2023)	1,893.66	Floating Rate Interest	1,240.90	Fixed Rate Interest
SMBC Bank (Maturity in Mar 2023)	3.00	Floating Rate Interest	222.78	Fixed Rate Interest
Total	1,896.66		1,463.68	



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

There is an economic relationship between the hedged item and the hedging instrument, as the terms of the cross currency swap contract match that of the foreign currency borrowings (notional amount, interest payment dates, principal repayment date, etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the cross currency swap are identical to the hedged risk components.

The hedge ineffectiveness can arise mainly if there is a change in the credit risk of the Company or the counterparty.

The impact of the hedging instruments on the Balance Sheet is as follows:

(₹ crore)

Particulars	Notional Amount	Carrying Amount	Line Item in the Statement of Financial Position	Change in Fair Value Used for Measuring Ineffectiveness for the Year
As at 31st March 2022				
Cross Currency Interest Rate Swaps	1,463.68	(77.71)	Derivative Financial Instruments	(35.19)
Currency Forward	0.08	(0.01)	Derivative Financial Instruments	0.01
Interest Rate Swaps	250.00	(0.09)	Derivative Financial Instruments	(0.09)
Total	1,713.75	(77.80)		(35.27)

(₹ crore)

Particulars	Notional Amount	Accumulated fair Value adjustment - Liability	Line Item in the Statement of Financial Position	Change in Fair Value Used for Measuring Ineffectiveness for the Year
As at 31st March 2022				
Fixed Rate NCD	250.00	(0.03)	Derivative Financial Instruments	(0.03)
Total	250.00	(0.03)		(0.03)

(₹ crore)

Particulars	Notional Amount	Carrying Amount	Line Item in the Statement of Financial Position	Change in Fair Value Used for Measuring Ineffectiveness for the Year
As at 31st March 2021				
Cross Currency Interest Rate Swaps	1,463.68	30.63	Derivative Financial Instruments	(12.66)
Currency Forward	0.36	0.01	Derivative Financial Instruments	(0.01)
Total	1,464.04	30.64		(12.66)

The impact of hedged items on the Balance Sheet is as follows:

(₹ crore)

Particulars	Change in Fair Value Used for Measuring Ineffectiveness for the Year	Cash Flow Hedge Reserve as at 31 Mar 22
As at 31st March 2022		
Foreign Currency denominated Floating Rate Borrowings	54.48	(5.70)
Total	54.48	(5.70)

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

(₹ crore)		
Particulars	Change in Fair Value Used for Measuring Ineffectiveness for the Year	Cash Flow Hedge Reserve as at 31 Mar 21
As at 31st March 2021		
Foreign Currency denominated Floating Rate Borrowings	(12.66)	(25.00)
Total	(12.66)	(25.00)

The effect of the Cash Flow Hedge in the Statement of Profit and Loss and Other Comprehensive Income is as follows:

(₹ crore)		
Particulars	Total Hedging Gain/(Loss) Recognised in OCI	Ineffectiveness Recognised in Profit or Loss
As at 31st March 2022		
Foreign Currency denominated Floating Rate Borrowings	19.30	-
Total	19.30	-

(₹ crore)		
Particulars	Total Hedging Gain/(Loss) Recognised in OCI	Ineffectiveness Recognised in Profit or Loss
As at 31st March 2021		
Foreign Currency denominated Floating Rate Borrowings	(12.66)	-
Total	(12.66)	-

Note c): Movements in Cash Flow Hedging Reserve

(₹ crore)				
Particulars	As at 01 Apr 21	Add/Less: Changes in Fair Value	Add/Less: Deferred Tax	As at 31 Mar 22
Cash Flow Hedging Reserve	(25.00)	25.79	(6.49)	(5.70)
Total	(25.00)	25.79	(6.49)	(5.70)

(₹ crore)				
Particulars	As at 01 Apr 20	Add/Less: Changes in Fair Value	Add/Less: Deferred Tax	As at 31 Mar 21
Cash Flow Hedging Reserve	(12.34)	(16.91)	4.26	(25.00)
Total	(12.34)	(16.91)	4.26	(25.00)

Note d): The following table shows the maturity profile of hedging derivatives based on their notional amounts.

(₹ crore)								
Particulars	As at 31 Mar 22				As at 31 Mar 21			
	0 to 12 Months	1 to 5 Years	Over 5 Years	Total	0 to 12 Months	1 to 5 Years	Over 5 Years	Total
(i) Cross Currency Interest Rate Swaps	1,463.68	-	-	1,463.68	-	1,463.68	-	1,463.68
(ii) Currency Forward	0.08	-	-	0.08	0.36	-	-	0.36
(iii) Interest Rate Swaps	-	250.00	-	250.00	-	-	-	-
Total	1,463.76	250.00	-	1,713.76	0.36	1,463.68	-	1,464.03

Note:

The Group, its associates and joint ventures have a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Group, its associates and joint ventures did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses needed to be provided as required under any law/accounting standards.



Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

NOTE: 62 RELATIONSHIP WITH STRUCK OFF COMPANIES

(₹ crore)

Segment	Name of the Company	Nature of Transaction with Struck Off Company	Balance Outstanding as on 31 Mar 2022	Relationship with Struck Off Company
Life Insurance	Aligarh Locks Private Limited	Receivable	0.03	Policy Holder
Life Insurance	Atharv Associates Private Limited	Payable	β	Group Master Policyholder
Life Insurance	Columbia Asia Neighborhood Hospitals Private Limited	Payable	0.01	Group Master Policyholder
Life Insurance	Debnath Engineering Enterprises Private Limited	Payable	β	Group Master Policyholder
Life Insurance	GAAP Solutions Private Limited	Payable	0.07	Group Master Policyholder
Life Insurance	GBS Associates Private Limited	Payable	β	Group Master Policyholder
Life Insurance	Hariom Enterprises Private Limited	Payable	β	Group Master Policyholder
Life Insurance	Jayalakshmi Constructions Private Limited	Payable	β	Group Master Policyholder
Life Insurance	Keller Ground Engineering India Private Limited	Payable	0.01	Group Master Policyholder
Life Insurance	Lintas India Limited	Payable	0.13	Group Master Policyholder
Life Insurance	Mahalaxmi Enterprises Private Limited	Payable	β	Group Master Policyholder
Life Insurance	Pragati Enterprises Private Limited	Payable	β	Group Master Policyholder
Life Insurance	Sahayata Trademart Private Limited	Payable	β	Policy Holder
Life Insurance	Sika (India) Limited	Payable	β	Policy Holder
Life Insurance	Micro Focus Limited	Payable	-	Vendor
Life Insurance	Perfect Services Private Limited	Payable	-	Agent
General Insurance Broking	Rainbow Automotive Pvt. Ltd.	Payable	β	Vendor
General Insurance Broking	Dimple Motors Pvt. Ltd.	Payable	β	Vendor
General Insurance Broking	Vintage Motors Pvt. Ltd.	Payable	β	Vendor
General Insurance Broking	The Riders Zone Pvt. Ltd.	Payable	β	Vendor
Housing Finance	Maark Vision Architects Private Limited	Receivable	3.25	Loan to Customer
Housing Finance	Sandhya Hotels Private Limited	Receivable	5.24	Loan to Customer
NBFC	Maxin Hydro Dynamic India Private Limited	Receivable	0.04	Loan to Customer
NBFC	Emirate Fashions Private Limited	Receivable	0.10	Loan to Customer
NBFC	Thanco Natural Foods Private Limited	Receivable	0.20	Loan to Customer
NBFC	Bee Luxe Private Limited	Receivable	0.09	Loan to Customer
NBFC	Alaric Healthcare Private Limited	Receivable	0.08	Loan to Customer
Stock and Securities Broking	Ceeplast Trading Company Private Limited	Receivable	β	Customer
Stock and Securities Broking	Chaturbhuja Securities Private Limited	Receivable	β	Customer
Stock and Securities Broking	Doniv Enterprises Private Limited	Receivable	β	Customer
Stock and Securities Broking	Orion Media Private Limited	Receivable	β	Customer
Stock and Securities Broking	Pusha Steels Limited	Receivable	β	Customer
Stock and Securities Broking	Gurukul Commosales Private Limited	Receivable	β	Customer

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

NOTE: 63 DISCLOSURE ON REVENUE RECOGNITION AS PER IND AS 115

Reconciliation of revenue recognised from Contract Liability:

(₹ crore)		
Particulars	As at 31 Mar 22	As at 31 Mar 21
Closing Contract Liability - Advance from Customers	187.20	132.28

The Contract Liability outstanding at the beginning of the year has been recognised as revenue during the year ended 31st March 2022.

NOTE: 64 OTHER SIGNIFICANT NOTES

1. Investment Property

The Company has carried out the valuation activity through an Independent Valuer to assess fair value of its Investment Property. As per report provided by the Independent Valuer, the fair value is ₹ 19.02 Crore as on 31st March 2022 (Previous Year ₹ 16.65 Crore).

The fair value of Investment Property has been derived using the Direct Comparison Method based on recent market prices, without any significant adjustments being made in observable data. Accordingly, fair value estimates for Investment Property is classified as Level 3.

The Company has no restrictions on the realisability of its Investment Property and has no contractual obligations to purchase, construct or develop Investment Property.

Information regarding Income and Expenditure of Investment Property

(₹ crore)		
Particulars	Year Ended 31 Mar 22	Year Ended 31 Mar 21
Rental Income derived from Investment Property	0.50	0.46
Direct Operating Expenses (including Repairs and Maintenance) associated with Rental Income	(0.06)	(0.06)
Profit Arising from Investment Property before depreciation and indirect expenses	0.44	0.40
Depreciation for the Year	0.43	0.43
Profit/(Loss) arising from Investment Property before indirect expenses	0.01	(0.03)

- The Company has sold 2,850,880 Equity Shares of face value of ₹ 5 each, of Aditya Birla Sun Life AMC Limited (ABSLAMC), at ₹ 712 per Equity Share by way of offer for sale in the Initial Public Offer (IPO) of ABSLAMC in accordance with the relevant provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, and recognised gain on sale of these investments amounting to ₹ 177.19 Crore (Net of Tax, Gain is ₹ 160.54 Crore). Consequently, w.e.f. 7th October 2021, ABSLAMC has ceased to be a Joint Venture, and has been accounted as an Associate.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2022

3. The Indian Parliament has approved the Code on Social Security, 2020, which subsumes the Provident Fund and the Gratuity Act and rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on 13th November 2020, and has invited suggestions from stakeholders, which are under active consideration by the Ministry. The Group will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.
4. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group ("Ultimate Beneficiaries"). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall, whether directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
5. Figures of ₹ 50,000/- or less have been denoted by '₹'.

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Ashwin Suvarna
Partner
Membership No.: 109503

Mumbai, 12th May 2022

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

Ajay Srinivasan
Chief Executive Officer

Pinky Mehta
Chief Financial Officer

Mumbai, 12th May 2022

P. H. Ravikumar
Director
(DIN: 00280010)

Amber Gupta
Company Secretary

S. C. Bhargava
Director
(DIN: 00020021)

SECRETARIAL AUDIT REPORTS OF MATERIAL UNLISTED SUBSIDIARIES

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FORM NO. MR.3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members

Aditya Birla Finance Limited

Regd. Office: - Indian Rayon Compound,
Veraval,
Gujarat- 362266

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Aditya Birla Finance Limited** having **CIN U65990GJ1991PLC064603** (hereinafter called the 'Company') for the financial year ended on 31st March 2022 (the "Audit Period").

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

We are issuing this report based on:

- (i) Our verification of the Company's books, papers, minutes books, soft copies of various records, scanned copies of minutes of Committee, forms and returns filed and other records maintained by the Company during the financial year ended 31st March 2022 as well as before the date of issue of this report;
- (ii) Our observations pursuant to visits to the offices of the Company.
- (iii) Compliance certificates confirming compliance with all laws applicable to the Company as given by the Key Managerial Personnel/Senior Managerial Personnel of the Company and taken on record by the Audit Committee/ Board of Directors; and
- (iv) Representations made, documents shown and information provided by the Company, its officers, agents and authorised representatives during our conduct of Secretarial Audit.

We hereby report that, in our opinion, during the audit period covering the financial year ended on 31st March 2022, the Company has:

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

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

1. Compliance with Specific Statutory Provisions

We further report that:

- 1.1. We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company during the year according to the applicable provisions/clauses of:
 - (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
 - (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iii) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of External Commercial Borrowing made by the Company;
 - (iv) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder to the extent of transfer of securities;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR);
 - (b) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - (vi) Secretarial Standards issued by the Institute of Company Secretaries of India (Secretarial Standards) as applicable mandatorily to the Company.
- 1.2 During the period under review, and also considering the compliance related to action taken by the Company after 31st March 2022, but before the date of issue of this report, the Company has, to the best of our knowledge and belief



and based on the records, information, explanations and representations furnished to us:

- (i) Complied with the provisions of the Act, Rules, Regulations, Guidelines and Secretarial Standards as mentioned above.
- (ii) Generally complied with the applicable provisions/ clauses of:
 - (a) The Act and Rules mentioned under paragraph 1.1 (i)
 - (b) FEMA to the extent of External Commercial Borrowings mentioned under paragraph 1.1 (iii) and
 - (c) The Secretarial Standards on meetings of Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) mentioned under paragraph 1.1 (vi) above to the extent applicable to meetings of the Board and its committees held during the year and the 30th Annual General Meeting held on 16th August 2021, at shorter notice, with the consent of the members and Extra-Ordinary General Meeting held on 16th December 2021. The compliance of the provisions of the Rules made under the Act with regard to the meetings of the Board and its committees held through video conferencing were verified based on the minutes of the meetings provided by the Company.

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

- (i) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (ii) The following Regulations and Guidelines prescribed under the SEBI Act, 1992: -
 - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - b. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, and
- e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018
- f. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

1.4 We have also examined, on test check basis, the relevant documents and records maintained by the Company with respect to:

- (a) Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended, and other relevant guidelines and circulars issued by the Reserve Bank of India, from time to time.

2. Board Processes

We further report that:

2.1 The Board of Directors of the Company as on 31st March 2022 comprised of:

- (i) A Managing Director
- (ii) Two Non-Executive Non-Independent Directors; and
- (iii) Five Non-Executive Independent Directors, including a Woman Independent Director

2.2 (A) The processes relating to the following changes in the composition of the Board of Directors and Key Managerial Personnel during the year were carried out in compliance with the provisions of the Act and LODR:

- (i) Cessation of Mr. Sanjay Miranka, as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f 23.06.2021 on account of his resignation.
- (ii) The Board of Directors at their meeting held on October 8, 2021, has appointed Mr. Pradeep Agrawal as the Chief Financial Officer and Key Managerial Personnel of the Company with effect from the said date.

- (iii) Appointment of Mr. Kamlesh Rao (DIN: 07665616) as Non-Executive Director w.e.f. 07.07.2021, subject to shareholders' approval. His appointment has been approved by the Reserve Bank of India w.e.f 07.07.2021 and by the shareholders of the Company at the 30th Annual General Meeting held on 16.08.2021.
- (iv) Cessation of Mr. Baldev Raj Gupta (DIN: 00020066), as an Independent Director of the Company w.e.f 27.07.2021 consequent upon completion of his term as Independent Director of the Company.
- (v) Re-appointment of Mr. Ajay Srinivasan (DIN: 00121181), as Non-Executive Director, liable to retire by rotation, at the 30th Annual General Meeting held on August 16, 2021.
- (vi) Appointment of Mr Tushar Shah, Chief Executive Officer – Project & Structured Finance Group, as a Key Managerial Personnel w.e.f 08.10.2021.

(B) At the Extra-Ordinary General Meeting held on 16th December 2021, the shareholders have approved the continuation of directorship of Mr. Subhash Chandra Bhargava (DIN: 00020021), as an Independent Director of the Company, up to 24th January 2024.

- 2.3 Adequate notice of the meetings of the Board and its committees were sent to all the directors to enable them to plan their schedule for the meetings of the Board, at least seven days in advance except for few meetings which were convened at a shorter notice with the consent of the Board to transact urgent business, at which more than one independent director was present as required under Section 173 (3) of the Act and SS-1.
- 2.4 Agenda and detailed notes on agenda were sent to the directors at least seven days before the meetings of the Board and its committees, other than in respect of few meetings which were convened at a shorter notice to transact urgent business, and necessary compliance as required under Section 173 (3) of the Act and SS-1 was in place.
- 2.5 Agenda and detailed notes on agenda for the following items were either circulated separately less than seven days before or at the Board meetings and consent of the Board for so circulating them was duly obtained as required under SS-1
 - (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited financial statement/results, unaudited financial results and connected papers; and

- (ii) Additional subjects/information/presentations and supplementary notes

- 2.6 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.
- 2.7 We note from the minutes verified that, at the meetings of the Board held during the year:
 - (i) Decisions were carried through majority and
 - (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as a part of the minutes.

3. Compliance Mechanism

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

4. Specific Events/Actions

- 4.1 During the year, the following specific events/actions having a major bearing on the Company's affairs took place, in pursuance of the above referred laws, rules, regulations and standards:
 - a) The Board of Directors of the Company, at their meeting held on 25th March 2022 had approved and declared an Interim Dividend of ₹ 1.65 per equity share (16.5%) amounting to ₹ 109.25 Crore to be paid out of the profits of the Company for FY 2021-22, subject to deduction of tax thereon, on 66,21,00,822 equity shares of the of face value of ₹10/- each. As the Company is a wholly owned Subsidiary of Aditya Birla Capital Limited, the dividend was paid by the Company out of its regular Bank Account. The dividend was paid within five days of its declaration, being the stipulated timelines laid down under the Act.
 - b) In compliance with the RBI circular dated 27th April 2021, at the 30th AGM held on 16th August 2021, the Company has reduced the tenure of appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of the Company to a term of three years i.e., till the conclusion of the 32nd Annual General Meeting of the Company, on a remuneration to be fixed by the Board of Directors.



- c) At the 30th AGM held on 16th August 2021, the shareholders have approved revision in terms of remuneration payable to Mr. Rakesh Singh (DIN: - 07006067), Managing Director and Chief Executive Officer of the Company with effect from 1st July 2021.
- d) In compliance with the RBI circular dated 27th April 2021, at the Extra-Ordinary General Meeting held on 16th December 2021, the shareholders have appointed M/s Singhi & Co. Chartered Accountants as Joint Statutory Auditors of the Company, to hold office till the conclusion of the 33rd Annual General Meeting of the Company, at a remuneration to be fixed by the Board of Directors.
- e) During the year under review, the Reserve Bank of India (RBI) had conducted an inspection of the Company under RBI Act, 1934, for the FY 2020-21. In response to the Supervisory Concerns Letter dated 28th January 2022 from the RBI via Email on 2nd February 2022, the Company has submitted its reply and further communication from RBI, in this regard, is awaited.
- f) The Company has issued, allotted and redeemed Debentures, during the year, in various tranches, as per details given below:

Type of Debentures	Secured Non-Convertible Debentures (₹ in Crores) Listed in BSE and NSE	Unsecured Sub-debt (₹ in Crores)	Perpetual Non-Convertible Debentures (₹ in Crores)	Unsecured Non-Convertible Debentures (₹ in Crores)
Opening Balance as on 01st April 2021	12,460.80	1,879.00	200.00	56.00
Issued during the year	2,890.00	320.00	-	49.00
Sub. Total	15,350.80	2,199.00	200.00	105.00
Redeemed during the year	3,427.50	20.00	-	-
Outstanding balance as on 31st March, 2022	11,923.30	2,179.00	200.00	105.00

- g) The Company has issued and listed at the Bombay Stock Exchange and National Stock Exchange of India Limited, Commercial Papers (CP) of ₹ 73,990 Crore during the year in various tranches and redeemed CP worth ₹ 73,940 Crore in various tranches. As on 31st March, 2022, listed Commercial Papers outstanding were amounting to ₹ 3,180 Crores.
- h) We observe that the Company has received a Show Cause Notice from the Securities and Exchange Board of India (SEBI), dated May 25, 2021 ("SCN") under Section 11(1), 11(4), 11B (1), 11B (2) and 11(4A) of the SEBI Act, 1992 in the matter of CG Power and Industrial Solutions Limited ("CG Power"). Pursuant to the said notice, SEBI has alleged inter alia, that in order to benefit its loans getting repaid, the commission and omission on the part of the Company, amounted to participation in the fraudulent scheme for diversion of assets from CG Power for the benefit of BILT Graphic Paper Products Limited to the detriment of CG Power's minority shareholders, violating Regulation 3 (b), (c) (d) and Regulation 4 (1) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 read with Sections 12A (a), (b) and (c) of the SEBI Act. We

are informed that the Company has submitted an interim reply dated 15th July 2021 and a final reply dated 29th July 2021 to SEBI denying the allegations levelled against it in the SCN and prayed for the withdrawal of the SCN, insofar as it relates to the Company. We are also informed that, pursuant to a personal hearing granted by the Whole Time Member of SEBI on 30th August 2021 and 31st August 2021, the Company has presented its case and responded to the allegations set out against ABFL in the SCN and that the Company has also filed its written submissions in the matter, pursuant to hearing before the learned Whole Time Member, on 4th October 2021. The matter is currently pending.

Venkataraman K.

Associate Partner

ACS No.: -8897/COP No.: -12459

For **BNP & Associates**

Company Secretaries

[Firm Regn. No. P2014MH037400]

[PR No.: -637/2019]

UDIN: - A008897D000300331

Place: Mumbai

Date: 11th May 2022

ANNEXURE A TO THE SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

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

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

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. We have considered compliance related actions taken by the Company based on independent legal/professional opinion obtained as being in compliance with law.
4. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.

5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
6. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
7. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Venkataraman K.

Associate Partner

ACS No.: -8897/COP No.: -12459

For **BNP & Associates**

Company Secretaries

[Firm Regn. No. P2014MH037400]

[PR No.: -637/2019]

UDIN: - A008897D000300331

Place: Mumbai

Date: 11th May 2022



FORM NO. MR.3

SECRETARIAL AUDIT REPORTFor the Year Ended 31st March 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Aditya Birla Housing Finance Limited

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Aditya Birla Housing Finance Limited having **CIN No-U65922GJ2009PLC083779** (hereinafter called the 'Company') for the financial year from 1st April 2021 to 31st March 2022, ('the year'/'audit period'/'period under review').

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

We are issuing this report based on:

- (i) Our **verification** of the books, papers, minute books, soft copy as provided by the Company and other records maintained by the Company and furnished to us, forms/returns filed and compliance related action taken by the Company during the financial year ended 31st March 2022 as well as before the issue of this report,
- (ii) **Compliance Certificates** confirming Compliance with all laws applicable to the Company as given by Key Managerial Personnel/senior managerial Personnel of the Company and taken on record by Audit Committee/Board of Directors, and
- (iii) **Representations** made, documents shown, and information provided by the Company, its officers, agents, and authorised representatives during our conduct of secretarial Audit.

We hereby report that in our opinion, during the audit period covering the financial year ended on 31st March 2022 the Company has:

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

1. Compliance with Specific Statutory Provisions

We further report that:

- 1.1 We have examined the books, papers, minute books and other records maintained by the Company and the forms,

returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions/clauses of:

- (i) The Companies Act, 2013 and the Rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings
- (iv) The following Regulations/Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations'):
 - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - b. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 erstwhile The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
 - c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (v) Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial standards).

- 1.2 During the period under review, and also considering the compliance related action taken by the Company after 31st March 2022 but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us :

- (i) **Complied with** the applicable provisions/clauses of the Act, Rules, SEBI Regulations and Agreements mentioned under paragraph 1.1
- (ii) **Generally complied with** the applicable provisions/clauses of:
 - (a) The Act and rules mentioned under paragraph 1.1 (i);
 - (b) The Secretarial standards on meetings of the Board of Directors (SS-1) and Secretarial standards on General Meetings (SS-2)

mentioned under paragraph 1.1 (v) above to the extent applicable to the meetings of the Board of Directors and its Committees thereof, held during the year and the 12th Annual General Meeting held on 2nd August 2021 at shorter notice and Extra-ordinary General Meeting held on 18th May 2021 at shorter notice and the resolution passed by circulation. The Compliance of the provisions of the Rules made under the Act [paragraph 1.1(i)] and SS-1 [paragraph 1.1(v) with regard to the the meetings of the Board of Directors and its Committees thereof held through video conferencing on various dates were verified based on the minutes of the meetings, shown to us, by the Company.

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

- a. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment ;
- b. The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder except relating to transfer of securities
- c. The Securities and Exchange Board of India (Registrars to an issue and share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- d. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018
- g. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

1.4 Based on the nature of business activities of the Company, the following specific Acts/Laws/Rules/Regulations are applicable to the Company, which has been duly complied with.

- a. National Housing Bank Act, 1987 and the directions issued thereunder from time to time.
- b. Prevention of Money Laundering Act, 2002
- c. Except Master Directions – Non-Banking Financial Companies (NBFCs) – Housing Finance Companies (Reserve Bank of India) Directions, 2021 read with the relevant guidelines and circulars. National Housing Bank (NHB) vide its letter dated 9th December 2021 has made observations, and pin pointed shortcomings pursuant to inspection carried out by NHB for the FY 2019-20 and 2020-21.
- d. Guidelines on Know your Customer and Anti-Money Laundering Measures;
- e. Guidelines for Asset Liability Management System in Housing Finance Companies;
- f. RBI Commercial Paper Directions, 2017 w.r.t. issuance of commercial papers and applicable Operating guidelines issued by FIMMDA (Fixed Income Money Market and Derivatives Association of India);

2. Board Processes

We further report that:

- 2.1 The Board of Directors of Company as on 31st March 2022 comprised of:
 - (i) Two Non- Executive Non Independent Director, and
 - (ii) Two Non- Executive Independent Directors, including a woman Independent Director
- 2.2 The processes relating to the following changes in the composition of the board of Directors and Key Managerial Personnel during the year were carried out in compliance with the provisions of the Act :
 - i. Reappointment of Mr. Rakesh Singh (DIN: 07006067), director retiring by rotation at the AGM held on 2nd August 2021
 - ii. Resignation of Mr. Muthiah Ganapathy as Company Secretary with effect from 6th September 2021.
 - iii. Appointment of Ms. Swati Singh as a Company Secretary of the Company with effect from 5th October 2021.
 - iv. Resignation of Mr. Tushar Kotecha as Chief Financial Officer (CFO) with effect from 27th December 2021.
 - v. Appointment of Mr. Ashish Damani, as the Chief Financial Officer of the Company with effect from 28th December 2021.
- 2.3 Adequate notice was given to all the directors to enable them to plan their schedule for the Board meetings.



- 2.4 Notice of Board meetings was sent to directors at least seven days in advance as required under Section 173(3) of the Act and SS-1 except in respect of two Board Meeting for which consent of directors for holding the Meetings at shorter notice was duly obtained.
- 2.5 Agenda and detailed notes on agenda were sent to the directors at least seven days before the Board Meetings except for two Board meetings which were called at a shorter notice.
- 2.6 Agenda and detailed notes on agenda for the following items were either circulated separately less than seven days before or at the Board Meetings and consent of the Board for so circulating them was duly obtained as required under SS-1:
- (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited financial statement/results, unaudited financial results and connected papers, and
 - (ii) Additional subjects/information/presentations and supplementary notes.
- 2.7 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.
- 2.8 We note from the minutes verified that, at the Board Meetings held during the year:
- (i) Majority decisions were carried through; and
 - (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the minutes.

3. Compliance Mechanism

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

4. We further report that during the Audit Period, the Company has

- (i) Obtained approval from its members at the Extraordinary General Meeting of the Company held on 18th May 2021
 - a) to borrow funds not exceeding ₹ 20,000 Crore (Rupees Twenty Thousand Crore only).
 - b) to grant authority for mortgaging or creating charge on Company's assets as a security towards borrowings not exceeding ₹ 20,000 Crore (Rupees Twenty Thousand Crore only)

- c) authorising the issuance of Secured Redeemable Non-Convertible Debenture for amount not exceeding ₹ 4,000 Crore and Subordinated Debt qualifying as Tier-II Capital in the form of Unsecured, Redeemable, Non-Convertible Bonds in the nature of Debentures for amount not exceeding ₹ 1,000 Crore on a private placement basis
- (ii) Obtained approval from its Board at the Meeting of Board held on 31st January 2022
 - a) To undertake permitted derivative transaction as per RBI regulations not exceeding ₹ 5,000 Crore (INR equivalent to 750 Million USD)
 - b) To borrow funds by issuance of fully/partly paid; listed/unlisted Secured Redeemable Non-Convertible Debentures including Principal Protected – Market Linked Non-Convertible Debentures (NCDs) for an amount not exceeding ₹ 4,000 Crore (Rupees Four Thousand Crore only) and Subordinated Debt qualifying as Tier- II Capital in form of Unsecured, Redeemable, Non-Convertible Bonds in the nature of Debentures for an amount not exceeding ₹1,000 Crore (Rupees One Thousand Crore only) (Unsecured NCDs) in one or more tranches, which may be unlisted or listed, on Debt Market Segment of National Stock Exchange (NSE) and/or BSE Limited on a private placement basis.
 - c) To borrow funds by way of:

Cash credit, Working Capital loans, other short term loans, term loans, FCNR loans, etc from banks, Financial Institutions, Corporate(s) etc such facility being secured/unsecured; Refinance assistance, External Commercial Borrowings; Issuance of Commercial Papers listed/to be listed on stock exchange, for a period not exceeding 364 days, either on standalone basis or as earmarked against the Working Capital limits sanctioned by the Banks up to a limit of ₹ 4,000 Crore (Rupees Four Thousand Crore Only).

Term debt, whether Secured or Unsecured, in the form of Inter Corporate Deposits, Secured Debentures/Bonds such that outstanding at any point of time will not exceed ₹ 4,000 Crore (Rupees Four Thousand Crore Only) and Tier II (sub-debt) and Perpetual Debt Instruments such that the outstanding at any point of time not to exceed ₹ 1,000 Crore (Rupees One Thousand Crore only).

- subject that the cumulative outstanding debt under the aforesaid shall not exceed ₹ 20,000 Crore (Rupees Twenty Thousand Crore Only)."
- (iii) Issued and allotted Secured Redeemable, Non-convertible Debentures worth of ₹ 250 Crore (Rupees Two Hundred Fifty Crore only) by a way of private placement on 16th July 2021.
 - (iv) Issued and allotted Secured Redeemable Non-Convertible Debentures worth of ₹ 250 Crore by a way of private placement on 24th January 2022.
 - (v) Issued and allotted Secured Redeemable Non-convertible Debentures worth of ₹ 340 Crore by a way of private placement on 21st March 2022.
 - (vi) At the Meeting of Board of Directors of the Company held on 31st January 2022, it was approved to borrow funds by way of issuance Commercial Papers for a period not exceeding 364 days, either on standalone basis or as earmarked against the Working Capital limits sanctioned by the Banks up to a limit of ₹ 4,000 Crore (Rupees Four Thousand Crore Only) and these

Commercial Papers will be listed in Stock Exchanges, in accordance with the provisions of Securities and Exchange Board of India operational circular bearing number SEBI/HO/DDHS/P/CIR/2021/613 dated 10th August 2021. As on 31st March 2022 Commercial Papers were amounting to ₹ 175 Crore.

For **BNP & Associates**
Company Secretaries

Avinash Bagul

Partner

FCS No. 5578

CP No. 19862

P.R. No: 637/2019

Firm Reg No-P2014MH037400

UDIN- F005578D000205448

Date: 25th April 2022

Place: Mumbai

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report

ANNEXURE A

To,
The Members,
Aditya Birla Housing Finance Limited

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

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after 31st March 2022 but before the issue of this report.
4. We have considered compliance related actions taken by the Company based on independent legal/professional opinion obtained as being in compliance with law.
5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures

followed by the Company on a test basis. We believe that the processes and practices we followed, provides a reasonable basis for our opinion.

6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
7. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
8. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **BNP & Associates**
Company Secretaries

Avinash Bagul

Partner

FCS No. 5578

CP No. 19862

P.R. No: 637/2019

Firm Reg No-P2014MH037400

UDIN- F005578D000205448

Date: 25th April 2022

Place: Mumbai



FORM NO. MR.3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Aditya Birla Sun Life Insurance Company Limited
One World Centre, Tower 1,
16th Floor, Jupiter Mill Compound,
841, S. B. Marg, Elphinstone Road,
Mumbai – 400013.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Aditya Birla Sunlife Insurance Company Limited** (hereinafter called '**the Company**'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

UNMODIFIED OPINION

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2022 (hereinafter called the '**Audit Period**') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (**the Act**), and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment; (**Overseas Direct Investment and External Commercial Borrowings not applicable to the Company during the Audit Period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (**Not Applicable to the Company during the Audit Period**)
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (**Not Applicable to the Company during the Audit Period**)
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (**Not Applicable to the Company during the Audit Period**)
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations,

1993 regarding the Companies Act and dealing with client;

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the Audit Period);**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 to the extent applicable to the company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, etc mentioned above.

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following law applicable specifically to the Company:

- (i) Insurance Act, 1938 and Insurance Rules, 1939.
- (ii) Insurance Regulatory and Development Authority Act, 1999 and Rules and Regulation, Circular and Notification issued thereunder

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during

the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We further report that during the audit period the Company:

- a. allotted “7.45% ABSLI 2031” 1950 Unsecured, Subordinated, Fully Paid-Up, Rated, Listed, Redeemable Non-Convertible Debentures;
- b. allotted “7.63% ABSLI 2031” 1550 Unsecured, Subordinated, Fully Paid-Up, Rated, Listed, Redeemable Non-Convertible Debentures

MMJB & Associates LLP
Company Secretaries

Bhavisha Jewani
FCS No. 8503
CP No. 9346
P.R. No: 904/2020

UDIN: FO08503D000220110

Date: 27th April 2022

Place: Mumbai

*This report is to be read with our letter of event date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE A

To
The Members,
Aditya Birla Sun Life Insurance Company Limited
One World Centre, Tower 1,
16th Floor, Jupiter Mill Compound,
841, S. B. Marg, Elphinstone Road,
Mumbai – 400013.

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

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

MMJB & Associates LLP
Company Secretaries

Bhavisha Jewani
FCS No. 8503
CP No. 9346
P.R. No: 904/2020
UDIN: FO08503D000220110

Date: 27th April 2022
Place: Mumbai

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Aditya Birla Capital Limited

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**ADITYA BIRLA
CAPITAL**