

ADITYA BIRLA CAPITAL LTD.
ANNUAL REPORT 2017-18

THE POWER OF
COMING TOGETHER AS
ONE BRAND



**ADITYA BIRLA
CAPITAL**

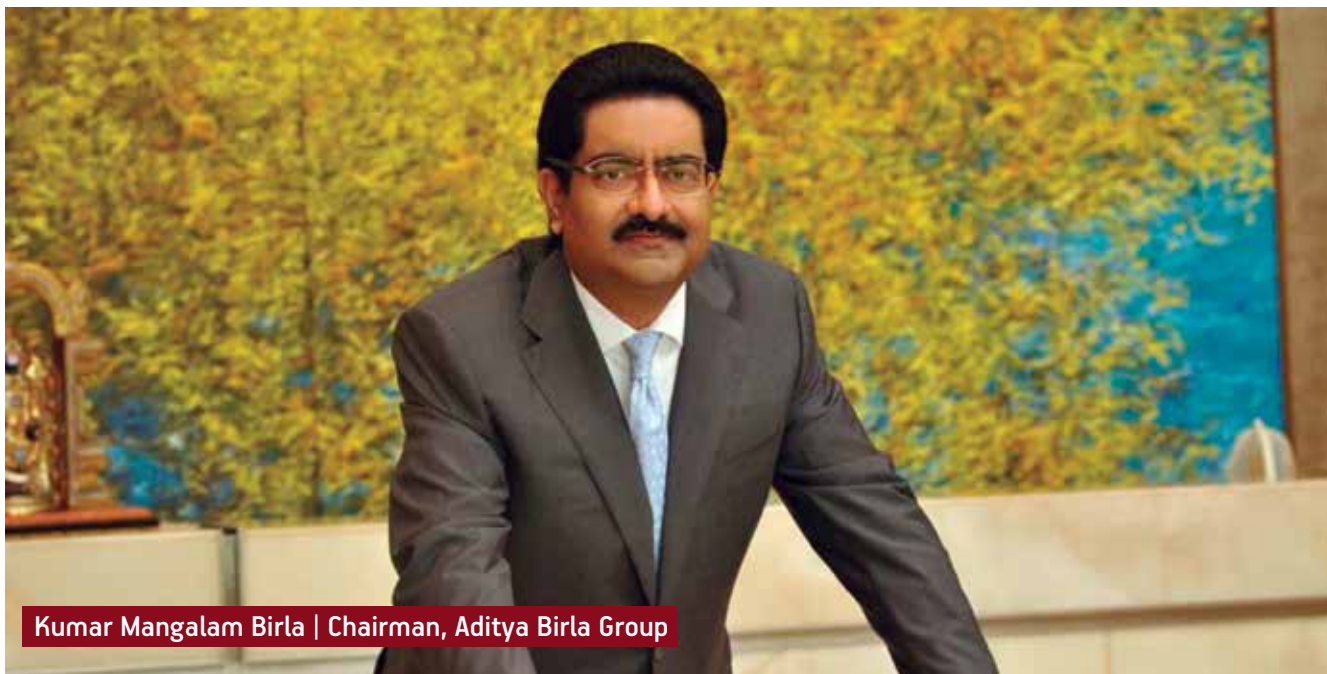
PROTECTING INVESTING FINANCING ADVISING



Mr. Aditya Vikram Birla

We live by his values.
Integrity, Commitment, Passion, Seamlessness and Speed.

THE CHAIRMAN'S LETTER TO SHAREHOLDERS



GLOBAL ECONOMY

The global economy is on a rebound. The International Monetary Fund (IMF) estimates indicate that global real GDP grew 3.8% in 2017. This is the highest growth pace over the last six years. It is also the broadest synchronised global growth upsurge, since 2010 as underlined by IMF.

This impetus from the supportive monetary policy was further buoyed by the revival of investment spending in advanced economies. The expansionary fiscal and monetary policies in the US led to improved growth prospects. The US economy grew at 2.3% in 2017 as against 1.5% in 2016. Growth accelerated in Europe and Asia too.

The global economic recovery is expected to continue. For the current and the next year, strong growth at 3.9% is projected. This positive outlook is somewhat clouded. Increased trade protectionism, rising international crude oil prices, geo-political risks and the uncertainty about normalisation of monetary policies in advanced economies from highly accommodative conditions in the past, are some of the factors that dim the outlook.

INDIAN ECONOMY

India's economy is emerging strongly from the transitory effects of demonetisation and implementation of Goods and Services Tax (GST). Although India's GDP growth slowed from 7.1% in FY17 to 6.7% in FY18, the economy recorded a seven-quarter high GDP growth of 7.7% in the exit quarter of FY18. This reflects momentum.

India's macroeconomic indicators remain healthy. The fiscal deficit has been cut to 3.5% of GDP. India's foreign exchange reserves at March end stood at a comfortable level of \$424 Billion.

Investors seem to be positive on India's economic prospects. The Foreign Direct Investment (FDI) flows continue to be encouraging. India's global ranking on the ease of doing business notched up to 100 from 142 in barely four years, while that on global competitiveness index has climbed from 71st in FY 15 to 39th in FY 17.

The prevailing sense of optimism accentuates India's continuing economic growth in future as well. It is attributable to the country's solid fundamentals, such as deleveraging by corporates, resulting in much

ABCL is in a unique position of being able to provide Universal Financial Solutions to meet our customer's money needs for life.

stronger balance sheets, better capacity utilisation with consumption demand becoming stronger, and insolvency and bankruptcy process weeding out non-performing assets, among others. The Government's unwavering push for infrastructure projects – Bharatmala Pariyojana, airports, metros, affordable housing, urbanisation, smart cities and digitisation are excellent stimulators for the economy's growth in the medium term.

At the same time, we cannot ignore near-term challenges. The bucket of concerns consist of rising oil prices, hardening inflation, firming bond yields and widening current account deficit. The ongoing global trade frictions, particularly between the US and China, are worrisome and can have a spillover negative effect on countries like India. So the terrain ahead could be a tad bumpy depending on the economic and geopolitical environment.

COMPANY PERFORMANCE

I am pleased to share with you that this is a milestone year in the history of your Company.

Aditya Birla Capital Limited (ABCL) is one of the largest non-bank financial services player in India. It ranks among the top fund managers in India with over \$47.0 Billion (₹3,05,295 Crore) of assets under management and lending book of over \$8 Billion (₹51,378 Crore).

Your company recorded consolidated revenue of \$2.1 Billion (₹13,428 Crore) during FY 18. Consolidated earnings before tax, on like-to-like basis, increased by 35% to \$239 Million (₹1,554 Crore) and net profit surged by 44%. The financial services sector is a key driver for the India growth story and is core to the Group's strategy. A decade ago, we had a vision to build a platform that could put customers at the heart of its existence and help meet all their financial needs. A vision to change the way people deal with money so that they can live life

on their terms. A vision to be a leader and role model in the financial services sector. We have made significant progress on this by creating a universal financial solution provider 'Aditya Birla Capital Limited'.

Over the last decade, your Company has built a broad based and well diversified portfolio of 13 lines of business. The assets under management has grown from about \$3 Billion to \$47 Billion and lending book of merely \$0.5 Billion to \$8 Billion in the last one decade. Your Company has created an active customer base of more than 10 Million.

ABCL is in a unique position of being able to provide universal financial solutions to meet our customers' money needs for life. Anchored by more than 14,500 employees, ABCL has a nationwide reach and more than 1,90,000 agents/channel partners.

STRATEGIC MOVE

Last year, in order to unlock value for shareholders, your Company listed on both the stock exchanges through composite scheme of arrangement where Aditya Birla Nuvo Limited got merged with Grasim Industries Limited followed by the subsequent demerger and listing of the financial services businesses.

The integration of all our financial services businesses under one corporate listed structure enables us to accelerate our already strong growth. With the listing of ABCL, we also unlocked embedded value for investors, positioning us for future growth.

During the year, your Company has launched unified brand 'Aditya Birla Capital', a single brand encompassing all the financial services entities of the Group. We are a brand built on empathy for people's life needs and their hard-earned money. We are a brand that believes in earning people's trust. And we are a brand that simplifies everything that is complicated with financial services. Our belief is that it is the empathy, the trust and the simplicity that will make us a preferred brand. Our sharply customer-centric approach under one brand will ensure we continue to chart a differentiated, accelerated and disciplined path to growth.

Just ahead of listing, your Company received equity funding of ₹704 Crore for issue of 2.2% shareholding to PI Opportunities Fund – I, an affiliate of Premji Invest, a leading private equity fund in India. This is in recognition of the quality and size of business created by your Company, in just under a decade.

As a part of our diversified growth strategy, we have received a licence from the Reserve Bank of India to set up an 'Asset Reconstruction Company'.

WHAT GIVE US THE EDGE

Undeniably our people, their dedication to work, their sense of belongingness and pride in the Group, their putting the organisation first and living our values. I acknowledge their contribution and count on their continued commitment to take our business far ahead.

THE ADITYA BIRLA GROUP: IN PERSPECTIVE

The year 2017-18 has been a momentous year on all counts. We reached record revenue of \$43 Billion with EBITDA of \$6 Billion. Our Group's market capitalisation crossed the \$50 Billion mark. These spectacular achievements are a reflection not only of our growing size and scale, the inherent soundness of our strategies and operations, but importantly the enormous confidence that investors and other stakeholders have reposed in us.

I am delighted to share with you that Aon Hewitt, a reputed global consulting firm, in the 'Best Employers 2018' study conducted by them, have named our Aditya Birla Group as the 'Best Employer' in India.

Moving on to our people processes, what strikes me most is that the development and leadership aspects embedded in it, are all futuristic. I believe, we are headed in the right direction. Let me give you a flavour of what we have accomplished and how we are constantly refreshing and reengineering our HR initiatives.

Our Group HR has formulated a unique proposition for leadership development through the 2x2x2 formula. It is structured in a manner that accords opportunities to high talent to work in two businesses across two geographies and in two functions. Such an approach, should give a holistic experience and help prepare our leaders of the future.

I had apprised you earlier on the talent councils led by Business Heads and Directors at Group, business and at the functional levels. So far more than 250 talent councils meetings have been held with over 8000 development conversations and actions initiated for these colleagues. I have attended several of these meetings and am much encouraged by the positivity and enthusiasm they generate among employees down the line. They rightly believe that talent will always bubble to the top.

More than ever before in the people domain two segments that have grabbed the attention of progressive corporates, comprise the millennials and gender diversity issue. In our Group 52% of our executives are under 35 years of age. They are the leaders of tomorrow whom we need to groom today.

Today women constitute over 14% of our employee force. Game changing career enabling policies have been introduced. These include work life issues such as maternity, childcare, flexi time, local commute and accompanied travel for the child and the caretaker. Alongside as part of the family support initiative, paternity leave is also being provided.

For younger employees, through our flagship programme, which is the Aditya Birla Group Leadership Programme (ABGLP), we are building a robust talent pipeline at the entry, junior and middle levels who over the years move into senior leadership. From this cadre, over 350 youngsters have been placed across the Group.

Gyanodaya, the Aditya Birla Global Centre for Leadership and Learning continues its commitment to prepare P&L and manufacturing leaders through Accelerated Leadership Development programmes. I take great pride in Gyanodaya bagging Gold Award as Best Corporate University – Culture and Brand in Global CCU Awards 2017, 'for operating at the highest levels of excellence and creating value for people, business and society'.

The sales, marketing and customer centricity academy and the HR academy enabled 1765 managers hone their expertise to greater heights. The Gyanodaya virtual campus continues to offer 900+ e-learning modules in multiple languages. During the year nearly 40,000 employees leveraged the e-learning programme.

We are enhancing our HR processes for scale, agility and consistent employee experience. A comprehensive HR assurance and excellence framework, the HR portal to enable the last mile employee anytime anywhere connect, SeamEx, the Group HR Shared Services Centre are milestones in this journey, as they enthuse and energise our people.

IN SUM

Our Group's robust revenue growth, healthy EBITDA margins, deploying capital efficiently and generating cash flows, support our ambitious growth plans. Innovation and spirit of entrepreneurship that our employees bring to work is amazing and a major contributant to our Group scaling newer heights year after year.



Yours sincerely,
Kumar Mangalam Birla | Chairman

CHIEF EXECUTIVE'S LETTER TO SHAREHOLDERS



Ajay Srinivasan | Chief Executive, Aditya Birla Capital

Dear Shareholders,

We live in interesting times. India is on the move, growing across urban and rural geographies, with the economy becoming increasingly formalised and financialised. Given the low penetration of financial services in India, this combination builds a strong base for the growth of the sector. We consider ourselves fortunate to be operating in this sector in India at this time of its development.

A decade ago, we set out on a journey to create a financial services institution that is committed and designed to make a difference in the life of our customer. We have made it our purpose to enable people to live fulfilling lives and live life to its fullest potential.

A driving force for Aditya Birla Capital, throughout our journey, has been our Vision: to be a leader and role model in a broad-based and integrated set of financial businesses.

- The first pillar of our Vision is to be a leader. It is in our Group's DNA but equally it is important given the concentration in the industries in which we operate where the top 5 or 10 players typically account for a bulk of the economics.
- The second element of our Vision is to be a role model, because we do not wish to become leaders by cutting corners or making compromises. Whatever we do, we will strive to be best-in-class. We will deal with all our stakeholders with openness and fairness and aim to set standards in each area in which we operate.
- The third part of our Vision is to be a broad-based player. This is a key facet of our strategy, given our commitment to meet all the needs of our customers. Our ability to provide cradle to grave solutions for our customers gives us the opportunity to build life long relationships. It empowers us to acquire and retain customers across all their money needs, across their life span.

- The last pillar of our Vision is to be integrated in the way in which we operate. We believe integration gives our various stakeholders – shareholders, employees, distribution partners and customers several benefits.

Today, our Vision has inspired us to build leadership in different areas, be it as a leading Fund Manager in India, a 3rd largest Mutual Fund in India, a top 5 private diversified NBFC in the country, a top 5 General Insurance broker.

Our quest to be a role model reflects in the fact that we are renowned for risk management, investor education, product innovation and our fund performance. We are acknowledged for our leadership development practices and talent management. We are among the top 2 financial services players to work for and among the top 15 companies to work for in India according to a survey by Business Today.

Today, as a broad-based player operating across several lines of business, we are present across a wide spectrum of financial services products and services that can meet all the Protecting, Investing and Financing needs of our customers.

As an integrated player, we enjoy benefits through sharing of best practices, deriving cross-business synergies and cost efficiencies, while giving our talent pool a world of opportunities to grow.

FY 18 was a year with many milestones for Aditya Birla Capital.

This was the year in which Aditya Birla Capital got listed and the year in which we took our unified brand to the consumer.

During the year:

- We crossed a consolidated PAT (before minority interest) of ₹1,000 Crore, for the first time
- Our AUM¹ crossed ₹3 Lakh Crore, for the first time

¹Combined AUM of Life Insurance, Health Insurance, Private Equity and Quarterly average AAUM of Asset Management Business

- We crossed a lending book (including Housing Finance) size of ₹51,000 Crore for the first time
- We became the No. 3 Mutual Fund in the country
- We became net VNB positive in our Life Insurance business
- Our Housing Finance company achieved its first full year of profitability
- We completed our first full year for our Health Insurance business and covered over 1 million lives
- We received a licence to launch our Asset Reconstruction Company

Today, at Aditya Birla Capital we have a strong foundation to grow and capitalise on the massive India opportunity. Our footprint of branches across the country, our large network of distribution partners and our complete array of products give us an all-India reach and the ability to cover every customer need. Our talented employee base is a key factor in our successes so far and will power us in our journey forward. Our complete focus as an organisation is on our customer. We realise that constantly engaging with and earning and keeping the trust of our customer is the only way we can grow sustainably. Everything we do therefore is with our customer in mind.

The year ahead will have its share of volatility and challenges – we have learned to live with this over the last decade. But our view is that as long as we stay focused on our customer and his/her needs, we will find enough opportunity to grow in every one of our verticals. Because money is a universal need. And we are a universal provider of money solutions.

I would like to conclude by thanking our various regulators, our many valued partners, our customers, our employees, our Board and our shareholders. It is the support of all of you that allows us to dream big.



Yours sincerely,

Ajay Srinivasan | Chief Executive, Aditya Birla Capital

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View our Annual Report 2017-18 online

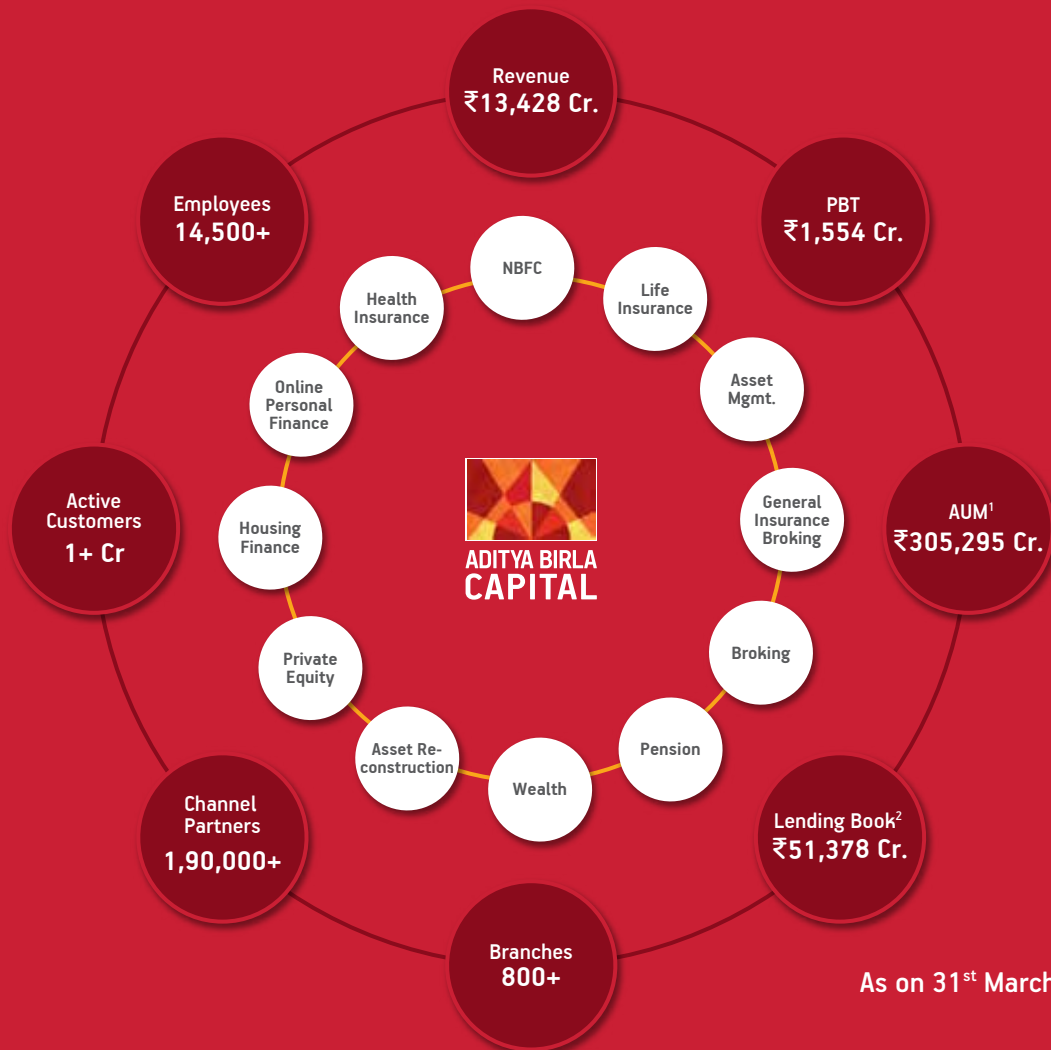
We provide our annual report online, which allows us to reduce the amount of paper we print and distribute.

<https://www.adityabirlacapital.com/investor-relations/financial-reports>

Introduction

Aditya Birla Capital Limited (ABCL) is the holding company of all the financial services businesses of the Aditya Birla Group. Aditya Birla Capital has a strong presence across a wide range of Protecting, Investing and Financing Solutions, which include Life Insurance, Health Insurance, Motor Insurance, Corporate General Insurance, Mutual Funds, Wealth Management, Stocks and Securities Broking, Portfolio Management Services, Real Estate Investments, Pension Funds, Home Finance, Personal Finance, SME Finance, Real Estate Finance, Loan Against Securities, Corporate Finance, Debt Capital Markets, Loan Syndication and Asset Reconstruction.

Aditya Birla Capital is a part of the Aditya Birla Group, a \$43 billion Indian multinational, in the league of the Fortune 500 Companies. Anchored by an extraordinary force of over 120,000 employees, belonging to 42 nationalities, the Aditya Birla Group operates in 35 countries across the globe.



As on 31st March 2018

¹Includes AUM of Life Insurance, Health Insurance, Private Equity and Quarterly average AUM of Asset Management Business

²Includes lending book of NBFC and Housing Finance Businesses

Our Vision

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

Our Vision In Action

TO BE A LEADER

Among
Top 5

Fund Managers
in India
(Excluding LIC)

Among
Top 5

Private
Diversified
NBFCs in
India¹

#3

Mutual Funds
in India²

Among
Top 5

General
Insurance
Brokers in
India³

ROLE MODEL

- Renowned for risk management, product innovation, fund management capabilities and investor education
- Acknowledged for leadership development practices and talent management
- Among the top 2 financial services players to work for, and among the top 15 companies to work for in India (Business Today Survey, 2018)

IN A BROAD-BASED AND INTEGRATED FINANCIAL SERVICES BUSINESS

- Present across the spectrum of financial services and catering to varied needs of our customers across their lifetime
- An integrated play with a competitive edge through sharing of best practices, deriving cross-business synergies and giving our talent pool a world of opportunities to grow

Sources:

¹Crisil (Refer to CRISIL report for notices and disclosures)

²Domestic average assets under management as published by AMFI for the quarter ended March 2018

³General Insurance Council

Our Business Model

All individuals require money to meet their life's needs. Yet, only a small number of individuals in our country, we believe, are currently using financial solutions optimally to meet those needs. Similarly, corporates too need a wide spectrum of financial products, yet many are unable to optimise the true potential of Financial Services for their business needs.

Two in-depth studies were conducted by us in the last decade with an objective to understand consumer needs and identify the need gaps.

1. Financial Services Category Equity Study by IMRB in 2008 among retail customers
2. Financial Category Need Study by Quipper in 2016 among retail customers, corporate leaders, SMEs and HNIs

Both studies identified a big gap in the way Financial Services have been structured over decades. Financial conglomerates typically sell each of their solutions like Mutual Funds, Insurance or Loans as independent brands. To add to this, the category often talks in a jargon-laden language that most find difficult to understand. Thus many people find financial services too complicated and don't relate easily to the category.

As a result of this understanding, all Financial Services Companies of Aditya Birla Group have consolidated under ONE BRAND – Aditya Birla Capital, to simplify money for the people of India.

We want people to be able to maximise the true potential of money in their life.

Therefore, Aditya Birla Capital offers all money solutions an individual may need throughout their life, through one relationship and on a single platform.

We are not here to merely sell products. We are here to earn the trust of individuals by helping them achieve their goals that money can fulfil, with ease and confidence, throughout their lives.

We are here to motivate individuals to live the life they truly desire by enabling them to protect what they value; invest so that they can live a life they aspire to live; and access finance to meet their dreams, needs and desires.

We empower people with practical advisory tools that help them understand their own needs better. Once they have done that, we advise and partner them to choose the relevant solution/s that cater/s to that need.

All these solutions are offered conveniently so that customers can choose to access us where, when and how they desire.

Our Brand Purpose

Aditya Birla Capital provokes by asking questions that need self-realisation leading to individuals embracing the life they truly desire, and then partners them to take control of their money by offering solutions that are simple to understand and easy to implement.

Our Brand's role in an individual's life begins with motivating them through self-realisation to embrace the life they truly desire to live; and our relationship with them begins with offering a money solution that enables them to do so.

STOP

We want people to stop living their lives on auto-pilot.

QUESTION

We ask thought-provoking questions that create a moment of introspective pause in people's minds which leads them to ask "Am I living the life I desire?"

ACT

We enable people to take control of their money by offering money solutions that are simple to understand and easy to implement, so that they can maximise the true potential of money to live a life they truly desire.

Our Brand Architecture



ADITYA BIRLA CAPITAL

PROTECTING

ENABLE PEOPLE
TO PROTECT
WHAT THEY
VALUE

Life Insurance
Health Insurance
Motor Insurance
Corporate General
Insurance
Travel Insurance

INVESTING

ENABLE PEOPLE
TO MAKE THEIR
MONEY WORK SO
THEY CAN MEET
THEIR ASPIRATIONS

Mutual Funds
Wealth Management
Stocks and Securities
Broking
Private Equity
Portfolio Management
Services
Pension Funds
Real Estate
Investments

FINANCING

ENABLE PEOPLE
TO SEEK FINANCE
FOR FULFILLING
THEIR NEEDS
WITHOUT HAVING
TO WAIT

Home Finance
Personal Finance
SME Finance
Real Estate Finance
Loan Against Securities
Corporate Finance
Debt Capital Markets &
Loan Syndication

ADVISING

WE FIRST
UNDERSTAND
PEOPLE'S LIVES
AND ACCORDINGLY
ADVISE THE RIGHT
SOLUTION

Online Personal
Finance
MoneyForLife Planner

WHAT ARE YOU WORKING FOR IN LIFE?

Our Solutions

We offer a wide range of Protecting, Investing & Financing solutions that enable individuals to fulfil all their life's needs regarding money, throughout their life.

Are you confident about protecting what is dear to you?



Anisha Advani | Cycling Enthusiast

Protecting Solutions

We know how important it is for individuals to protect all that is dear to them today and through the years ahead. We also know that often these conversations are difficult and these decisions can be weighed down by emotions. Therefore, we do everything we can to ensure that our tools enable people to discover the right protecting solutions that can adequately protect them and their family through all of their life's stages and unforeseen times.

LIFE INSURANCE

Life insurance provides that much needed mental and financial security against the uncertainties of our life. It enables our customers to save, along with financially protecting what they value, such as their child's future, income after retirement and financial cover for the family in case of death.

HEALTH INSURANCE

Our health is the most precious asset we own. No matter how much wealth we have, we will not be able to live our life well if we don't enjoy good health. Therefore, our Health Insurance Solutions don't just protect our customers from unforeseen health expenses but also enable them to stay healthy, because quality of their life begins with the quality of their health.

MOTOR INSURANCE

Some of the most glorious moments in life are behind wheels, taking those long drives and cruising ahead in life. Nevertheless, unforeseen incidents such as an accident, theft or other misfortunes can affect our prized possession. Therefore, we ensure that from the many options, our customers can choose a motor insurance that is right for comprehensively covering them in case of any such mishap. Remember that in India, it is mandatory for all vehicles that operate in public places to have an insurance policy, as per the provisions of the Motor Vehicles Act.

CORPORATE GENERAL INSURANCE

The risks of every business are vastly complex and our customers need different insurance solutions to cover different types of risks. Each risk management solution is characteristically different in its features, inclusions and exclusions. It can get very complicated very quickly and if they get it wrong, they can easily be left with no protection when they suffer an actual loss in their business. We help our customers choose the right insurance cover against multiple business risks they might face, so that their business survives and thrives.

TRAVEL INSURANCE

Travelling creates memories that can last a lifetime, but it can also mean encountering the unexpected, from flight delays to a cancellation due to medical emergency. In today's travel environment, it is increasingly important to protect oneself comprehensively. Our team ensures that our customers are offered a choice of travel insurance solutions that are best suited for their needs, so that when they travel, they create only good memories.

Are you living the life you imagined for yourself?



Gaurav Gupta | Garment Manufacturer

Investing Solutions

Growing our hard-earned money should be simple and accessible to everybody so that each of us is able to live the life we desire. With this objective, we ensure we gain an in-depth understanding of each individual's aspirations and ambitions so that we are able to recommend the right investment solution. We encourage people to link their investments to specific goals so that they are able to realise these goals meticulously and with ease.

MUTUAL FUNDS

We work really hard for our money so that we are able to live the life we imagined for ourselves and our family. Therefore, it is only prudent that along with us, our money too works equally hard. Mutual Funds are a good choice for individuals to put their hard-earned money to work. As their hard-earned money starts working, they will find it so much easier to afford all the things and experiences that make the quality of their life and that of their loved ones truly rich.

WEALTH MANAGEMENT

Creating wealth is a craft and so is managing it. Our Wealth Management team is trained to hand-pick investment opportunities and carve out a portfolio that is as distinct as our customer's life's goals and aspirations. Our relationship managers ensure that our customers' wealth is continuously managed as per their changing needs throughout their life.

STOCK AND SECURITIES BROKING

One of the ways of investing to grow wealth is investing in Stocks and Securities. We ensure our investors receive sound advice and service of the highest professional standards, for which we also offer an advanced multi-device technology platform, which is backed by expert research, risk management and execution capabilities to deliver best-in-class experience.

PENSION FUNDS

For individuals looking to create an income for their post-retirement phase of life, a Pension Fund is a sound investment product. The money is invested in a suite of themed funds, run specifically for retirement savers. These funds are tax-free.

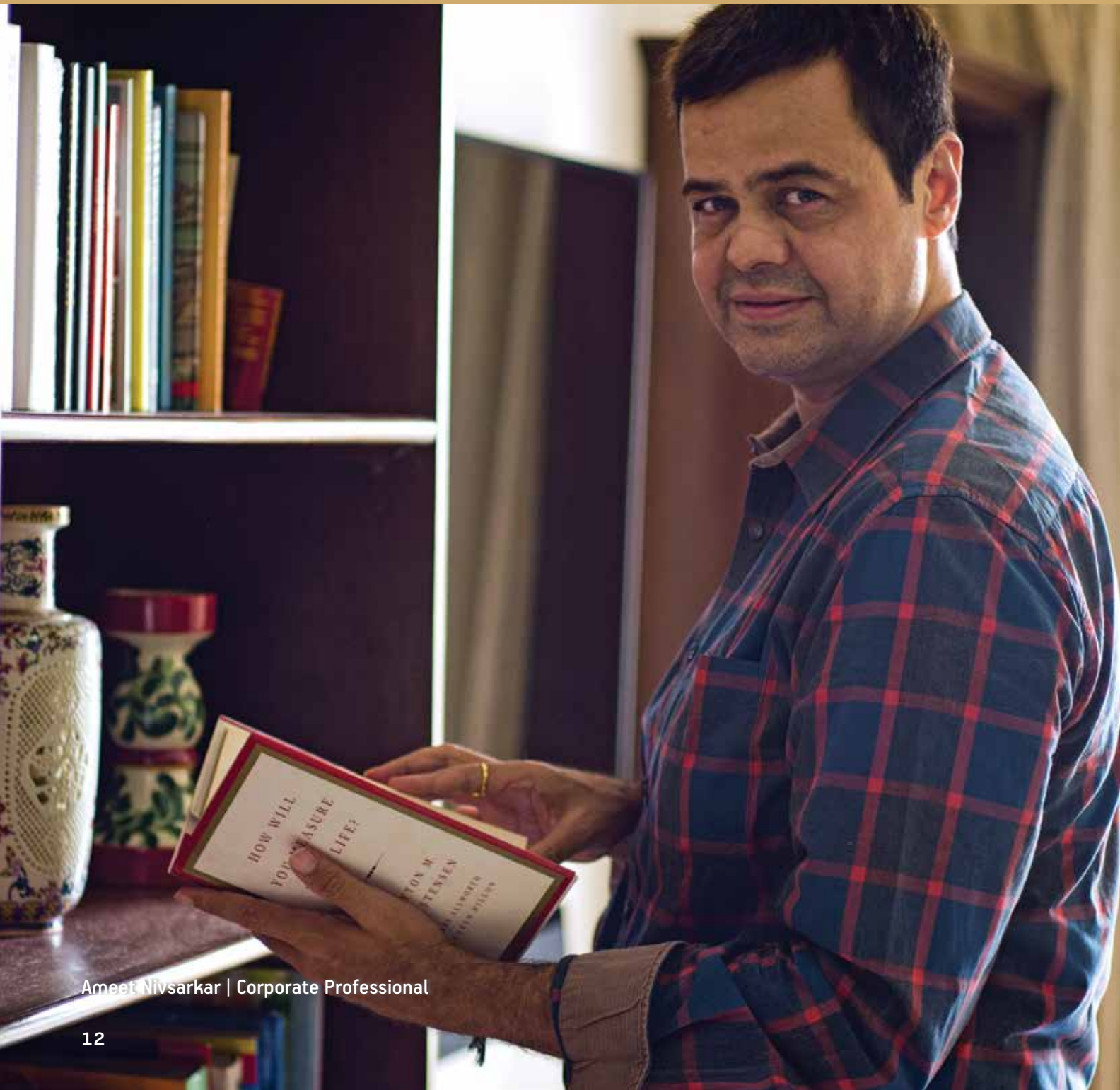
PRIVATE EQUITY

We play an important role in helping individuals and companies looking to make substantial and long-term investments. Our investments through this vertical are made predominantly in unlisted companies with high growth potential. We partner our portfolio companies in growing core businesses, launching new initiatives, making transformative acquisitions and upgrading technologies and systems to support their long-term strategy and growth. As a result, we create value for all stakeholders.

PORTFOLIO MANAGEMENT SERVICES (PMS)

In a market that offers a plethora of investment avenues, Portfolio Management is an exclusive and premium service available to the more discerning investor. Our customers' portfolios will receive individual attention of an expert and can benefit from a wide range of portfolio strategies. PMS warrants an allocation in the core portfolio of a high net-worth individual.

Are you waiting to realise your dreams and ambitions?



Ameet Nivsarkar | Corporate Professional

Financing Solutions

Often, we end up compromising on our needs and putting off desires for that 'one day...' But that day never seems to come. Aditya Birla Capital wants to ensure that individuals are able to fulfil their needs and desires today. We help people uncover their goals and dreams and then support them to fulfil these without having to wait. Because sometimes, just as quickly as an opportunity presents itself, it can go away and sometimes in life, timing is everything.

HOME FINANCE

Our home has a special place in our life and therefore, each of us deserves a home that is forever ours, for our entire life. Therefore, Home Finance is a vital solution. Our team works with our customers to tailor-make a solution that is just right for their needs, be it finance for a new home, home extension, home improvement, home construction or buying a plot and building a home.

PERSONAL FINANCE

If you have been holding back on things you really want for your family or yourself simply because you are falling short of funds, you should consider a personal loan. In order to ensure our customers no longer have to postpone their aspirations to another day, our team will partner with them in getting personal finance simply and conveniently.

SME FINANCE

In today's dynamic world, opportunities call out from all corners at surprising moments and one's business should be able to maximise each one of them. We partner with our customers in their ambitions by creating customised financing solutions that address their business needs, at all times. Thus, when they are ready to take their business to the next level, they can turn to us for financing it.

REAL ESTATE FINANCE

Very often, just as suddenly as opportunities appear at your doorstep, so does the need to finance them. We offer a range of Real Estate Financing Solutions, including Loan Against Property, Lease Rent Discounting and Construction Finance, that enable our customers to use their property as security for financing their needs.

LOAN AGAINST SECURITIES

The most important thing about money is having it when you need it the most. At such times, you should not have to liquidate investments that you have grown with much care over the years. Loan Against Securities enables our customers to raise money without having to liquidate their investments. They can take a loan against investments such as Shares, Bonds, Mutual Funds or Life Insurance Policies.

CORPORATE FINANCE

For mid and large corporates, we offer a range of comprehensive financing solutions to meet their organisation's business requirements. Our solutions include Structured Finance, Project Finance, Working Capital Finance, Term Finance, Supply Chain Financing Solutions and Treasury Risk Solutions. Our team of experts will recommend the right financing solutions after gaining an in-depth understanding of the organisation's financials and requirements.

DEBT CAPITAL MARKETS AND LOAN SYNDICATION

Our Debt Capital Markets team works with businesses to assist in fund raising by providing access to a pool of investors. Debt Capital Market Finance can be especially useful if our customers are looking to add diversity to their funding profile. Our Loan Syndication team works towards bringing multiple lenders together so that the collective sum can fulfil their financing need.

STRUCTURE



¹Indicates JV. ²49.998% of ABIBL is held by Infocyper India Pvt Ltd. ³6.3% of ABMUL is held by employee welfare trust (under ESOP)

Note: ABCL structure contains major subsidiaries and excludes step down subsidiaries, if any

Aditya Birla Sunlife Pension Management Limited is 100% subsidiary of Aditya Birla Sun Life Insurance Company Ltd.

A Year of Milestones

GROWTH

**Crossed
₹1,000 Cr**

CONSOLIDATED PROFIT
AFTER TAX

Before Minority Interest

10.75%

AAUM MARKET SHARE

₹3,00,000 Cr+

OF MANAGING AUM¹

1 Mn+

LIVES COVERED

In the first full year of operations of
the Health Insurance Business

₹51,000 Cr+

LENDING BOOK

Including Housing

10 Mn+

ACTIVE CUSTOMERS

REPOSITIONING OURSELVES

LISTING OF ADITYA BIRLA CAPITAL
LAUNCHED UNIFIED BRAND

PORTFOLIO EXPANSION

RECEIVED LICENCE TO START OUR ASSET
RECONSTRUCTION COMPANY

OUR EFFICIENCIES

**Building
Profitable Scale**

HOUSING FINANCE BUSINESS ACHIEVED
FULL YEAR OF PROFITABILITY

4.3% Net VNB Margin²

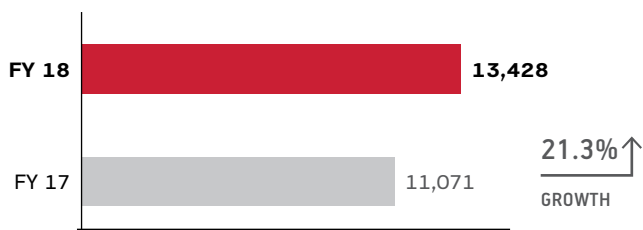
OF LIFE INSURANCE BUSINESS IN FY 18

¹Combined AUM of Life Insurance, Health Insurance, Private Equity and Quarterly average AAUM of Asset Management Business

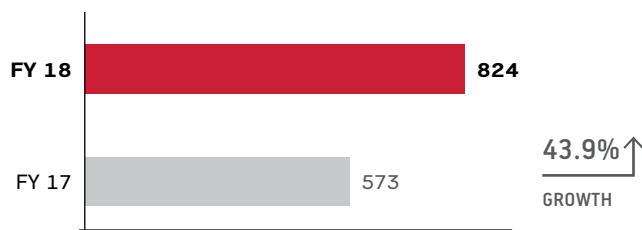
²Includes Individual and group protection business

Financial Highlights

Consolidated Revenues (₹ Crore)¹

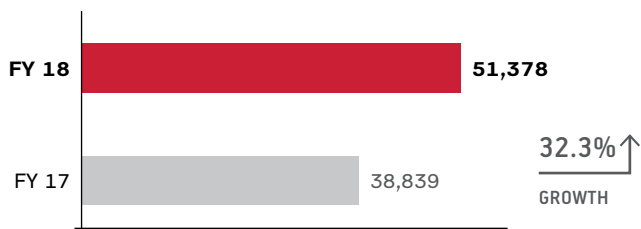


Consolidated Profit After Tax* (₹ Crore)¹



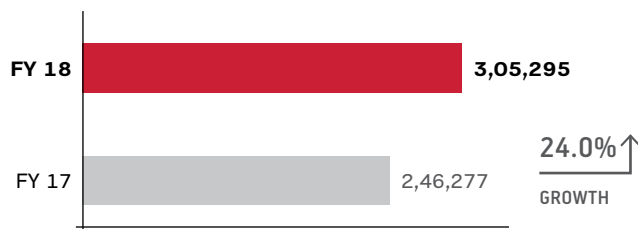
*After minority interest

Lending Book² (₹ Crore)



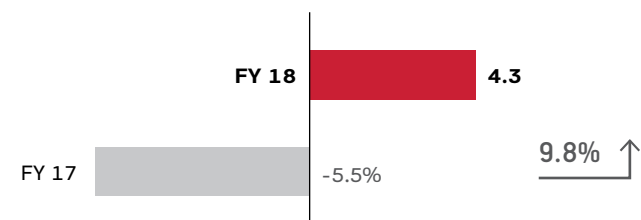
²Includes lending book of NBFC and Housing Finance Businesses

Assets Under Management³ (₹ Crore)



³Includes AUM of Life Insurance, Health Insurance, Private Equity and Quarterly average AUM of Asset Management Business

Net VNB Margin⁴ (%)



¹On like to like basis, ABNL transferred its 51% stake in Aditya Birla Sun Life Insurance (ABSLI) to ABCL with effect from 23rd March 2017. Previous year financials have been so stated to make performance comparable.

⁴Includes Individual and Group protection business

Growth and Scale

GROWTH FY 15 TO FY 18

PROTECTING

LIFE INSURANCE
INDIVIDUAL
FIRST-YEAR PREMIUM

1.5x

HEALTH INSURANCE¹
GROSS WRITTEN
PREMIUM

~₹250 Cr

GENERAL INSURANCE
BROKING
REVENUE

3.6x

INVESTING

AMC
AAUM²

2x

STOCK AND
SECURITIES BROKING
REVENUE

1.4x

²Average Asset Under Management

FINANCING

NBFC
LENDING BOOK

2.5x

HOUSING FINANCE
LENDING BOOK

57x

ADVISING

ONLINE PERSONAL
FINANCE
REVENUE

6x

¹First Full Year Of Operation

A PLATFORM OF SIZE AND SCALE

800+

BRANCHES

1,90,000+

AGENTS AND
CHANNEL PARTNERS

14,500+

EMPLOYEES

84+

BANKS

240+

NATIONAL DISTRIBUTORS

Highlights and Strategic Priorities

ADITYA BIRLA FINANCE

KEY HIGHLIGHTS

- Well diversified portfolio with 25% y-o-y growth in lending book
- Net Interest Income grew by 37% y-o-y
- Stable net interest margin of 4.4% with strong growth in earnings before tax
- Unsecured Retail Lending business turned profitable in <2 years of operations
- Significant investment in digital, branch expansion and retail portfolio
- Retail + SME + UHNI mix at 47% (PY: 43%)
- Diversified and highly competitive cost of borrowings

STRATEGIC PRIORITIES

- Increase penetration in Tier II and Tier III cities
- Increase presence through branch expansion
- Scale up the retail loan book over the next 2-3 years
- Scale up wealth business leveraging synergies where possible



Vrushali and Ashutosh Vaidya | Entrepreneur



Karim Hajee | Actor

ADITYA BIRLA HOUSING FINANCE

KEY HIGHLIGHTS

- Lending book doubled to ₹8,137 Crore
- Turned profitable within 7 quarters of operation, reported full year earnings before tax of ₹24 Crore
- Reduction in average home loan (incl. affordable) ticket size from ₹45 Lakh to ₹27 Lakh
- Diversification across product and geographies
- Optimum product-sourcing mix

STRATEGIC PRIORITIES

- Increase presence through branch expansion
- Scale up affordable housing loans segment by tapping into Tier II to Tier IV cities
- Home loans to form 60% of book, with construction finance and LAP each contributing 20%
- Drive group synergies by exploring cross-sell opportunities across Aditya Birla Capital/Aditya Birla Group ecosystem

Highlights and Strategic Priorities (continued)

ADITYA BIRLA SUN LIFE AMC

KEY HIGHLIGHTS

- Ranked 3rd among mutual funds in India with strong profitability growth
- Robust growth of 27% in average assets under management to ₹2,67,739 Crore
- Market share in equity average assets under management up to 9.18% from 8.53% in FY17
- Healthy traction in SIP book, which doubled in size
- Solid and consistent investment performance track record
- B15 AUM crosses ₹40,000 Crore mark

STRATEGIC PRIORITIES

- Expanding footprint through branch additions and widening the distribution network
- Higher focus on customer engagement activities to make service a differentiator
- Focus on achieving higher cost efficiencies across operations



Manoj Aurora | Captain

ADITYA BIRLA SUN LIFE INSURANCE

KEY HIGHLIGHTS

- Turned Net value of new business (VNB) margin positive at 4.3%
- Healthy growth of 20% y-o-y in individual first-year premiums
- Operationalised HDFC Bancassurance tie-up
- Balanced distribution mix
- Share of Protection products doubled to 5% y-o-y

ADITYA BIRLA HEALTH INSURANCE

KEY HIGHLIGHTS

- Gross underwritten premium at ₹243 Crore with more than 1 Million lives covered
- Healthy traction in retail premiums boosted overall GWPs
- Issued over 70% policies through digital platforms
- Created multi-channel distribution model

STRATEGIC PRIORITIES

- Further enhance share of protection products
- Acquire new distribution partners while strengthening the existing ones
- Create value by optimising costs and scaling up bancassurance partnerships
- Target higher persistency ratios through improvement in customer experience and servicing
- Drive digitalisation platforms for customer acquisition and cost rationalisation

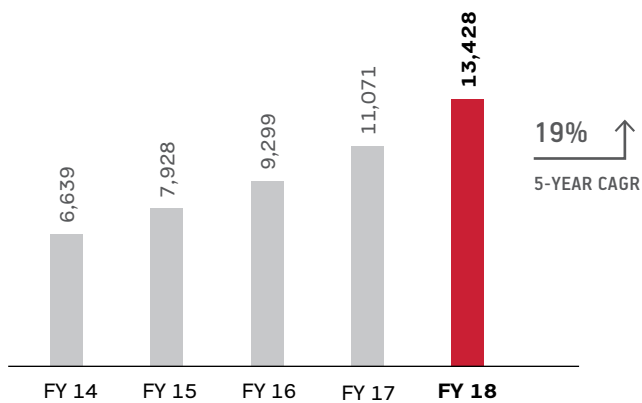
STRATEGIC PRIORITIES

- Continue to build capacities across people, platforms and distribution networks
- Enhance customer value proposition to customers as health influencers instead of health financiers, driven mainly by repeat engagements with customers through their health journey
- Further leverage existing capacities in distribution and channel partnerships
- Launch new and innovative products to cater to latent and inherent needs of customers

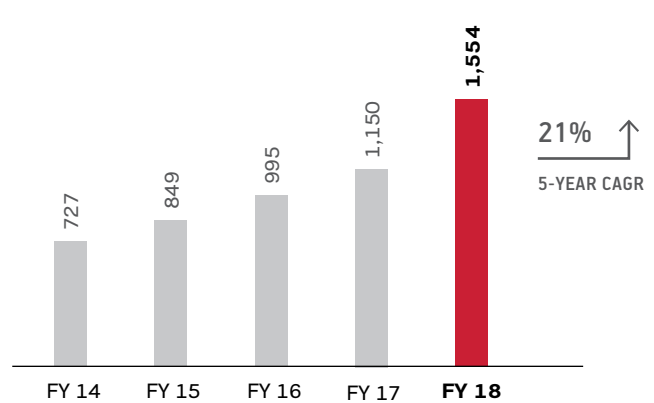
Five-Year Progress

ADITYA BIRLA CAPITAL – CONSOLIDATED

Consolidated Revenues (₹ Crore)



Earnings Before Tax (₹ Crore)

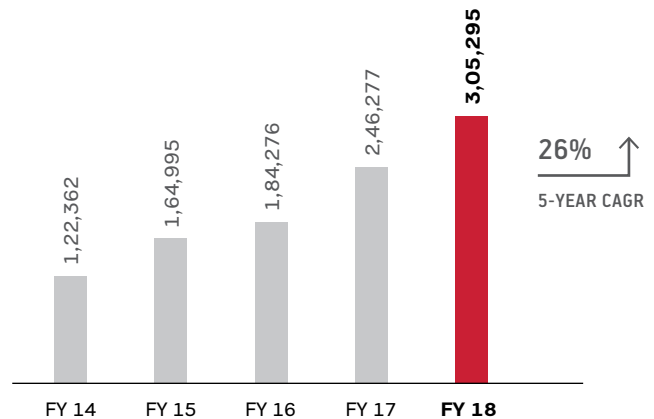


Lending Book (₹ Crore)¹



¹Includes lending book of NBFC and Housing Finance Business

Assets Under Management (₹ Crore)²

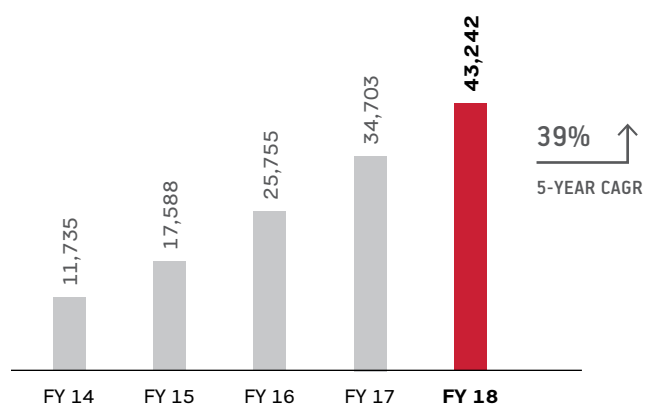


²Includes AUM of Life and Health Insurance, Private Equity and quarterly average AUM of Asset Management business.

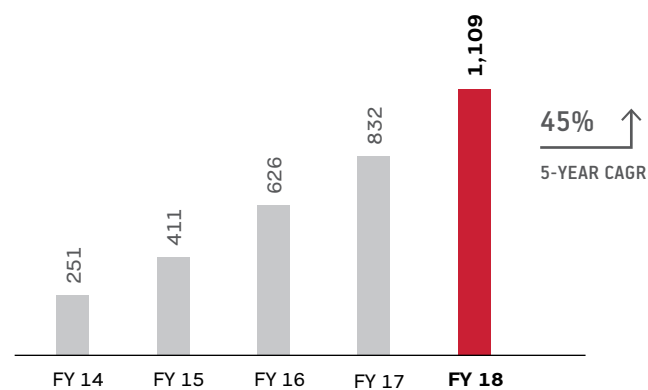
NOTE: To make the performance comparable, the aggregate revenue and PBT of the financial information contained in the IGAAP financial statement of the individual subsidiaries/joint ventures of ABCL till FY 17, before any intercompany elimination or minority interest.

ADITYA BIRLA FINANCE

Lending Book (₹ Crore)

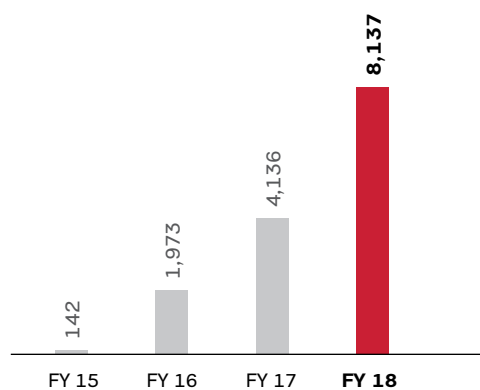


Earnings before tax (₹ Crore)

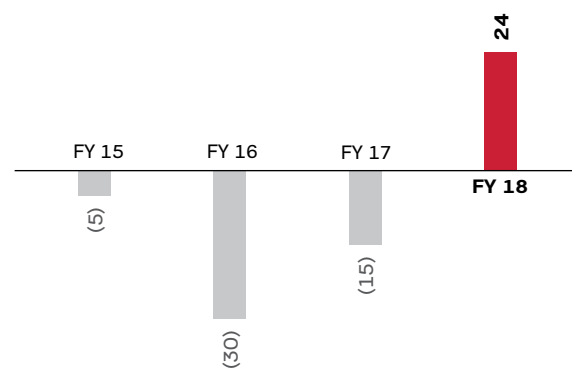


ADITYA BIRLA HOUSING FINANCE¹

Lending Book (₹ Crore)



Earnings before tax (₹ Crore)

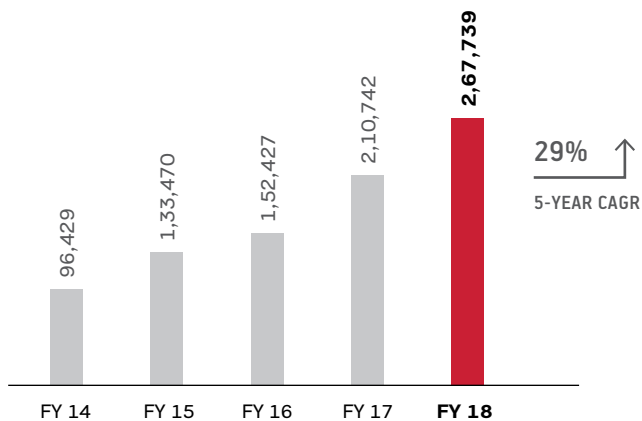


¹Aditya Birla Housing Finance commenced operations in October 2014

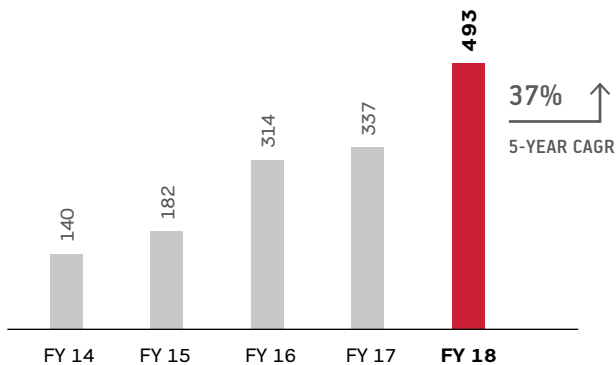
Five-Year Progress (continued)

ADITYA BIRLA SUN LIFE AMC¹

Average Assets Under Management (₹ Crore)

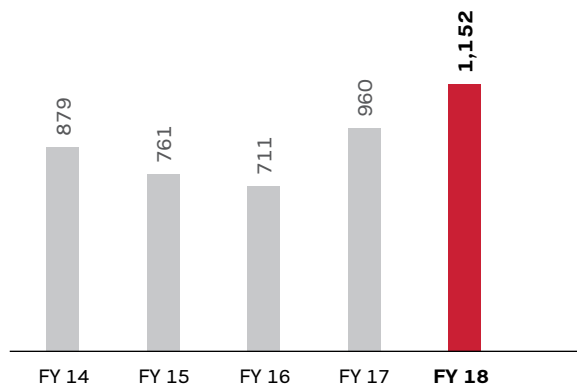


Earnings before tax (₹ Crore)

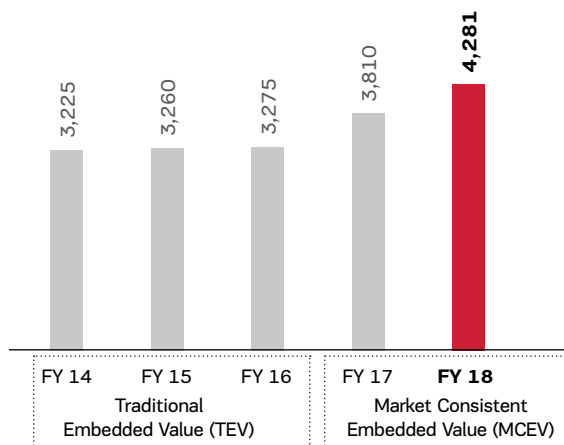


ADITYA BIRLA SUN LIFE INSURANCE

Individual First Year Premium (₹ Crore)



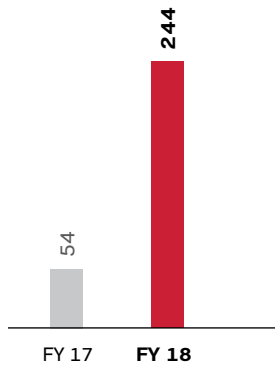
Embedded Value (₹ Crore)



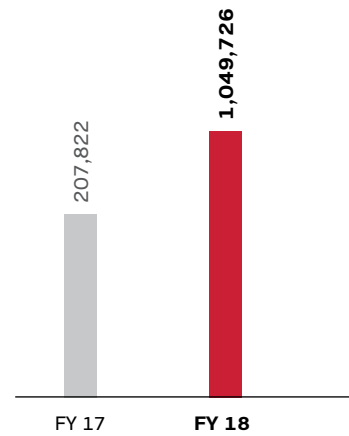
¹Average assets under management for the quarter ending March

ADITYA BIRLA HEALTH INSURANCE¹

Gross Written Premium (₹ Crore)



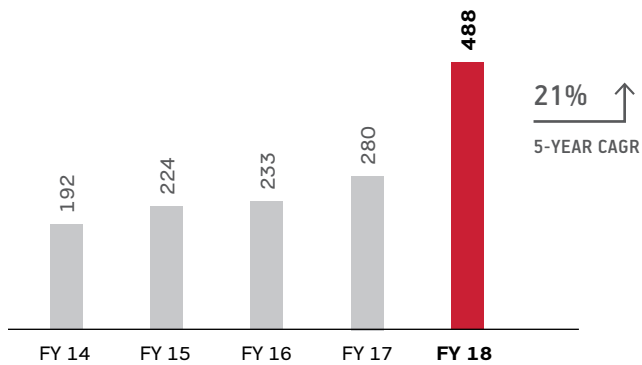
No. of Lives Covered



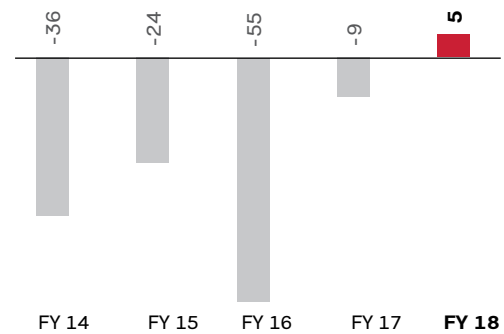
¹Aditya Birla Health Insurance launched operations in November 2016

OTHER BUSINESSES - AGGREGATE²

Revenues (₹ Crore)



Earnings before Tax (₹ Crore)



²Other Businesses include General Insurance Broking, Private Equity, Online Personal Finance, Stock and Securities Broking Business and ABCL's Standalone financials

Our differentiated positioning and approach towards providing financial solutions has received an encouraging response from our customers. Our robust financial performance so far is an outcome of our customers' growing trust in us. It is our endeavour to create long-term sustainable value for our stakeholders. We highlight some of our inherent strengths alongside.

Our Strengths

DIVERSIFIED PLATFORM

Our diversified platform gives us the opportunity to gain exposure to the long term secular growth trends in the Indian financial services sector. Our diversity extends across products and services, customer segments, channels and geographies in India with solutions that cater to customers ranging from large corporates to medium and small enterprises, and mass market retail to high net worth individuals. We believe that this diversified platform provides us complementary revenue streams that help balance against market cycles and provides us a natural hedge against downturns in any particular business segment or asset class.

STRONG PARENTAGE AND BRAND

We believe that customers look for three main criteria from their financial service provider: trust, financial stability and experience. In the financial services space a trusted brand is crucial as we believe customers 'buy the brand' first, before the product. Therefore, we believe having a strong brand is a distinct competitive edge in the financial services sector as we benefit from the strong brand equity generated by the 'Aditya Birla' brand. The Aditya Birla group is one of the most respected, largest and oldest business houses in India. The group pedigree is also a factor in our receiving 'AAA' ratings for long term borrowing in both our lending businesses.

OUR PEOPLE

Led by highly experienced leadership teams in each of our businesses, we believe that our people are one of our greatest strengths. Over the past decade, they have delivered growth and built the market leading businesses that are part of the ABCL platform today. As demonstrated by our track record, we believe that the strength of our talent is a key competitive advantage and will help us implement our business strategies and adapt to evolving customer preferences and changes in our business, economic and regulatory environments.

PAN-INDIA MULTI DISTRIBUTION CHANNEL

Multi-channel approach to distribution in our businesses enables us to reach diverse customer segments which we believe contributes to our new customer acquisition as well as maintaining ongoing customer relationships. Our multi-channel distribution network provides us with the flexibility to adapt to changes and mitigate the risk of over-reliance on any single channel. Our online initiatives also complement our physical distribution infrastructure, driving efficiency and enhancing our customer experience.

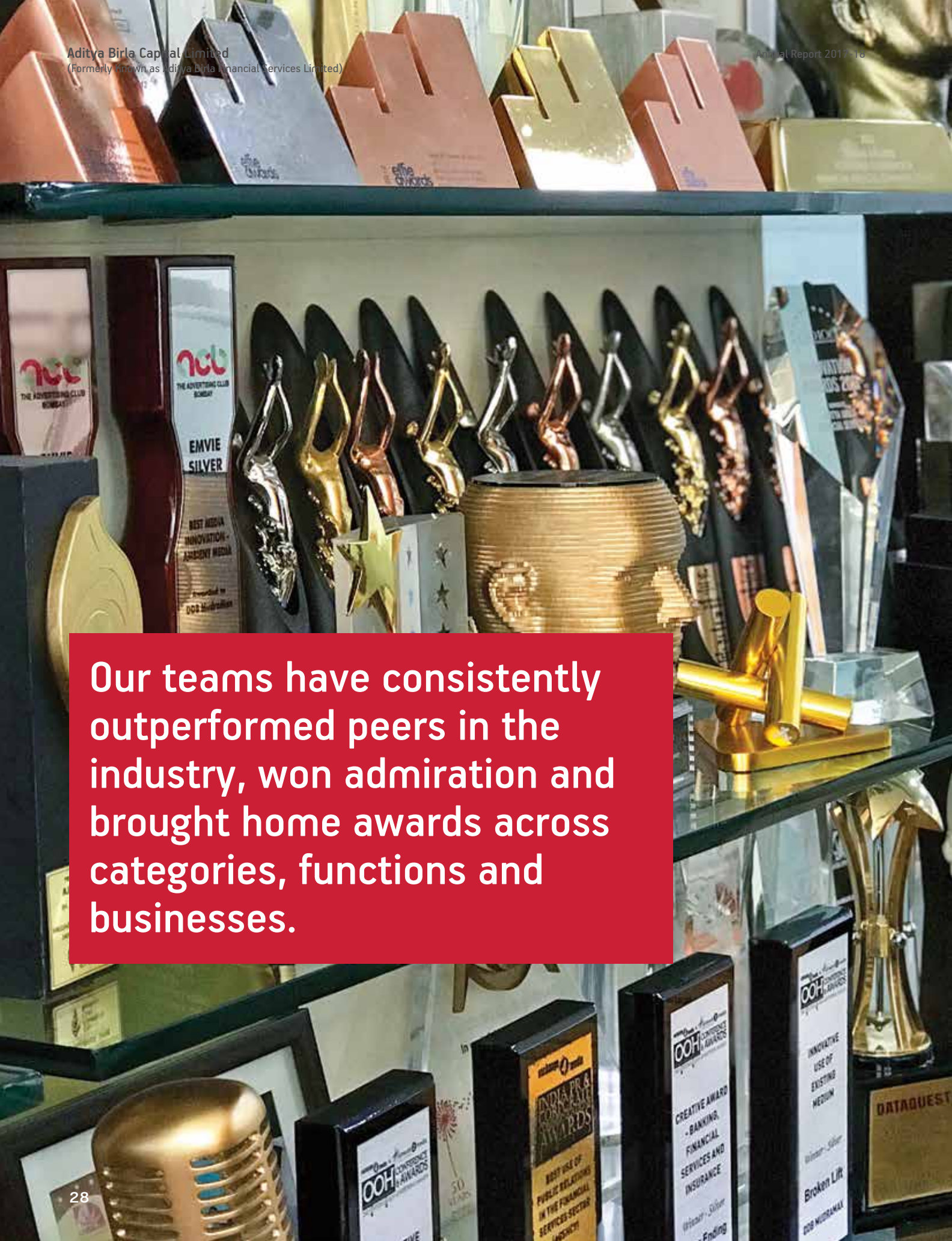
Our distribution presence is being built in tier 2 and tier 3 cities, where the next wave of growth is expected to come from. Combined with the trustworthy 'Aditya Birla' brand, this puts us in a unique position to take advantage of increasing financial products participation in India.

INTEGRATED RISK MANAGEMENT PROCESSES

Effective Risk Management framework is core to a Financial services business. We believe that we have a differentiated approach to managing risk across our platform with robust governance mechanisms in place, that not only manage risk at each of the segment levels but also at an overall financial services platform level. We manage our systemic risks by monitoring concentration risk in our Client groups, integrating deep sector expertise across our segmented lines of business and maintaining constant oversight over event risks. This forms an integral part of our risk appetite framework at an ABC platform level. We have in place a robust Internal Risk Rating system, as an integral part of our Credit Risk framework, being used effectively to assess default risk of Borrowers/Facilities and in our Risk based pricing decisions.

Strong Credit Rating for both Lending Businesses

AAA Rated for long term borrowings by India Rating and Research



Our teams have consistently outperformed peers in the industry, won admiration and brought home awards across categories, functions and businesses.

Awards and Accolades

SERVICE EXCELLENCE

We were awarded the prestigious IMC Ramakrishna Bajaj National Quality Award in 2017. The National Quality Award is awarded to just one company in India in the services and manufacturing categories. The award enjoys the stature of being one of India's most prestigious quality awards to recognise quality practices in Indian business.

We won the 'Global Performance Excellence Award - 2017' in the Services Category by Asia Pacific Quality Organisation (APQO). ABCL was selected as the 'Best-in-Class Organisation' amongst large organisations across Asia Pacific, to win this coveted global award for business excellence.

PERFORMANCE

Aditya Birla Sun Life Asset Management Company (ABSLAMC) won the following awards for performance:

2017 THOMSON REUTERS LIPPER AWARDS - INDIA

Bond Indian Rupee

Best Fund over 10 years, BSL Dynamic Bond Fund - Retail - Growth

Equity Sector Information Technology

Best Fund over 3 years, BSL New Millennium Fund - Growth

Overall

Best Group Over 3 Years

2017 THOMSON REUTERS LIPPER AWARDS - MENA MARKETS

Bond Indian Rupee

- Best Fund over 3 years, BSL Dynamic Bond Fund – Retail - Growth
- Best Fund over 5 years, BSL Dynamic Bond Fund – Retail - Growth
- Best Fund over 10 years, BSL Dynamic Bond Fund - Retail - Growth

Equity India

- Best Fund over 3 years, BSL Small & Midcap Fund - Growth
- Best Fund over 10 years, BSL Midcap Fund - Growth

Equity Sector Financials

- Best Fund over 3 years, BSL Banking & Financial Services Fund - Growth

BEST OF THE BEST AWARDS BY ASIA ASSET MANAGEMENT FOR OUTSTANDING ACHIEVEMENTS:

- Best Fund House

OUTLOOK MONEY AWARDS

Fund House of the Year Award

MORNINGSTAR AWARDS 2018

Best Fund House - Overall

WON THE IMC RAMAKRISHNA NATIONAL QUALITY AWARD FOR QUALITY PRACTICES IN THE SERVICES AND MANUFACTURING CATEGORY IN 2017

Awards and Accolades (continued)

PEOPLE

ABCL was among 40 organisations from across 8 countries to win the Association for Talent Development (ATD) BEST Award in 2017. ABCL was also proudly one amongst the only 9 Indian Companies to be recognised for enterprise-wide success as a result of employee talent development by ATD.

ABCL won the prestigious 'BM Munjal Award for Learning and Development in the Services business'. These awards recognise organisations that have demonstrated business excellence through innovations in learning and development, as a source of competitive advantage.

Our efforts towards creating a fair and inclusive workplace with ample opportunities for growth were rewarded with ABCL being ranked 12th amongst the Top 25 'Best Companies to work for' 2017 rankings by Business Today Best Places to Work for Survey, conducted in collaboration with People Strong.

MARKETING

BRAND

ABHI won at the Abby Awards 2017 for the innovative use of mobile advertising platforms in a campaign.

Ranked 12th

AMONGST THE TOP 25 'BEST COMPANIES TO WORK FOR 2017' RANKINGS BY BUSINESS TODAY BEST PLACES TO WORK FOR SURVEY, CONDUCTED IN COLLABORATION WITH PEOPLE STRONG

CSR

We won at the India CSR Awards for CSR Innovation and Leadership 2017 for our project SAKSHAM. The project aimed to provide children with disability an opportunity to access education and holistic development.

We won the BT-CSR Excellence Award for CSR at the Bureaucracy Today-CSR Excellence Awards 2017.

CUSTOMER LOYALTY

The ABC Select Programme was awarded as 'The Best Loyalty Program' at the 11th Customer Loyalty & Experience Awards.

CUSTOMER CENTRICITY

ABSLI won an award in the 'Data driven Marketing' category at the Asia Pacific Customer Engagement Forum Awards for its Persistency Predictive Model Suite.

ABCL was recently honoured by Confederation of Indian Industry (CII) with the 'Active Customer Engagement' Award, as part of the 'CII Awards for Customer Obsession -2016', in the 'Large Business Organisations - Services Sector' category. The award recognises customer-centric organisations, where customers are at the centre of all that they do.

TECHNOLOGY

ABCL was awarded the Dataquest Vertical Warrior Award in the BFSI sector for innovative use of digital technology by CyberMedia, the largest specialty media house in South Asia and amongst India's top five magazine brands in the technology domain.

ABCL also won at the Annual CIO 100 Awards for using IT in innovative ways to deliver business value, whether by creating competitive advantage, optimising business processes, enabling growth or improving relationships with customers.

People at Aditya Birla Capital

We, at Aditya Birla Capital, believe in nurturing talent. It has been our endeavour to create home grown leaders focussed on our customers' needs and operating with an ethical and governance mindset. We constantly undertake various people engagement initiatives to drive up their performance, as well as achieve job satisfaction. Some of these initiatives are:

TALENT COUNCILS COMPRISING SENIOR LEADERSHIP MEMBERS

- Reviews employees on aspects of potential and performance at regular intervals
- Review the firm's succession plans for various critical roles
- Chalk out interventions to provide leadership experience for identified talent
- About 2000 employees had role movement over last 3 years



LEADERSHIP TALENT DEVELOPMENT PROGRAM (LTDP)

- Grooms key talent across levels of hierarchy in the firm
- Puts key talent through a year-long intervention and focusses on building capabilities in them to reach the next level of leadership



14,500+

EMPLOYEES

22%

WOMEN WORKFORCE

Our Behaviourial Anchors

- F** Focus on Results
- A** Accountability with Discipline
- I** Innovation and Entrepreneurship
- R** Respect and Openness

Our 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 sections of society and raise the country's human development index.'

– Mrs. Rajashree Birla, Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development



Corporate Social Responsibility

For us in the Aditya Birla Group, giving and caring by reaching out to under-served communities is part of our DNA. We believe in the trusteeship concept. This entails transcending business and grappling with the 'quality of life' challenges that under-served communities face and working towards making a meaningful difference to them. At Aditya Birla Capital, we imbibe the Group culture, its ethos and values in every aspect of our CSR programme.

SOCIAL REPORT

All our projects are based on the needs of the communities. Our projects are very inclusive. We treat our social initiatives just as we do our business projects. Our vision, in a nutshell, epitomises inclusive growth, and dignifying the lives of the underprivileged. Our work rests on four pillars:

- Embedding our social vision in the business plan
- Having a razor-sharp strategy for execution factoring in milestones, targets, performance management and accountability
- Getting our work audited by reputed third party agencies in the CSR domain, to validate field reports
- Working in tandem with Government agencies and re-coursing to their various development schemes, which foster inclusive growth and help us extend our reach

Above all, the invaluable contribution by our strong committed leadership and implementation teams and partner NGOs gives us the edge. Their energy, passion and commitment to make a difference to the underprivileged makes our work count.

BEYOND BUSINESS

Our footprint extends to 10 states through partnerships with more than 30 NGOs. Our endeavour in healthcare, education, women empowerment and sustainable livelihood and sports reaches out to nearly 3 Lakh people across India.



Corporate Social Responsibility (continued)

PERFORMANCE HIGHLIGHTS

HEALTHCARE

- Over 1.45 Lakh expectant mothers and mothers of children under 2 years have received and benefitted from our comprehensive Mother and Child Healthcare programme which comprises antenatal, postnatal, immunisation, anaemia control and other programmes, in Tamil Nadu, Odisha, Madhya Pradesh and Maharashtra.
- Over 6,550 elderly people with vision impairment were screened in rural medical camps. Of these, 800 senior citizens in Jharkhand underwent cataract surgery.
- Through our 'Hospital on Wheels Project', more than 10,000 patients received high-quality healthcare service in Gazipur (Uttar Pradesh).
- We have helped revive three Government Primary Health Centres (PHCs) and 10 Sub Centres, benefitting more than 90,000 patients in Rajasthan.
- With our support 1,100 cancer-afflicted children from economically constrained background received cancer care and treatment. We held 57 cancer-screening camps where 6,556 patients in Maharashtra were screened.
- We have partnered with Tata Memorial Hospital for cancer research.



EDUCATION

- Our effort to set up 8 Inclusive Child Resource Centres, focussed on holistic support to Child with Disability (CwD) at Bhubaneswar in Odisha, resulted in 365 children re-joining school and continuing their education.
- 15,000 rural women in Karnataka and Maharashtra have been trained on financial literacy, which focussed on household budget planning, bank account opening, Aadhaar card application, savings, insurance and micro-entrepreneurial activity.
- Vocational training to 500 under-privileged youngsters in Madhya Pradesh in various domains of National Skill Development Corporation (NSDC) curriculum has helped 365 of them to get employment.
- Our school-based programme in Mumbai to address the issue of child sexual abuse through personal safety programme created awareness among 1,500 adolescents.
- We have set up two vocational training centres for the rural youth, women and farmers in Cuddalore district in Tamil Nadu. The thrust is on computer education, tailoring, beautician courses, financial literacy programmes and mushroom cultivation.
- As a tribute to martyred army personnel, we have given scholarships to 967 children of soldiers in partnership with the Indian Army.

WOMEN EMPOWERMENT AND SUSTAINABLE LIVELIHOOD

- Our 120 Self Help Groups (SHGs) empowered 1,610 households economically and socially. Most of the SHGs have been linked with banks and other financial institutions for availing collateral-free loans. These SHGs have made a group saving of ₹38.50 Lakh and taken loan of ₹94.52 Lakh for various income-generating activities.
- Our SHGs have honed skillsets and accorded entrepreneurial training to 307 SHG members. As a result, these members now earn approximately ₹2,000 to ₹5,000 per month depending upon their functional area.

SPORTS

Our partnership with the GoSports Foundation to improve the performance of athletes has produced 20 national- and international-level sportspersons. Some of them rank among the best globally.



Our management and colleagues are committed to making a qualitative difference to the lives of the underprivileged. Because we care!

Risk Management Framework

At Aditya Birla Capital, we believe that having a robust risk management framework is an essential prerequisite for succeeding in the financial services business. During the FY 18, we continued to focus on strengthening the various components of our risk management framework as illustrated alongside.

THE BENEFITS OF SUCH AN APPROACH ARE:

- Group-level oversight and monitoring
- Integrated view of risk
- Better strategic decision-making
- Control and effective governance of concentration risks

OVERSIGHT AND CONTROL ARE EXERCISED BROADLY UNDER THE BELOW DIMENSIONS:

CREDIT RISK MANAGEMENT

- Committee based approval structure for all mid to large credits
- Standardised credit practices and risk adjusted returns driven consistently across ABC

PORTFOLIO RISK MANAGEMENT

- Risk aggregation system to mitigate risk concentration
- Exposure limits and controls (borrower/group) in place
- Investment portfolio attribution
- Scenario analysis/sensitivity models/risk appetite for predictive analysis of credit risk

EVENT RISK MANAGEMENT

- Macro/micro economic indicators trend analysis driven as advisory
- Sector impact reviews and expertise developed

ASSET QUALITY MONITORING & SUPERVISORY REVIEWS

- Monthly/Quarterly portfolio review
- Classification into RAG (Red/Amber/Green) accounts
- Automation of early warning trigger/alerts

OPERATIONAL RISK MANAGEMENT

- The Operational Risk Management (ORM) framework covers risk assessments, records loss events and monitors key risk indicators, among others
- The information security framework ensures all information assets are safeguarded adequately
- A comprehensive cyber risk assurance programme ensures proper onboarding of new technologies and digital assets.

Board of Directors



Mr. Kumar Mangalam Birla
Chairman and Non-Executive Director



Dr. Santrupt Misra
Non-Executive Director



Mr. Sushil Agarwal
Non-Executive Director



Mr. Arun Adhikari
Independent Director



Mr. S C Bhargava
Independent Director



Mr P H Ravikumar
Independent Director



Mrs. Vijayalakshmi Iyer
Independent Director

Leadership Team



Mr. Ajay Srinivasan
Chief Executive, Aditya Birla Capital Limited



Mr. Pankaj Razdan
Chief Executive Officer and
Managing Director, Aditya
Birla Sun Life Insurance
Company Limited



Mr. Rakesh Singh
Chief Executive Officer,
Aditya Birla Finance
Limited



Mr. Tushar Shah
Chief Executive Officer,
Infrastructure & Structured
Finance, Aditya Birla
Finance Limited



Mr. A Balasubramanian
Chief Executive Officer,
Aditya Birla Sun Life AMC
Limited



Mr. D Muthukumar
Chief Executive Officer,
Aditya Birla PE Advisors
Private Limited



Dr. Sandeep Dadia
Chief Executive Officer and
Principal Officer, Aditya
Birla Insurance Brokers
Limited



Mr. Mayank Bathwal
Chief Executive Officer,
Aditya Birla Health
Insurance Company
Limited



Mrs. Pinky Mehta
Chief Financial Officer



Mr. Mukesh Malik
Chief Operating Officer



Mr. Subhro Bhaduri
Chief Human Resources Officer



Mr. A Dhananjaya
Chief Compliance and
Risk Officer



Mr. Gaurav Zutshi
Chief Digital Officer



Mr. Ajay Kakar
Chief Marketing Officer



Mr. Pramo Selvaratnam
President, Strategy and
Business Development

Corporate Information

COMMITTEES OF THE BOARD

Audit

Mrs. Vijayalakshmi Iyer
Mr. P H Ravikumar
Mr. Sushil Agarwal

Nomination, Remuneration and Compensation

Mr. Arun Adhikari
Mr. S C Bhargava
Mr. Sushil Agarwal
Dr. Santrupt Misra

Corporate Social Responsibility

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

Stakeholders' Relationship

Mrs. Vijayalakshmi Iyer
Mr. Sushil Agarwal
Dr. Santrupt Misra

Finance

Mr. P H Ravikumar
Mr. Sushil Agarwal
Dr. Santrupt Misra

Risk Management

Mrs. Vijayalakshmi Iyer
Mr. P H Ravikumar
Mr. Sushil Agarwal

KEY MANAGERIAL PERSONNEL

Mr. Ajay Srinivasan
Chief Executive Officer

Mrs. Pinky Mehta
Chief Financial Officer

Mr. Sailesh Daga
Company Secretary

SENIOR MANAGEMENT

Mr. Mukesh Malik
Chief Operating Officer

Mr. Subhro Bhaduri
Chief Human Resource Officer

Mr. A Dhananjaya
Chief Compliance and Risk Officer

Mr. Gaurav Zutshi
Chief Digital Officer

Mr. Ajay Kakar
Chief Marketing Officer

Mr. Pramo Selvaratnam
President, Strategy and Business
Development

STATUTORY AUDITORS

Deloitte Haskins & Sells LLP
Chartered Accountants

SECRETARIAL AUDITORS

BNP & Associates
Company Secretaries

INTERNAL AUDITORS

Price Waterhouse & Co. Bangalore LLP
Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENT

Karvy Computershare Pvt. Ltd.,
'Karvy Selenium', Tower B,
Plot No. 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad-500 032

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F: +91 40 2331 1968
E: adityacapital@karvy.com

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CORPORATE OFFICE

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Tower-1, 18th Floor,
Jupiter Mill Compound,
841, Senapati Bapat Marg,
Elphinstone Road,
Mumbai - 400 013

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F: +91 22 4356 7111

STATUTORY REPORTS

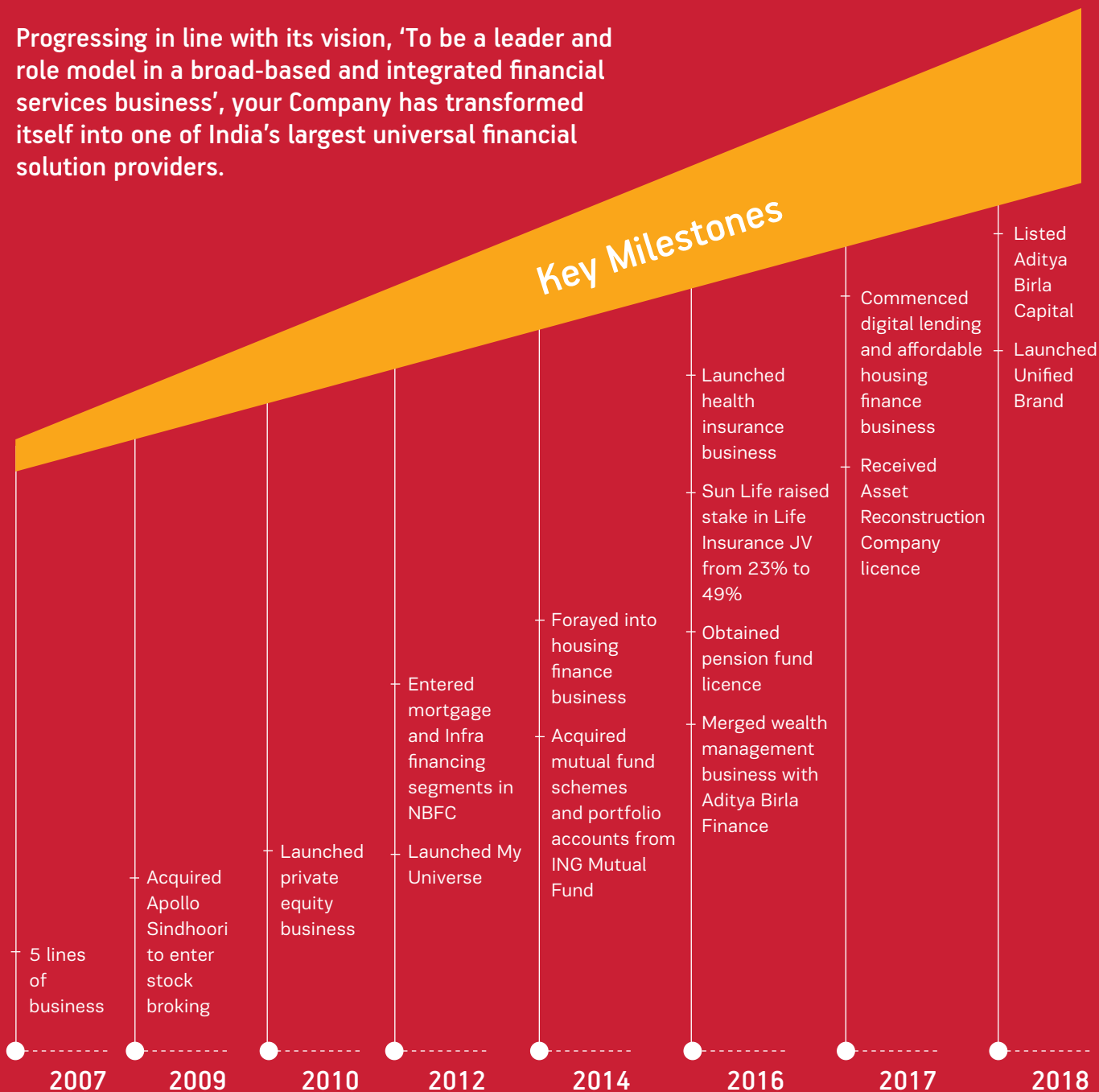
43	Management Discussion and Analysis
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FINANCIAL STATEMENTS

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175	Consolidated Financial Statements

Journey of Transformation

Progressing in line with its vision, 'To be a leader and role model in a broad-based and integrated financial services business', your Company has transformed itself into one of India's largest universal financial solution providers.



Management Discussion and Analysis

Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited) is the holding company of all financial services businesses of the Aditya Birla Group. Your Company has a significant presence spanning multiple sectors including non-banking financial company (NBFC), asset management, life insurance, health insurance, housing finance, private equity, general insurance broking, wealth management, broking, online personal finance management and pension fund management. Your

Company has also received a licence from the Reserve Bank of India (RBI) to set up an asset reconstruction company.

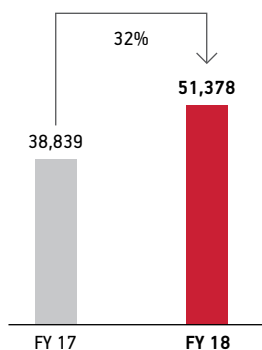
Your Company's subsidiaries have built significant scale in the sector in which they operate. In addition to the scale each business has built, the subsidiaries work closely together to maximise synergy benefits and cross-sell.

Your Company's diversified portfolio of products and services allows it to capture the broader Indian opportunities in financial services.

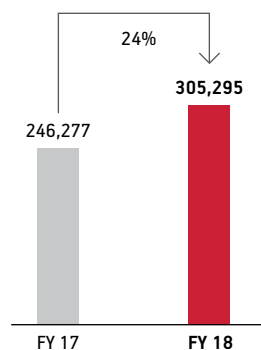
KEY FINANCIALS – FY 18

CONSOLIDATED

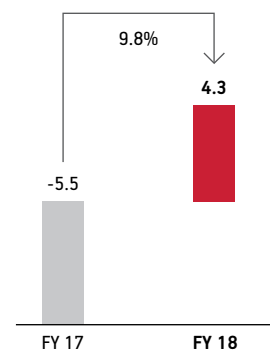
Lending Book¹ (%)



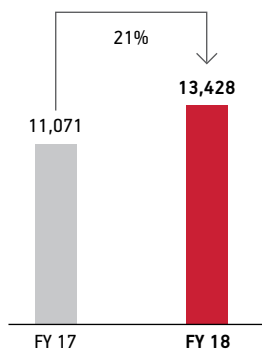
AUM² (%)



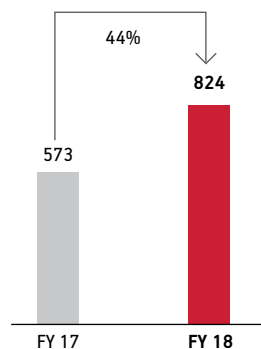
Net VNB Margin (%)



Revenue³ (%)



Profit after Tax³ (%)



¹Includes lending book of NBFC and Housing Finance Businesses

²Includes AUM of Life Insurance, Health Insurance, Private Equity and Quarterly average AUM of Asset Management Business

³On like-to-like basis, ABNL transferred its 51% stake in Aditya Birla Sun Life Insurance (ABSLI) to ABCL with effect from 23rd March 2017. Previous year financials have been re-stated to make the performance comparable.

- Consolidated revenue, on a like-to-like¹ basis, increased 21%, over the preceding year from ₹11,071 Crore to ₹13,428 Crore
- Consolidated earnings before tax (EBT), on a like-to-like¹ basis, increased 35% over the preceding year, to ₹1,554 Crore from ₹1,150 Crore; adjusted for investments in our recently launched health insurance business, like-to-like EBT growth was 41% over the preceding year
- Net profit (before minority interest) on a like-to-like¹ basis, grew by 30% year-on-year to ₹1,004 Crore from ₹775 Crore, reaching the ₹1000 Crore mark for the first time
- Net profit (after minority interest) on a like-to-like¹ basis, grew by 44% year-on-year to ₹824 Crore from ₹573 Crore
- Lending book (Incl. housing), rose by 32% year-on-year to reach ₹51,378 Crore
- Aggregate AUM² has grown 24% year-on-year to ₹3,05,295 Crore
- Posted positive Net VNB margin at 4.3% for our life insurance business in FY 18, compared to negative 5.5% in previous year

¹On like-to-like basis, ABNL transferred its 51% stake in Aditya Birla Sun Life Insurance (ABSLI) to ABCL with effect from 23rd March 2017. Previous year financials have been re-stated to make the performance comparable.

²Includes AUM of Life Insurance, Health Insurance, Private Equity and Quarterly average AUM of Asset Management Business

Business-wise performance and outlook

ADITYA BIRLA FINANCE LIMITED (NBFC)

Aditya Birla Finance Limited (ABFL) is among India's leading private diversified non-banking finance companies (NBFC) companies, offering end-to-end financing and wealth management solutions to a wide range of customers across the country. ABFL caters to varied financial requirements of a wide range of customers across retail, high-net-worth individual (HNI), ultra HNI, micro enterprises, small and medium enterprises, mid and large corporates.

INDUSTRY OVERVIEW

India's economic structure and growth make it an attractive market for NBFCs that can cater to the growing needs of both the banked customers as well as the under-served segment.

The outstanding credit of NBFCs expanded at a compound annual growth rate (CAGR) of 19% since fiscal 2012,

although this growth has not been uniform across segments. NBFCs have expanded their share in total credit extended by banks and NBFCs from 9.5% in March 2008 to 15.5% in March 2017 (Source: RBI).

Industry aggregate gross non-performing assets (NPAs) of NBFCs stood at 4.4% vis-à-vis 9.3% of banks in FY 17. Additionally, industry aggregate Return on Assets (ROA) and Return on Equity (ROE) of NBFCs for FY 17 stood at 1.8% and 6.8% compared to 0.4% and 4.2% for banks. (Source: RBI)

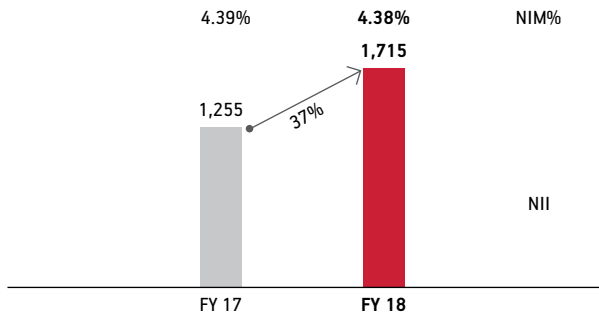
PERFORMANCE REVIEW

The overall lending book for ABFL grew year-on-year by 25% to ₹43,242 Crore as on 31st March, 2018. The retail, SME and ultra HNI segments continued to grow faster and constituted 47% of the portfolio as on 31st March, 2018 vs. 43% in the previous year.

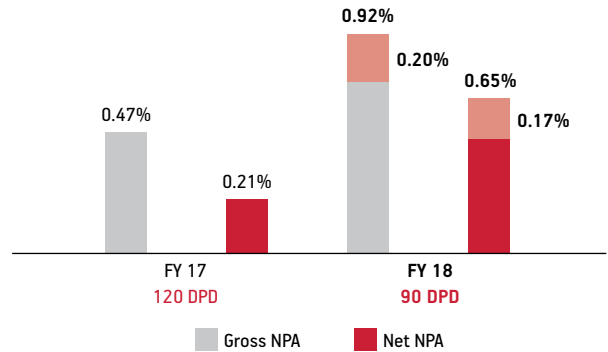
ABFL continued to deliver strong performance across multiple parameters. The net interest income grew 37% year-on-year to ₹1,715 Crore in FY 18. The earnings before tax reached a record of ₹1,109 Crore in FY 18. Return on average equity and return on average assets continued to be strong at 14.2% and 1.9% respectively. These return numbers are to some extent impacted by the investments being made in digital, branches and feet on street.

The growth in the loan book has been accompanied by strong credit appraisal and risk management practices. As on 31st March, 2018, ABFL had a Gross NPA ratio of 0.92% and a Net NPA ratio of 0.65% with a substantial part of the lending book comprising secured lending.

Strong NII Growth

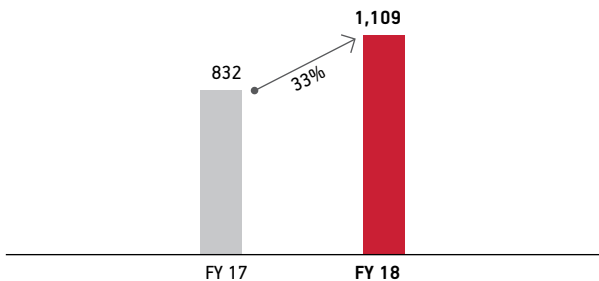


Maintained Asset Quality (₹ Crore)

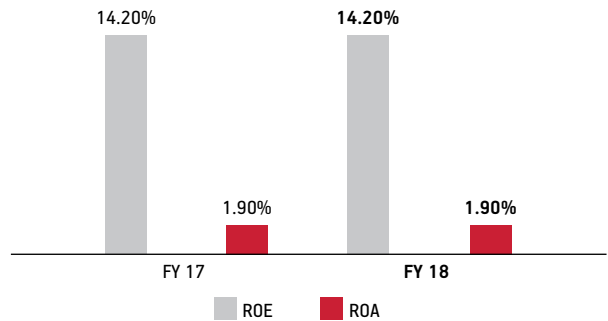


Note 1: GNPA of 0.20% on account of exposure getting categorised as NPAs due to withdrawal of the erstwhile framework of revitalising stressed assets vide RBI circular dated Feb 12, 2018. The resolution for this is underway.

PBT Reached a Record ₹1,100+Crore



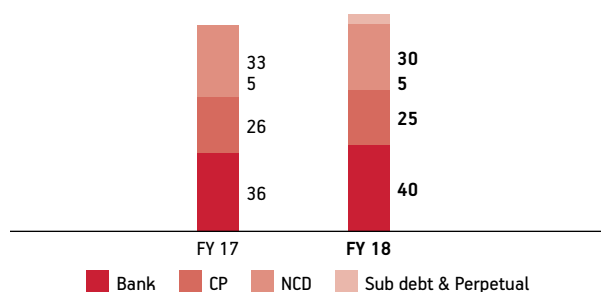
Maintaining Healthy Returns



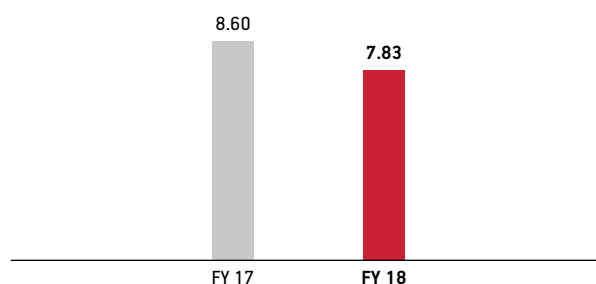
Note 2: ROE and ROA are based on compounded monthly average
 Note 3: FY 17, Excluding tax benefit of wealth division merger

ABFL believes diversification is a key strategy for risk mitigation. While the assets are diversified across sectors, customer segments and products, on the liabilities side it has a diversified borrowings mix, resulting in a competitive cost of funds. Hence, the overall year-on-year cost of borrowing reduced from 8.60% to 7.83%. ABFL maintains an optimum leverage ratio below 6 times.

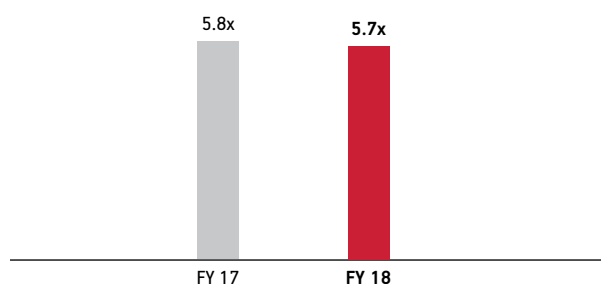
Consistently Maintaining a Diversified Borrowing Mix (%)



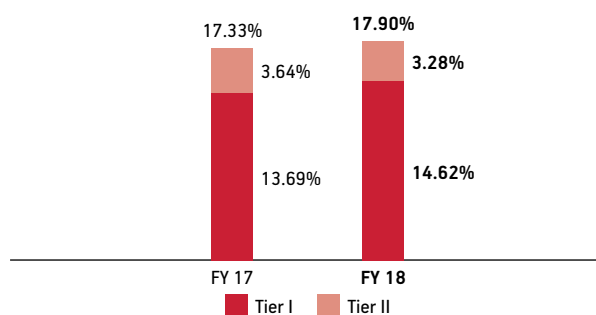
Resulting in Competitive Cost of Borrowing (%)



Maintaining Optimum Leverage Ratio



Maintaining Adequate Liquidity Cover (Min CRAR 15%)



During FY 18, ABFL's revenue grew by 31% from ₹3,425 Crore to ₹4,480 Crore, driven by strong growth in the lending book. Its earnings before tax rose by 33% from ₹832 Crore to ₹1,109 Crore. Net profit after tax grew by 25% from ₹585 Crore to ₹731 Crore. Net worth expanded year-on-year by 27% from ₹4,991 Crore to ₹6,321 Crore, due to capital infusion and internal accruals. The business has received a capital infusion of ₹600 Crore during FY 18. The assets under management under wealth segment grew by 10% year-on-year to ₹14,911 Crore as on 31st March, 2018.

OUTLOOK

NBFCs have steadily expanded their share of total credit in the country. They have developed innovative and customised financial products and solutions that are delivered efficiently to fulfil customer aspirations.

The implementation of various government initiatives to improve financial inclusion will further support the growth of NBFCs. With private consumption growing at a robust pace and a visible upswing in investments, NBFCs are well positioned to maintain their growth trajectory.

ABFL, through its customised lending and financing solutions, is well equipped to partner a growing India. Leveraging an energised economy, the Company is executing its growth strategies. ABFL sees opportunity across the spectrum of its customers, from corporates and SMEs to retail and HNIs. Your Company sees opportunities to grow within each segments though it believes the SME opportunity is probably the largest. Besides, sustaining the asset quality, effective implementation of technology to enhance productivity and broad-basing the liability mix will remain key focus areas.

KEY FINANCIALS (₹ Crore)

Key Performance Parameters	FY 18	FY 17
Lending book	43,242	34,703
Revenue	4,480	3,425
Average yield ¹	11.1%	11.8%
Interest cost/Avg. Loan book	6.7%	7.4%
Net Interest Income ¹	4.4%	4.4%
Opex	539	372
Cost Income Ratio (%)²	30%	29%
Provision for Standard Assets	53	42
Provision for NPA (Incl. contingency & Others provisions)	95	59
Earnings before tax	1,109	832
Net Profit after tax	731	585
Net worth	6,321	4,991

¹ Including net processing fees income and excluding DCM and syndication fees

² DSA commission is adjusted against DSA fees to calculate cost to income ratio

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

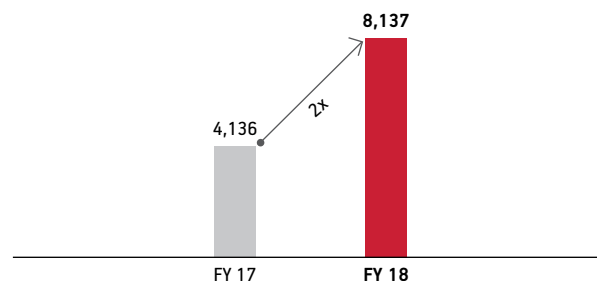
Housing credit as a percentage of GDP in India has increased steadily from ~7% as on 31st March, 2007 to ~9.7% as on 31st December, 2017. However, it continues to be significantly lower than developed markets at 63% in the US, 65% in the UK, and 18% in China. Therefore, there is significant headroom for growth over the medium term. Housing Finance Companies (HFCs) and NBFCs are likely to benefit from their focus on the housing finance market, their thrust on relatively high-growth segments like affordable housing and self-employed customers, and their service excellence. NBFCs (including HFCs) have grown their housing loan portfolio at 21% CAGR during FY 12 to FY 17, compared to 18% of banks and have improved their share in outstanding housing loans from 36% in FY 12 to 41% in FY 17 (Source: National Housing Board).

PERFORMANCE REVIEW

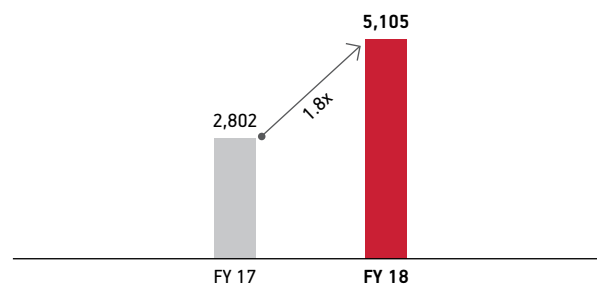
ABHFL, which commenced operations in October 2014, has rapidly grown its loan portfolio and turned profitable within 7 quarters of full operations. Its loan book doubled year-on-year from ₹4,136 Crore in FY 17 to ₹8,137 Crore in FY 18. The gross disbursement has doubled year-on-year from ₹2,802 Crore to ₹5,105 Crore in FY 18.

ABHFL reported its first full profitable year in FY 18. With expansion in the book size and operating efficiency, the cost to income ratio has reduced from 102% in FY 17 to 76% in FY 18. The business continues to focus on a balanced sourcing mix with direct sourcing contributing ~45% in FY 18.

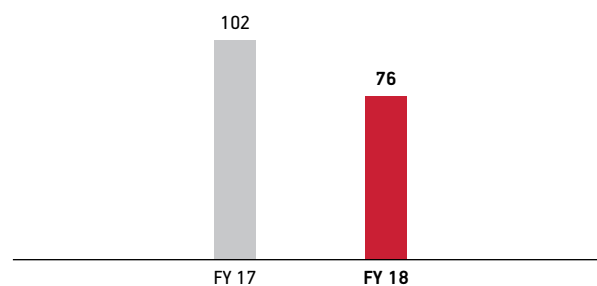
Loan Book Growth (₹ Crore)



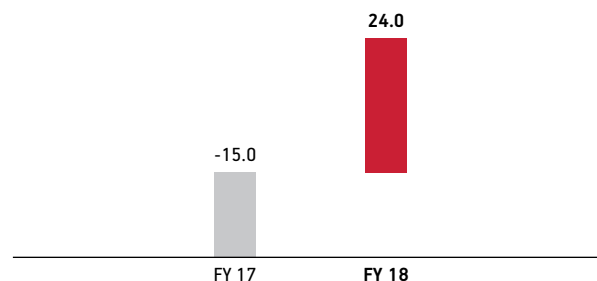
Gross Disbursements (₹ Crore)



Cost Income Ratio (%)



Earnings Before Tax (₹ Crore)



The Company continues to focus on diversification across products and geographies. It has forayed into the affordable housing segment in June 2017 which comprised 5% of the overall lending book as on 31st March 2018. It continues to scale affordable housing to tap the growth across Tier II, Tier III and Tier IV cities. ABHFL reported gross NPA ratio of 0.53%.

There has been a strong focus on building distribution capabilities and delivery infrastructure. The Company's footprint expanded to 51 branches with 2700+ channel partners as on March 2018. The total customer base has grown three times to 19,074, which led to a reduction in home loan ticket size from ₹45 Lakh in FY 17 to ₹27 Lakh in FY 18.

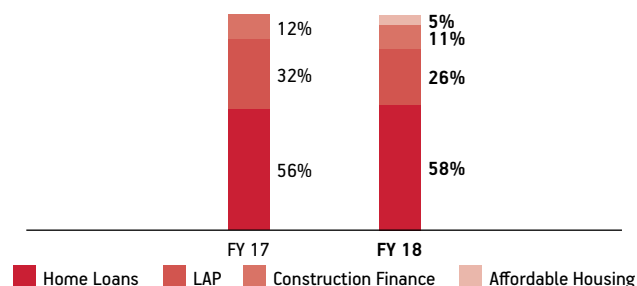
The net interest income has doubled year-on-year to ₹172 Crore in line with an increase in book size, while the net interest margin has been maintained at 3%. ABHFL reported its first full year of profitability, with earnings before tax at ₹24 Crore. The net worth has expanded from ₹367 Crore in FY 17 to ₹750 Crore in FY 18. A sum of ₹350 Crore was infused during the year to fund the loan book growth.

KEY FINANCIALS (₹ Crore)

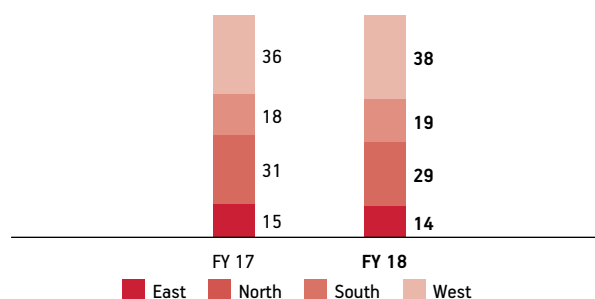
Key Performance Parameters	FY 18	FY 17
Lending book	8,137	4,136
Average yield	9.9%	10.7%
Interest cost/Avg. Loan book	6.9%	7.6%
Net Interest Income ¹	3.0%	3.2%
Revenue	615	315
Cost Income Ratio (%)	76%	102%
Provision for NPA	6	2
Provision for Standard Assets	17	12
Earnings before tax	24	(16)
Net profit after tax	33	(16)
Net worth	750	367

¹ Net of DSA commission and excluding fees income

Portfolio Mix (%)



Geographic Mix (%)



OUTLOOK

Long-term growth outlook for the housing finance sector remains favourable owing to the Government of India's focus on 'Housing for All by 2022' initiative, improved affordability and favourable demographics. Further, the 'infrastructure' status accorded to affordable housing projects is likely to improve supply. These factors coupled with the current low penetration levels are expected to boost growth in the housing segment.

ABHFL is aiming to build a scalable and profitable book through an optimal product-sourcing-customer mix. The thrust is on building a robust technology platform for customer acquisition, offering quality customer service for better retention and creating operating efficiencies for profitability.

ADITYA BIRLA SUN LIFE AMC LIMITED (AMC)

Since 1994, Aditya Birla Sun Life AMC Limited (ABSLAMC) has been one of India's leading fund managers. It caters to a diverse customer base through a wide variety of investment solutions focussed on regular income, wealth creation and tax savings, among others. ABSLAMC is India's third largest mutual fund, based on domestic average assets under management (AAUM) as published by AMFI for the quarter ended March 2018.

INDUSTRY OVERVIEW

India's mutual fund industry comprises 42 asset management companies. The dominance of Top 5 asset management companies continues with these companies, contributing to 57% of industry's AAUM (Source: Association of Mutual Funds in India, www.amfiindia.com).

In the FY 18, the industry witnessed a 26% growth in AAUM. AAUM grew from about ₹18,29,583 Crore in the quarter ended March 2017 to ₹23,05,212 Crore in the quarter ended March 2018.

The industry's equity assets rose by 61% from ₹5,85,310 Crore in the quarter ended March 2017 to ₹9,41,395 Crore in the quarter ended March 2018. The share of equity AAUM in total industry AAUM touched 41%.

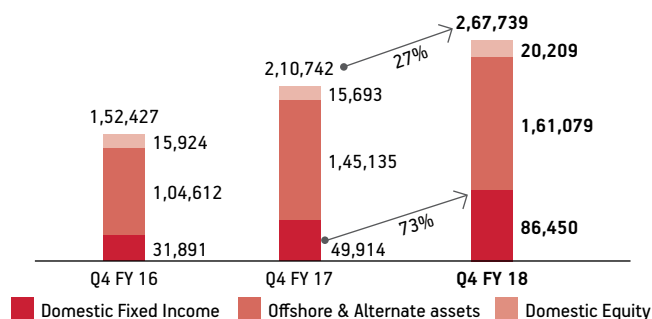
PERFORMANCE REVIEW

ABSLAMC achieved the milestone of becoming India's third largest mutual fund with a quarterly AAUM of ₹2,67,739 Crore for the quarter ended March 2018. It grew faster than the industry resulting in an improved 10.75% market share.

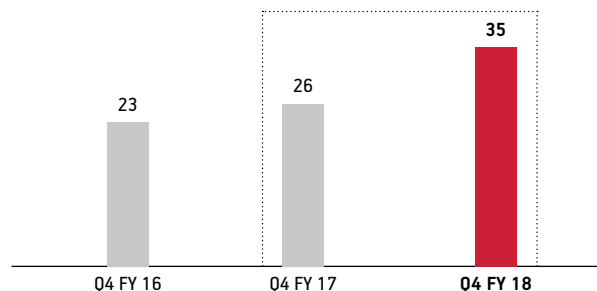
The domestic AAUM as on Q4 FY 18 of ABSLAMC expanded y-o-y by 27% to ₹2,47,529 Crore. The equity market share improved to an all-time high of 9.18% in Q4 FY 18 vis-à-vis 8.53% in Q4 FY 17. Equity AAUM contributed 35% of total domestic AAUM in Q4 FY 18 as against 26% in Q4 FY 17

ABSLAMC has a strong focus on scaling up its customer base and higher margin assets. The SIP book size almost doubled to an all-time high of ₹844 Crore (excl. STP) with market share at 12.16%. The total number of folios has increased from 3.9 Million in March 2017 to 6.0 Million in March 2018, demonstrating the retail granularity of the business.

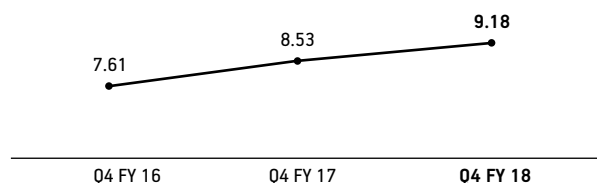
Growth in AAUM (₹ Crore)



Domestic Equity AAUM (%)



Equity Market Share (%)

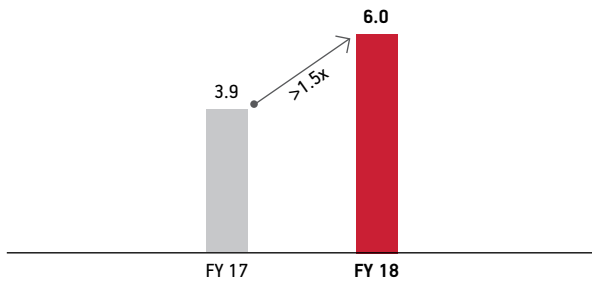


The contribution from beyond top 15 cities (B15 cities) grew year-on-year by 49% to ₹40,092 Crore, while the industry grew by 38% year-on-year. The market share in B15 cities touched an all-time high at 9.40% in March 2018 against 8.75% in March 2017.

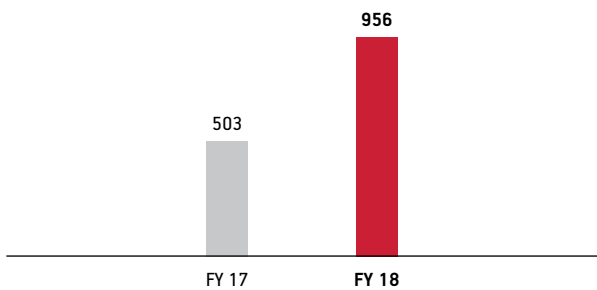
The focus on alternative assets continues with portfolio management services (PMS) reaching ₹4,310-Crore mark in AUM in Mar 2018, growth of 35% over March 2017. The offshore AAUM stood at ₹14,927 Crore. Our total alternate asset AUM grew by 29% to ₹20,209 Crore in Q4 FY 18.

Led by strong growth in assets under management, ABSLAMC posted sound earnings growth. Revenues (fee income) grew by 29% to ₹1,249 Crore. The earnings before tax rose by 46% to ₹493 Crore. The net profit surged by 48% to ₹330 Crore.

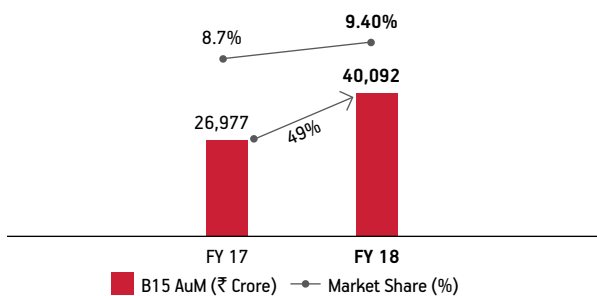
Significant Growth in Investor Folios (Million)



Doubling of SIP Book Size (₹ Crore)¹



B15 Market Share (%)



¹Incl. STP

KEY FINANCIALS

(₹ Crore)

Key Performance Parameters	FY 18	FY 17
Domestic Avg. AUM	2,47,529	1,95,049
Domestic Equity Avg. AUM	86,450	49,914
Revenue from Operations	1,249	968
Other Income	41	46
Total Income	1,290	1,014
Costs	797	677
Earnings before tax	493	337
Net profit after tax	330	223
SIP book size Market Share (%)	12.16%	11.01%

ABSLAMC's fund performance remained strong across multiple asset classes. It received various awards and recognition during the year, of which the following are noteworthy:

- Asia Asset Management Awards, 2018
 - Best Fund House
- Outlook Money Awards – Fund House of the year
- Morningstar Awards 2018 – Best Fund House - Overall

OUTLOOK

An increase in awareness in general but more particularly in the smaller cities in the country ensures that retail expansion will continue to be strong. ABSLAMC will continue to focus on increasing higher margin AUM and expanding investor base. Growing contribution from beyond top 15 markets will remain a focus area, besides strengthening digital presence to help connect better with customers and distribution.

ADITYA BIRLA SUNLIFE 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 currently is one of India's leading private life insurance companies.

INDUSTRY OVERVIEW

In the last decade, the total new business premium written by the industry grew at 10% CAGR. Private players have done well over the last 3-4 years. FY 17-18 saw a significant improvement in the performance of almost all life insurance players. The industry witnessed a 19% year-on-year growth in the individual new business premium. Group business, on the other hand registered 10% de-growth year-on-year and total new business registered 12% growth.

Both private sector players and Life Insurance Corporation of India (LIC) recorded healthy growth during the last year. While LIC achieved 13% growth in individual new business premium, private players registered 24% growth. Private players, on the back of strong growth, increased their market share in individual new business premium from 54% in FY 17 to 56% in FY 18.

The industry continues to focus on the quality of business and improve financial performance to drive long-term shareholder value. This can be seen through improving persistency ratios across cohorts, reducing surrender to AUM ratios, better opex management and lower complaints.

Protection products command higher margins compared to savings products and an increase in protection share can meaningfully boost margins. Top players have sharpened their focus on protection with a share of 8-10% (from 2-4% a few years back).

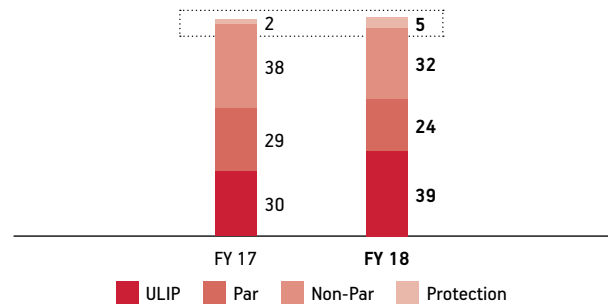
On the distribution mix, there has been a distinct shift with Bancassurance now emerging as the primary distribution channel with >50% share (21% in FY 10) among private sector insurers. This shift is primarily driven by the captive customer base of bank owned insurer and leveraging the wide-spread network of bank branches. Direct channel, led by online and other modes is also moving upward.

PERFORMANCE REVIEW

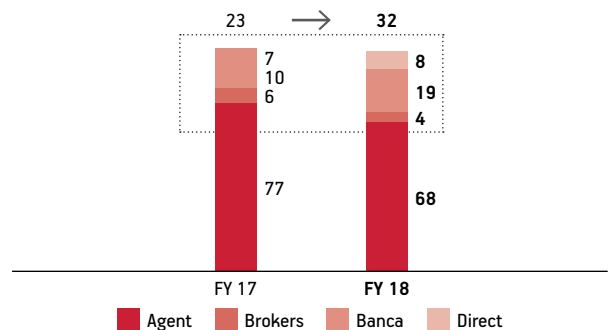
ABSLI recorded a gross premium income at ₹5,903 Crore, registering 3% growth over the previous year. While new business premium income was up by 5% at ₹2,663 Crore, individual business grew by 20% from ₹960 Crore in FY 17 to ₹1,152 Crore in FY 18.

ABSLI has maintained a balanced product mix with continued focus to improve protection share for higher margins. In FY 18, the share of protection has doubled from 2% to 5% in FY 17. The non-agency channel increased significantly from 23% in FY 17 to 32% in FY 18 in the individual distribution mix. ABSLI has tied up with HDFC Bank during the year with access to the bank's non-branch channel. HDFC has provided access to its pan-India branches with effect from 1st April 2018, leading to a significant business potential in the coming years.

Product Mix (%)



Channel Mix (%)



The quality of the business, along with cost optimisation remains a key focus area for ABSLI. The 13th month persistency ratio improved by 380 basis points to 75.2% and 25th month persistency ratio improved by 426 basis point to 64.4%. The operating expense ratio improved from 20.7% in FY 17 to 20.1% in FY 18.

The net profit grew year-on-year by 35% from ₹124 Crore to ₹166 Crore, led by robust growth in the first-year premium, coupled with expense improvement and product mix. No capital infusion has been done in the preceding eight years as the business is generating adequate internal accruals to fund its requirements.

KEY FINANCIALS		(₹ CRORE)	
Key Performance Parameters	FY 18	FY 17	
Individual First year Premium	1,152	960	
Group First year Premium	1,511	1,574	
Renewal Premium	3,240	3,190	
Total Gross Premium	5,903	5,724	
Revenue	6,375	6,041	
Opex to Premium (Excl. Commission)	15.6%	16.3%	
Opex to Premium (Incl. Commission)	20.1%	20.7%	
Earnings before tax	166	124	
Indian Embedded Value	4,281	3,810	
Net VNB Margin	4.3%	(5.5%)	

The value of new business is one of the most important value metrics in the life insurance industry and measures profitability over the long term. In FY 18, ABSLI achieved a gross margin of 33% (PY: 29%), while the net VNB margin turned positive to 4.3% (PY: -5.5%). The embedded value increased year-on-year by 12% to ₹4,281 Crore from ₹3,810 Crore in FY 17. The Company has one of the best gross margins in the industry, owing to a balanced product mix. ABSLI continues to focus on increasing the value of new business through growth in protection business, improving customer retention and enhancing cost efficiency.

KEY FINANCIALS		(₹ CRORE)		
Key Performance Parameters	FY 18	FY 17	Change	
Indian Embedded Value	4,281	3,810	12.4%	
Value of New Business	388	281	38.1%	
Gross VNB Margin	32.9%	28.9%	+4%	
Net VNB Margin	4.3%	-5.5%	9.8%	

OUTLOOK

The life insurance industry has been on a volatile journey with strong growth in FY 10 (pre-regulatory changes), a big period of consolidation between FY 10 and FY 15 (post regulatory changes) and finally growth stabilising and picking up on the back of higher financialisation of savings. There is a favourable growth environment for the life insurance industry over the next 3-5 years, driven by demographics, low insurance penetration, improving macro-economic indicators, lower return on physical assets and opening up of new distribution channels.

ABSLI is well positioned to tap into the opportunities of the life insurance industry. ABSLI is expected to emerge stronger on the back of its wide distribution franchise, a successful multi-channel strategy, a long history of product innovations and operational efficiency.

ADITYA BIRLA HEALTH INSURANCE CO. LIMITED (HEALTH INSURANCE)

Aditya Birla Health Insurance Co. Limited (ABHICL) was incorporated in 2015 wherein Aditya Birla Capital Limited (ABCL) and MMI Strategic Investments (Pty) Ltd. hold 51% and 49% shares, respectively. ABHICL commenced its operations in October 2016 and is engaged in the business of health insurance. ABHICL's current product portfolio includes unique offerings such as chronic care and incentivised wellness.

INDUSTRY OVERVIEW

The health insurance industry has been consistent growth in recent years. It now constitutes around 28% of total non-life insurance in FY 18 vis-à-vis ~22% in FY 12. The health insurance industry registered a premium of ₹42,300 Crores in FY 18, which translates to 23% y-o-y growth.

Currently, there are 30 players operating in the health insurance industry and these can be broadly divided into three categories i.e. public-sector unit (PSU) insurers with 57% market share, private general insurers contributing 23% and standalone health insurance companies, which account for 20% of the market. Health insurance has three broad customer segments viz. group segment for corporates with around 46% market dominated by PSU insurers; retail segment with 45% market share that has witnessed relatively higher growth due to increased penetration in Tier II and Tier III cities and Government segment, which forms ~9% of the market.

PERFORMANCE REVIEW

Aditya Birla Health Insurance (ABHI) has created a differentiated business model on the philosophy of health first by moving from traditional 'buy and forget' to 'buy and engage'. ABHI serves as an enabler and influencer of health of customers, in addition to fulfilling the traditional role of funding healthcare expenses. It emphasises on a holistic health approach, which goes beyond sickness funding to disease prevention and wellness management.

ABHI has completed its first full year of operations in FY 18; and has now covered over 1 million lives. In FY 18, ABHI created and activated capacities in all channels, which include 15,700+ agents across 59 branches, 5 bancassurance partnerships, 190+ brokers and the launch of direct tele-assisted and online channels. ABHI has broad-based its channel mix with sizeable GWP contribution from all channels.

ABHI has fortified its existing line of retail products in FY 18. To strengthen its customer value proposition and target new customer segments, it has introduced Retail Activ Assure in its indemnity offerings and Retail Activ Secure with fixed benefit offerings, providing coverage of personal accident, critical illness, cancer care and hospital cash benefits.

In terms of its service delivery model, ABHI has built a robust platform for providing seamless experience through the customer journey from sales to servicing. It has empanelled 4,200+ hospitals to enable cashless services across 540 cities.

In FY 18, ABHI underwrote a gross premium of ₹243 Crore compared to ₹54 Crore in FY 17. The retail business contributed ~35% of the total gross written premium in FY 18, of which over 70% was issued through the digitally enabled mode. ABHI posted a net ₹189-Crore loss in FY 18 to fund new business growth and create distribution network.

OUTLOOK

The gradual shift towards the retail segment is expected to continue over the next few years. The positive outlook is led by growing awareness and perception of insurance needs, rising income levels, increasing incidence of chronic condition and rising medical costs.

Standalone health insurance players are expected to grow at a faster pace than the industry average in the coming years. Powered by a strong brand, established distribution capacities and robust servicing capabilities to manage scale, Aditya Birla Health Insurance is well positioned to capitalise on the growth opportunity.

Critical components of the differentiated business model in the form of multichannel distribution capacity, strong product portfolio, wide network reach, robust digitally-enabled servicing model are well positioned to drive the growth of ABHI.

ADITYA BIRLA INSURANCE BROKERS LIMITED (GENERAL INSURANCE BROKING)

Aditya Birla Insurance Brokers Limited (ABIBL) is a leading composite general insurance intermediary, licensed 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 offers reinsurance solutions to insurance companies; and has developed enduring relationships with Indian and global insurers operating in India and many other countries in South Asia, the Middle East and Southeast Asia.

INDUSTRY OVERVIEW

The gross premium underwritten by India's non-life insurers has grown by 18% from ₹1,28,213 Crore to ₹1,50,712 Crore (Source: GIC Council). Motor insurance, health insurance and fire insurance segments attained premium growth of 18%, 22% and 13%, respectively; and remained the top 3 contributors to the non-life industry premium with about 39%, 25% and 7% share (Source: GI Council, March 2018 analysis).

PERFORMANCE REVIEW

ABIBL has been consistently outperforming the industry and gaining market share. Its premium placement grew by 25% year-on-year from ₹2,580 Crore to ₹3,236 Crore, while industry premium grew by 18%. Premium placement growth was driven by 29% and 27% growth in motor insurance and fire insurance segments. Its market share in non-life industry premium enhanced from 2.01% to 2.15%.

ABIBL's revenue rose by 116% from ₹121 Crores to ₹261 Crores. This increase in revenue is on account of new Motor Insurance Service Provider (MISP) guidelines introduced by IRDAI with effect from 1st November, 2017 with brokerage at higher rate from insurance companies and subsequent pay-out of Distribution Fee (DF) to MISP. Despite impact on margins on account of regulations, ABIBL has maintained earnings before tax at ₹40.4 Crore. It has posted a net profit of ₹26 Crore.

OUTLOOK

The unique role of the broking channel is recognised by regulators, insurers and customers. The total General insurance (GI) industry recorded a premium of ₹1.51 Lakh Crore in FY 18, an impressive 18% growth over FY 17. However, penetration and density have remained low, indicating the need to address challenges, which impede growth. The sheer size and growth potential due to lower penetration and growing economy ensures future growth opportunity.

ABIBL will continue to focus on expanding its customer base in a cost-effective manner to grow its business. Various initiatives have been implemented for the promotion and growth of motor insurance business; and emphasis is laid on enhancing corporate business by targeting large clients.

ADITYA BIRLA PE ADVISORS PRIVATE LIMITED (PRIVATE EQUITY)

Aditya Birla PE Advisors Private Limited (ABPE) (formerly known as Aditya Birla Capital Advisors Private Limited) provides financial advisory and management services with focus on managing venture capital funds and alternate investment funds. ABPE is currently appointed as an investment manager to two SEBI registered domestic venture capital funds, namely, Aditya Birla Private Equity - Fund I and Aditya Birla Private Equity - Sunrise Fund. ABPE focusses on growth investments in mid-market companies, with India as the investment destination.

INDUSTRY OVERVIEW

PE/VC investments in India amounted to \$22 Billion in FY 18, registering the highest ever growth of ~29% year-on-year. IT/ ITES and BFSI were the largest sources of investment, aggregating to more than 66% of entire deal value for the financial year. Fund raising by PE Funds also increased by ~46% to \$6.1 Billion in CY 2017 from \$4.2 Billion in CY 2016. FY 18 witnessed increased investment activity from sovereign wealth funds and pension funds.

PERFORMANCE REVIEW

ABPE has a gross AUM of ₹1179 crores and is managing two sector agnostic funds, i.e. Aditya Birla Private Equity - Fund I, (providing growth capital to the established companies across sectors) and Aditya Birla Private Equity - Sunrise Fund (providing growth capital to emerging companies in sunrise sectors).

The Funds have made several profitable exits with 3 portfolio companies showing returns of 3x-4x and 7 companies registering returns of 1.5x-3x. Its Net AUM after exits is ₹325 crore. ABPE is currently focussing efforts towards creating exit opportunities to the balance investments of the Fund. It is also initiating dialogue with several domestic and global investors to invest in a new private equity fund.

During FY 18, ABPE reported revenue of ₹10 Crore.

OUTLOOK

India provides a large, addressable and underserved opportunity for private equity investments. India is characterised by both an enabling political environment and superior trends at a macroeconomic level and is widely thought of as one of the most attractive investment destinations in the world. India has a vibrant private equity market, which is on the cusp of sustained growth.

ADITYA BIRLA MONEY LIMITED (STOCK AND SECURITIES BROKING)

Aditya Birla Money Limited (ABML) is a broking and distribution player, offering equity and derivative trading through National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) and Currency Derivative on MCX-SX. It is registered as a Depository Participant with both National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and provides commodity trading on Multi Commodity Exchange (MCX) and National Commodity and Derivatives Exchange (NCDEX) through its subsidiary. ABML launched India's first end-to-end Aadhar-based paperless e-KYC platform for account opening and onboarding.

INDUSTRY OVERVIEW

During FY 18, daily cash market volumes was led by the domestic investor's participation in the Indian equity market for both direct and mutual funds. What further strengthened the cash market volumes was the steady rise in the Systematic Investment Plan (SIP) book of the domestic equity mutual funds.

Daily derivatives turnover increased sharply due to a rise in the underlying prices of stocks/indices. Indian markets continue to be heavy on derivatives while light on cash trading, thereby suggesting higher speculative activity than investing activity. A higher share of lower yielding derivatives segment in the Indian stock market has been the key reason for earnings pressure for the broking industry over the years.

PERFORMANCE REVIEW

ABML continued to focus on the retail investor segment, cost reduction, technology and client acquisition.

ABML increased its total revenues from ₹131 Crore in FY 17 to ₹162 Crore in FY 18, led by higher broking income. PBT improved from ₹8 Crore in FY 17 to ₹13 Crore in FY 18.

OUTLOOK

The outlook for the industry is dependent upon multiple key factors such as domestic and global economic growth, buoyancy in primary markets, lack of alternative investment opportunities and technological up-gradation.

A broad-based macro-economic recovery will lead to improved corporate profits, thus supporting higher stock prices and positive equity market sentiments. While foreign institutional investor (FII) have sold lately, India's structural long-term attractiveness will draw foreign investors.

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

ADITYA BIRLA MYUNIVERSE LIMITED (ONLINE PERSONAL FINANCE)

Aditya Birla MyUniverse is India's first integrated online personal finance management platform. MyUniverse helps customers get a complete, live picture of their finances by securely aggregating their online bank, credit card, mutual fund, stock, insurance and loan accounts.

MyUniverse analyses a customer's financial profile and advises him/her on where to invest, what financial products to buy, and how to save. MyUniverse helps customers act on the advice through its online multi-product transaction platform.

The platform has benefitted 4.5 Million registered users, managing their personal finances. MyUniverse launched ZipSIP in February 2015, bringing India's first completely paperless, instant SIP product to life. This allowed even non-KYC investors to start investing.

The platform is continuously enriching its offerings to meet the evolving financial aspirations of customers. It has upgraded its mutual fund, instant personal loan, housing loan, education loan, equity and credit card offerings.

In December 2014, International Finance Corporation (IFC) became a strategic financial investor in MyUniverse. During FY 18, the revenue grew from ₹11 Crore to ₹16 Crore.

HUMAN RESOURCE

At Aditya Birla Capital, the Company's biggest asset is its employees. The Company is committed in helping its people gain varied experiences, accomplish challenging assignments, learn continuously and build their careers. Aditya Birla Capital's endeavour has been to create home grown leaders who focus on its customers' needs aligned to its core values and operate with an ethical and governance mindset. A manpower base of over 14500 employees consists of a mix of people from diverse backgrounds, educational qualifications and wealth of experiences from various industries. Aditya Birla Capital also has a healthy gender diversity with 22% of its workforce comprising women. The talent management process at the Company is run through talent councils both at an apex and a business unit level. The learning and development interventions at Aditya Birla Capital is geared towards providing employees a platform for continuous learning opportunities and keeping them abreast with the latest developments both on a regulatory and business levels. Apart from classroom and on-the-job learning modules, employees are also provided opportunities for self-learning through a digital interface, which hosts a variety of content. Owing to the Company's constant employee engagement initiatives, it is counted among the best places to work.

RISK MANAGEMENT

Being into financial services business, your Company faces a host of risks across its businesses. It has adopted a 3-tier risk management framework comprising: 1) Oversight by function, 2) Risk oversight and 3) Audit & governance committees. To manage its credit risk efficiently, your Company follows a robust internal risk-rating mechanism and has implemented a centralised risk aggregation system. Strong underwriting, structuring and legal capabilities form the core of its credit risk management framework. Your Company further engages in credit delegation, approval structure and portfolio monitoring activities on a continuous basis. Its risk management framework across the businesses continuously monitors and fine-tunes its portfolio after a careful analysis of portfolio and attribution risks. Your Company has adopted robust business continuity and disaster recovery mechanisms to keep operational risks under check.

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 & strategy of Aditya Birla Capital Limited ('ABCL' or 'The Company'), its future outlook & growth prospects, competition & regulatory environment and management's current views & 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. For foreign exchange conversions, one USD is considered to be equal to ₹ 65. The events and developments upto 31st March 2018 have been covered in the Management Discussion and Analysis.

Board's Report

Dear Members,

The Board of Directors of Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited) ("your Company" or "the Company" or "ABCL") are pleased to present the **Eleventh** Annual Report and the Audited Financial Statements (Consolidated and Standalone) of your Company for the financial year ended 31st March, 2018 ("financial year under review").

Financial Results

The Company's financial performance (Consolidated and Standalone) for the financial year ended 31st March, 2018 as compared to the previous financial year ended 31st March, 2017 is summarised below:

Consolidated and Standalone Financial Results

(₹ in Crore)

Particulars	Consolidated		Standalone	
	2017-18	2016-17*	2017-18	2016-17
Revenue from Operations	13,427.76	5,823.01	174.79	34.99
Other Income	212.77	62.69	0.46	0.03
Total Expenses	12,086.92	4,819.96	113.76	30.78
Profit before tax	1,553.61	1,065.74	61.49	4.24
Tax Expenses	549.88	374.59	-	-
Profit after tax	1,003.73	691.15	61.49	4.24
Minority Interest	179.48	161.15	-	-
Profit after Minority Interest	824.25	530.00	-	-

*Aditya Birla Sun Life Insurance Company Limited became a Subsidiary of the Company with effect from 23rd March, 2017 and hence the figures for the previous year financial ended 31st March, 2017 are not comparable to that extent.

The above figures are extracted from the Consolidated and Standalone Financial Statements prepared in accordance with accounting principles generally accepted in India as specified 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.

The Consolidated Financial Statements presented by the Company include the Financial Statements of its Subsidiary Companies.

The Financial Statements as stated above are available on the Company's website at:

<https://www.adityabirlacapital.com/Investor-Relations/Financial-Reports>

COMPOSITE SCHEME OF ARRANGEMENT

- The Board of Directors of the Company at its Meeting held on 11th August, 2016 approved a 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").
- The Hon'ble National Company Law Tribunal, Bench at Ahmedabad sanctioned the Composite Scheme on 1st June, 2017 and the certified true copy of the Scheme as received on 6th June, 2017 was filed with the Registrar of Companies (ROC) on 4th July, 2017, being the effective date.
- The Demerger Committee of the Company fixed 20th July, 2017 as the record date for allotment of

Equity Shares as per the Share Entitlement ratio pursuant to the Composite Scheme.

- Allotment of Equity Shares of the Company to each eligible Shareholder of Grasim Industries Limited, whose names were recorded in the register of Members of Grasim as on the record date i.e. 20th July, 2017 was made on 14th August, 2017, as per the Share Entitlement ratio pursuant to the Composite Scheme.
- The Equity Shares of the Company were listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (BSE and NSE shall together be collectively hereinafter referred to as "the Indian Stock Exchanges") and were admitted to trading on the Indian Stock Exchanges with effect from 1st September, 2017.
- The Global Depository Shares ("GDSs") issued pursuant to the Composite Scheme were listed on the official list of the Luxembourg Stock Exchange ("LSE") and admitted to trading on the Euro MTF market of LSE with effect from 11th October, 2017.
- Pursuant to the Composite Scheme, in order to compensate the Stock Options/ Restricted Stock Unit holders of Grasim as on the record date i.e. 20th July, 2017 of the Composite Scheme, an Employee Stock Option Scheme viz. Aditya Birla Capital Limited Incentive Scheme for Stock Options and Restricted Stock Units-2017 ("ABCL Incentive Scheme") was adopted by the Company on 15th January, 2018.

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"). During the financial year under review, the Company complied with all the applicable regulations of the Reserve Bank of India.

During the financial year under review, pursuant to the change in name of the Company, RBI issued a fresh Certificate of Registration dated 6th July, 2017 in the name of "Aditya Birla Capital Limited".

1. 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.

TRANSFER TO RESERVES

The Company has transferred ₹ 13.14 Crore to Special Reserve in terms of Section 45-IC of the Reserve Bank of India Act, 1934.

DIVIDEND

Your Directors do not recommend any dividend for the financial year under review.

In terms of the provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), your Company has formulated and adopted a Dividend Distribution Policy. The policy is attached as **Annexure I** to the Board's Report and is available on your Company's website at: <https://www.adityabirlacapital.com/investor-relations/policies-and-codes>.

SHARE CAPITAL

The Company's paid-up Equity Share Capital as on 31st March, 2018 was ₹ 2,201.04 Crore as compared to ₹ 1,232.24 Crore as on 31st March, 2017.

During the financial year under review, the Company issued and allotted:

- 4.84 Crore Equity Shares of ₹ 10/- each to PI Opportunities Fund I on 30th June, 2017 on a Private Placement basis;
- 92.03 Crore Equity Shares of ₹ 10/- each to the eligible Shareholders of Grasim Industries Limited (Grasim) on 14th August, 2017, whose names were recorded in the register of Members of Grasim as on the record date i.e. 20th July, 2017, as per the Share Entitlement ratio pursuant to the Composite Scheme; and
- 0.01 Crore Equity Shares of ₹ 10/- each, upon exercise of Stock Options and Restricted Stock Units by the eligible employees of Grasim under the ABCL Incentive Scheme of the Company. Additional details are provided in the Employee Stock Option section of the Board's Report.

CREDIT RATING

The Company enjoys a good reputation for its sound financial management and the ability to meet its financial obligations. ICRA Limited 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 ₹ 1,000 Crore.

PUBLIC DEPOSITS

The Company being a Non-Deposit taking Systemically Important Core Investment Company has not accepted any deposits from the public during the financial year under review in accordance with Section 73 of the Act read with the rules framed thereunder.

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

The particulars of loans, guarantees and investments made under provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given under notes to the Financial Statements, which forms part of this Annual Report.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Considering the Company's activities as a Core Investment Company carrying out its activities through its Subsidiaries, particulars with respect to the 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 the Company.

FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

There were no foreign exchange earnings during the financial year under review as well as during the previous financial year. However, the foreign exchange outgo during the financial year under review was ₹ 1.01 Crore as compared to ₹ 1.67 Crore, during the previous financial year. The expenditure incurred during the financial year was towards business promotion and expenses related to listing of Global Depository Shares of the Company on the Luxembourg Stock Exchange.

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, is attached as **Annexure II** of the Board's 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 Report and Accounts, as set out therein, are being sent to all the Members of your Company, excluding the aforesaid Annexure which is available for inspection by the Members at the Registered Office of the Company during business hours on all working days of the Company upto the date of the Annual General Meeting. If any Member is interested in obtaining

a copy thereof, such Member may write to the Company Secretary at the Registered Office of your Company in this regard.

BUSINESS RESPONSIBILITY REPORT

Regulation 34(2) of the SEBI Listing Regulations, *inter alia*, provides that the Annual Report of the top 500 listed entities based on market capitalisation (calculated as on 31st March of every financial year), shall include a Business Responsibility Report. As your Company forms part of the top 500 listed entities on BSE and NSE as on 31st March, 2018. Business Responsibility Report has been enclosed as a separate Section in this Annual Report, describing the initiatives taken by the Company from environmental, social and governance perspective and is also available on your Company's website i.e. www.adityabirlacapital.com.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments, affecting the financial position of the Company from end of the financial year upto the date of this Board's 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

Employee Stock Options have been recognised as an effective instrument to attract talent and align the interest of employees with that of the Company, thereby 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.

Aditya Birla Capital Limited Employee Stock Option Scheme 2017

In view of the above, your Company has formulated "Aditya Birla Capital Limited Employee Stock Option Scheme 2017" ("Scheme 2017") for the employees of the Company and its Subsidiaries, which has been approved by the Board of Directors and Members of the Company and its Subsidiaries at their respective Meetings.

The Nomination, Remuneration and Compensation Committee ("NRC") of the Company, granted 2,40,62,864 Stock Options and 57,42,636 Restricted Stock Units ("RSUs") to the eligible employees of your Company and its Subsidiaries.

ABCL Incentive Scheme for Stock Options and Restricted Stock Units - 2017

Pursuant to the Composite Scheme, Grasim Industries Limited's ("Grasim") financial services business demerged

from Grasim and was transferred to the Company with effect from 4th July, 2017. On account of reduction in intrinsic value of Grasim pursuant to the demerger, Part III of the Composite Scheme stipulated that the Board of Grasim and the Company shall together decide the manner in which the difference in the intrinsic value created pursuant to the demerger of the Demerged Undertaking (i.e. the financial services business) is to be compensated to the Grasim Existing Option holders. The Composite Scheme stipulated that such compensation can be either by issue of new Options or Restricted Stock Units by the Demerged Company (i.e. Grasim) to the Grasim Existing Option holders or by the Resulting Company (i.e. Aditya Birla Capital Limited) by adopting a new incentive plan. Accordingly, the Nomination, Remuneration and Compensation Committee of the Board of Directors of the Company at its Meeting held on 15th January, 2018 approved the ABCL Incentive Scheme for Stock Options and Restricted Stock Units and granted 14,65,927 Stock Options and 2,52,310 Restricted Stock Units to the eligible grantees of Grasim as on the record date i.e. 20th July, 2017. During the financial year under review, 12,84,633 Stock Options and 1,92,539 RSUs have vested in the eligible grantees. The Nomination, Remuneration and Compensation Committee ("NRC") allotted 1,32,397 Equity Shares of ₹ 10/- each of your Company upon exercise of Stock Options and Restricted Stock Units by the eligible grantees of Grasim.

The details/disclosure(s) on the aforesaid Employee Stock Option Schemes as required to be disclosed under SEBI (Share Based Employee Benefits) Regulations, 2014 are available on the Company's website i.e. www.adityabirlacapital.com.

Certificates from the Statutory Auditors on the implementation of your Company's Employee Stock Option Scheme(s) will be placed at the ensuing Annual General Meeting of the Company for inspection by the Members.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 34 of SEBI Listing Regulations, the Management Discussion and Analysis Report for the financial year under review, is presented as a separate section forming part of this Annual Report.

CORPORATE GOVERNANCE

The Company is committed in maintaining the highest standards of Corporate Governance and adhering to the Corporate Governance requirements set out by the Securities and Exchange Board of India (SEBI). Corporate Governance principles form an integral part of the core values of the Company. The Corporate Governance Report as stipulated under Regulation 34(3) read with Schedule V of the SEBI

Listing Regulations forms an integral part of this Annual Report. The requisite certificate from the Statutory Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached as **Annexure III** of the Board's Report.

All Board Members and Senior Management have affirmed compliance with the Code of Conduct for the financial year under review. A declaration to this effect signed by the Chief Executive Officer of the Company forms part of the Corporate Governance Report.

The Chief Executive Officer and Chief Financial Officer have certified to the Board with regard to the Financial Statements and other matters as required under Regulation 17(8) of the SEBI Listing Regulations which forms part of the Corporate Governance Report.

HOLDING AND SUBSIDIARIES/JOINT VENTURES/ ASSOCIATES

During the financial year under review, a 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") was approved by the Hon'ble National Company Law Tribunal, bench at Ahmedabad on 1st June, 2017. Consequently, ABNL has been amalgamated with Grasim with effect from 1st July, 2017 and accordingly, Grasim became the Holding Company of the Company.

The Company conducts its business through its Subsidiaries for the various business segments in which it operates. As of 31st March, 2018, the Company had 19 Indian Subsidiaries and 7 Foreign Subsidiaries (including step down Subsidiaries).

During the financial year under review, no new Company became Subsidiary/Joint Venture/Associate of the Company.

MATERIAL SUBSIDIARIES

As required under Regulations 16(1)(c) and 46 of the SEBI Listing Regulations, the Board of Directors have approved the Policy for determining Material Subsidiaries. The details of the Policy are available on the Company's website at: <https://www.adityabirlacapital.com/Investor-Relations/Policies-and-Codes>.

DEPOSITORY SYSTEM

The Company's Equity Shares are tradable in electronic mode. As on 31st March, 2018, out of the Company's total equity paid-up share capital comprising of 2,20,10,39,348 Equity Shares, 2,16,66,04,333 Equity Shares were held in dematerialised mode.

In view of the numerous advantages offered by the Depository System, the Members holding shares in physical mode are advised to avail the facility of dematerialisation.

STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES

A report on the performance and financial position of each of the Company's Subsidiaries, Joint Ventures and Associates as per the Section 129(3) of the Act and the rules made thereunder in the prescribed Form AOC-1 is attached as **Annexure IV** of the Board's Report.

The Audited Financial Statements including the Consolidated Financial Statements of the Company and all other documents required to be attached thereto are available on the Company's website at:

<https://www.adityabirlacapital.com/Investor-Relations/Financial-Reports>.

The Financial Statements of each of the Subsidiaries are available on the Company's website at:

<https://www.adityabirlacapital.com/Investor-Relations/Financial-Reports>.

A copy of the Audited Financial Statements for each of the Subsidiary Companies will be made available to the Members of the Company seeking such information.

These documents will also be available for inspection on all working days, i.e. except Saturdays, Sundays and Public Holidays at the Registered Office of the Company.

RISK MANAGEMENT

The Company is a Core Investment Company ("CIC") and its operations are limited to being a CIC. The risks therefore 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 the Committees of the Board and the Board of the respective Subsidiaries. The same are considered by the Board of the Company, as well. Details of the same are covered in the Management Discussion and Analysis Report, which forms part of this Annual Report.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the financial year under review, all contracts / arrangements / transactions entered into by the Company with related parties were in ordinary course of business and on an arm's length basis and were not considered material as per the provision of Section 188 of the Act read with the Companies (Meetings of Board and its 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 Companies (Accounts of Companies) Rules, 2014, is not applicable

All related party transactions have been approved by the Audit Committee of the Board of Directors of your Company and are reviewed on a periodic basis.

The details of contracts and arrangements with related parties of your Company for the financial year under review, are given in notes to the Standalone Financial Statements, forming part of this Annual Report. The Policy on Related Party Transactions, as approved by the Board, is available on your Company's website at: <https://www.adityabirlacapital.com/investor-relations/policies-and-codes>.

INTERNAL FINANCIAL CONTROLS

Your Company has in place an adequate internal control system commensurate with the size of its operations. The Internal control system comprising of policies and procedures is designed to ensure sound management of your Company's operations, safekeeping of its assets, optimal utilisation of resources, reliability of its financial information and compliance. Clearly defined roles and responsibilities have been institutionalised. Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of your Company's operations.

During the financial year under review, no material or serious observation has been received from the Statutory Auditors and the Internal Auditors of the Company on such 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, objective and reasonable assurance on the adequacy and effectiveness of the organisation's risk management, control and governance processes.

The framework is commensurate with the nature of the business and the size of its operations. Internal auditing at the Company involves the utilisation of a systematic methodology for analysing business processes or organisational problems and recommending solutions to add value and improve the organisation's operations.

The audit approach verifies compliance with the regulatory, operational and system related procedures and controls.

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, your Directors make the following statement and confirm that:-

- i) in the preparation of the Annual Accounts for the financial year ended 31st March, 2018, the applicable accounting standards have been followed and there are no material departures from the same;
- ii) the Directors have 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, 2018 and of the profit of the Company for financial year ended on that date;
- iii) the Directors have 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 have prepared the Annual Accounts on a 'going concern basis';
- v) the Directors have laid down Internal Financial Controls and that such Internal Financial Controls are adequate and are operating effectively; and
- vi) the Directors have 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

CHANGES IN COMPOSITION OF THE BOARD

Appointment of Directors

As on 31st March, 2018, your Board comprised of 7 (Seven) Directors which included 3 (Three) Non-Executive Directors and 4 (Four) Independent Directors. Your Directors on the Board possess experience, competency and are renowned in their respective fields. All Directors are liable to retire by rotation except Independent Directors whose term of 5 consecutive years was approved by the Members of the Company at the previous Annual General Meeting (AGM) of the Company held on 19th July, 2017.

During the financial year under review, your Company appointed Mrs. Vijayalakshmi Iyer (DIN: 05242960), Mr. Arun Adhikari (DIN: 00591057) and Mr. P H Ravikumar

(DIN: 00280010) as Additional (Independent) Directors of the Company with effect from 26th June, 2017, which was subsequently approved by the Members at the previous AGM of the Company held on 19th July, 2017.

During the financial year under review, Mrs. Pinky Mehta, Non-Executive Director (DIN: 00020429) was appointed as a Whole-time Director and Chief Financial Officer of the Company with effect from 1st July, 2017. Thereafter, Mrs. Pinky Mehta relinquished the position of Whole-time Director with effect from 26th October, 2017. However, she continues to act as a Chief Financial Officer (Key Managerial Personnel) as per the provisions of the Act.

During the financial year under review, Mr. Kumar Mangalam Birla (DIN: 00012813), Dr. Santrupt Misra (DIN: 00013625) and Mr. Sushil Agarwal (DIN: 00060017) were appointed as the Additional Non-Executive Directors on the Board of the Company with effect from 26th October, 2017.

Resignation of Directors

Mr. D P Rathi –Independent Director (DIN: 01491926) and Mr. Shriram Jagetiya - Non-Executive Director (DIN: 01638250) of the Company resigned from the Board with effect from 23rd June, 2017 and 26th October, 2017, respectively. The Board places on record its appreciation and gratitude for the valuable contribution and advice offered by Mr. Rathi and Mr. Jagetiya during their tenure as Director(s) of the Company.

Retirement by Rotation

In accordance with the provisions of the Act and the Articles of Association of the Company, none of the Director(s) of the Company are eligible to retire by rotation at the ensuing Annual General Meeting (AGM).

DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to Section 149(7) of the Act read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, the Company has received declarations from all the Independent Directors of the Company confirming that they meet the 'criteria of Independence' as prescribed under Section 149(6) of the Act and have submitted their respective declarations as required under Section 149(7) of the Act and Regulation 16(1) of SEBI Listing Regulations.

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. Sailesh Daga, Company

Secretary (CS), are the Key Managerial Personnel of your Company.

During the financial year under review, Mrs. Anjali Makhija resigned as the CFO of the Company with effect from 23rd June, 2017. The Board places on record its appreciation and gratitude for the valuable contribution and advice offered by Mrs. Makhija during her tenure as the CFO of the Company.

ANNUAL PERFORMANCE EVALUATION

The evaluation framework for assessing the performance of the Directors of your Company comprises of contributions at the Meeting(s) and strategic perspective or inputs regarding the growth and performance of your Company, 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 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 an integral part of this Annual Report. The details of the programme for familiarisation of the Independent Directors of your Company are available on your Company's website at: <https://www.adityabirlacapital.com/about-us/board-of-Directors>.

MEETINGS OF THE BOARD AND ITS COMMITTEES

BOARD

The Board meets at regular intervals to discuss and decide on the Company's performance and strategies. During the financial year under review, the Board met 10 (Ten) times.

The Meetings of the Board were held on 25th April, 2017, 9th May, 2017, 26th June, 2017, 29th June, 2017, 18th July, 2017, 24th July, 2017, 11th August, 2017, 25th October, 2017, 7th November, 2017 and 9th February, 2018.

Further details on the Board Meetings are provided in the Corporate Governance Report, forming part of this Annual Report.

AUDIT COMMITTEE

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. The Committee

has also reviewed the procedures laid down by your Company for assessing and managing the risks.

Further details on the Audit Committee are provided in the Corporate Governance Report, forming 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

During the financial year under review, the nomenclature of the Nomination and Remuneration Committee was changed to Nomination, Remuneration and Compensation Committee.

Further details on the Nomination, Remuneration and Compensation Committee are provided in the Corporate Governance Report, forming part of this Annual Report.

The Nomination, Remuneration and Compensation Committee has formulated a policy on remuneration under the provisions of Section 178(3) of the Act and the same is attached as **Annexure V** of the Board's Report.

OTHER COMMITTEES

Details of all the other Committees of the Board are provided in the Corporate Governance Report, which forms part of this Annual Report.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) of the Act, the extract of annual return for the financial year ended 31st March, 2018 in Form MGT-9 under the provisions of 92(3) of the Act is attached as **Annexure VI** of the Board's Report.

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, as amended, M/s. Deloitte Haskins & Sells, LLP, Chartered Accountants (Firm Registration No.:117366W/W-100018, LLP Identification No: AAB-8737) had been appointed as Statutory Auditors of the Company for a term of 5 (Five) years i.e. from the Tenth Annual General Meeting till the conclusion of Fifteenth Annual General Meeting of the Company.

The Company had received certificate from the Statutory Auditors confirming their eligibility and willingness for their appointment pursuant to Section 139(1) of the Act.

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 AUDITORS

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

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

COST AUDITORS

The provisions of 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, your Company has a Corporate Social Responsibility (CSR) Committee.

The Corporate Social Responsibility 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-codes>.

In view of losses in the previous years, your Company was not required to spend any amount towards CSR during the financial year under review. Accordingly, no CSR activity was undertaken by the Company.

Further details on the CSR Committee are provided in the Corporate Governance Report, forming 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 vigil mechanism for Directors and Employees to report concerns, details of which are covered in the Corporate Governance Report which forms part of the Annual Report. Whistle Blower Policy is available on the Company's website at: <https://www.adityabirlacapital.com/investor-relations/policies-and-codes>.

POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

HUMAN RESOURCES

Your Company believes that human resources are at the core of sustaining and building our organisation. Over the last one year, the Human Resource team has contributed significantly in reducing attrition and improving productivity and supporting the business in identifying and grooming leaders across all business units of the Company. A majority of leadership positions in the business units of the Company are today being filled internally which in turn is helping our newer businesses scale up faster. With an unwavering focus on nurturing and retaining talent, your Company provides avenues for learning and development through functional, behavioral and leadership training programs as well as on the job training to enable the employees to constantly upgrade their skills. Due to all these initiatives your Company was ranked as the 12th Best Employer to work for in India in a survey conducted by Business Today and People Strong.

SECRETARIAL STANDARDS OF ICSI

Your Company is in compliance with all the applicable Secretarial Standards as specified by the Institute of Company Secretaries of India.

OTHER DISCLOSURES

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

1. Your Company has not issued shares (including sweat equity shares) to employees of the Company under any scheme save and except Employee Stock Option Schemes referred to in this Report.
2. Your Company has not made any Scheme for provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
3. No fraud was reported by the Auditors to the Audit Committee or the Board of Directors.
4. 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.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to express their appreciation for the support and co-operation extended by the Members and other business associates. Your Directors gratefully acknowledge the ongoing co-operation and support provided by the Central and State Governments and all Regulatory bodies.

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

For and on behalf of the Board of Directors

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

Kumar Mangalam Birla

Chairman

DIN: 00012813

Date: 8th May, 2018

Place: Mumbai

Annexure I

Dividend Distribution Policy

1. INTRODUCTION

- 1.1 As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company has decided to formulate and disclose its Dividend Distribution Policy. Accordingly, the Board of Directors of the Company ('the Board') has approved this Dividend Distribution Policy for the Company at its meeting held on 8th May, 2018.
- 1.2 The objective of this policy is to provide the dividend distribution framework to the stakeholders of the Company. The Board of Directors shall recommend dividend in compliance with this policy, the provisions of the Companies Act, 2013 and Rules made thereunder and other applicable legal provisions.

2. TARGET DIVIDEND PAYOUT

- 2.1 Dividend will be declared out of the current year's Profit after Tax of the Company on a Standalone basis.
- 2.2 Only in exceptional circumstances including but not limited to loss after tax in any particular financial year, the Board may consider utilising retained earnings for declaration of dividends, subject to applicable legal provisions.
- 2.3 'Other Comprehensive Income' (as per applicable Accounting Standards) which mainly comprises of unrealised gains/losses, will not be considered for the purpose of declaration of dividend.
- 2.4 Dividend payout is an important decision as it determines the amount of profits to be distributed amongst the shareholders and to be ploughed back into the businesses for future growth. It is therefore necessary to have an optimal dividend payout policy that achieves sustainable growth in the Company and therefore enhances long-term shareholder' value.
- 2.5 Considering the inherent nature of the market and business environment, and various subsidiaries of the Company being at different stages of growth

and requirement of capital, while it is difficult to pre-determine the dividend payout as a percentage of earnings, the Company will, subject to applicable laws and relevant rules and regulations in this regard, endeavour to pay dividend to shareholders in the most efficient way and gradually increase it without compromising growth of the Company.

3. FACTORS TO BE CONSIDERED FOR DIVIDEND PAYOUT

The Board will consider various internal and external factors, including but not limited to the following before making any recommendation for dividends:

- Stability of earnings
- Cash flow from operations
- Future organic and inorganic growth plans and reinvestment opportunities (including investment requirements for the Company in its subsidiaries and associate companies)
- Dividend policy followed by the investee companies, as a substantial portion of the Company's income is earned by way of dividends from its subsidiaries
- Industry outlook and stage of business cycle for underlying businesses
- Leverage profile
- Compliance with covenants contained in any agreement entered into by the Company with its lenders
- Funding and liquidity considerations
- Overall economic environment, changes in government policies, industry rulings & regulatory provisions
- Absorbing unfavourable market condition, meeting unforeseen contingent liabilities and other circumstances
- Cost of external financing

- Past dividend trends
- Buyback of shares or any such alternate profit distribution measure
- Any other contingency plans

4. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company has issued only one class of shares viz. equity shares. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the

applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

5. GENERAL

- 5.1 Retained earnings will be used for the Company's growth plans, expected capital adequacy/ liquidity requirements, debt repayments and other contingencies.
- 5.2 If the Board decides to deviate from this policy, the rationale for the same will be suitably disclosed.

Annexure II

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. Sitting fees are not paid to Non Executive and Non-Independent Directors of the Company. At present, only the Independent Directors are paid sitting fees 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 of the Company during the financial year 2017-18.

Name	Designation	% increase in remuneration in financial year 2017-18
Mr. Ajay Srinivasan	Chief Executive Officer	15.29*
Mrs. Pinky Mehta ¹	Chief Financial Officer	-
Mrs. Anjali Makhija ²	Chief Financial Officer	-
Mr. Sailesh Daga ³	Company Secretary	-

* payment towards Long term incentive plan (LTIP) made in the financial year 2017-18 has been excluded.

1. Mrs. Pinky Mehta, Non-Executive Director of the Company was appointed as the Whole-time Director and Chief Financial Officer of the Company with effect from 1st July, 2017. Thereafter, Mrs. Pinky Mehta relinquished the position of Whole-time Director with effect from 26th October 2017. However, she continues to act as a Chief Financial Officer (Key Managerial Personnel) of the Company.

2. Mrs. Anjali Makhija was appointed as the Chief Financial Officer of the Company for the period 1st May, 2016 to 23rd June, 2017. The remuneration paid was for part of the year and hence, it is not comparable.

3. Mr. Sailesh Daga was paid remuneration for part of the year i.e. from 1st October, 2017 and hence, it is not comparable.

- iii. In the financial year 2017-18, there was an increase of 8.30% in the median remuneration of employees.
- iv. As at 31st March, 2018, there were 35 permanent employees 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. 2017-18 was 15.18% which is in line with the industry benchmark and cost of living index whereas the increase in the managerial remuneration for the same financial year was 15.29% due to better performance of the Company.
- vi. It is hereby affirmed that the remuneration paid is as per the Executive Remuneration Philosophy/Policy of the Company.

Note: The calculation of percentage increase in the median remuneration and average percentile increase is based on the comparable employees.

Annexure III

TO THE MEMBERS OF ADITYA BIRLA CAPITAL LIMITED

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter reference no. MJ/2017-18/73 dated 28th July, 2017.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Aditya Birla Capital Limited (the "Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

MANAGEMENTS' RESPONSIBILITY

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

AUDITOR'S RESPONSIBILITY

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the

Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the period ended 31st March, 2018 (From the date of listing i.e. 1st September, 2017 to 31st March, 2018).
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Date: 8th May, 2018
Place: Mumbai

Annexure IV

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 subsidiary companies for the year ended 31st March, 2018

Part "A": Subsidiaries

Name of Subsidiaries	Aditya Birla PE Advisors Private Limited	Aditya Birla MyUniverse Limited	Aditya Birla Trustee Company Private Limited	Aditya Birla Insurance Brokers Limited	Aditya Birla Money Mart Limited
Date since when Subsidiary acquired	02-Jul-08	11-Dec-08	28-Nov-08	15-Apr-10	6-Aug-09
Currency	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore
Share Capital (Equity)	3.50	18.00	0.05	2.70	0.10
Other Equity	24.52	(240.06)	0.32	59.91	(4.86)
Total Assets (Non-Current Assets + Current Assets)	34.45	32.62	0.40	154.13	30.43
Total Liabilities (Non-Current Liabilities + Current Liabilities)	6.43	254.68	0.03	91.52	35.19
Investments	20.69	-	0.38	28.75	29.75
Revenue from Operations	9.73	15.82	0.07	260.98	0.12
Profit/(Loss) before Tax	(8.62)	(41.61)	0.05	39.15	(1.20)
Tax Expenses	(0.75)	-	0.01	14.48	-
Profit/(Loss) for the Year	(7.87)	(41.61)	0.04	24.67	(1.20)
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Share)	-	-	-	22.53	-
Percentage Holding as on 31 st March, 2018	100.00%	93.70%	100.00%	50.002%	100.00%
Exchange Rate as on 31 st March, 2018	-	-	-	-	-
Name of Subsidiaries	Aditya Birla Money Insurance Advisory Services Limited	ABCAP Trustee Company Private Limited	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	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore
Share Capital (Equity)	2.47	0.02	0.02	8.33	0.05
Other Equity	(4.29)	(0.02)	0.72	8.06	0.62
Total Assets (Non-Current Assets + Current Assets)	1.75	-	0.77	22.27	55.30
Total Liabilities (Non-Current Liabilities + Current Liabilities)	3.57	-	0.03	5.88	54.63
Investments	-	-	0.69	11.38	1.82
Revenue from Operations	1.18	-	0.05	2.23	-
Profit/(Loss) before Tax	(1.81)	β	0.07	(5.99)	0.06
Tax Expenses	-	-	(0.01)	-	β
Profit/(Loss) for the Year	(1.81)	β	0.08	(5.99)	0.06
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Share)	-	-	-	-	-
Percentage Holding as on 31 st March, 2018	100.00%	100.00%	50.85%	51.00%	100.00%
Exchange Rate as on 31 st March, 2018	-	-	-	-	-

β denotes figure is less than ₹ 50,000

Name of Subsidiaries	Aditya Birla Health Insurance Co. Limited	Aditya Birla ARC Limited	Aditya Birla Commodities Broking Limited	Aditya Birla Sun Life AMC (Mauritius) Limited	Aditya Birla Sun Life Asset Management Company Pte. Limited, Singapore	Aditya Birla Sun Life Asset Management Company Limited, Dubai			
Date since when Subsidiary acquired	28-Mar-16	10-Mar-17	23-Feb-10	10-Oct-12	10-Oct-12	10-Oct-12			
Currency	₹ in Crore	₹ in Crore	₹ in Crore	US\$ in Mn	₹ in Crore	SGD in Mn	₹ in Crore	US\$ in Mn	₹ in Crore
Share Capital (Equity and Preference)	132.88	108.00	5.50	0.05	0.29	13.60	67.55	3.13	20.33
Reserves and Surplus	(43.48)	(1.09)	(0.62)	1.25	8.13	(9.36)	(46.48)	(2.38)	(15.50)
Total Assets (Non-Current Assets + Current Assets)	334.41	107.99	25.63	1.33	8.63	5.40	26.84	0.99	6.39
Total Liabilities (Non-Current Liabilities + Current liabilities)	245.01	1.08	20.75	0.03	0.21	1.16	5.77	0.24	1.56
Investments	210.07	-	-	-	-	-	-	-	-
Revenue from Operations	247.99	-	5.21	1.13	7.31	5.84	27.78	0.89	5.74
Profit/(Loss) before Tax	(189.22)	(1.09)	0.51	0.96	6.21	1.24	5.91	0.03	0.22
Tax Expenses	-	-	0.01	0.03	0.19	-	-	-	-
Profit/(Loss) for the Year	(189.22)	(1.09)	0.50	0.93	6.02	1.24	5.91	0.03	0.22
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Share)	-	-	-	0.60	3.87	-	-	-	-
Percentage Holding as on 31 st March, 2018	51.00%	100.00%	74.03%	51.00%	51.00%	51.00%	51.00%	51.00%	51.00%
Exchange Rate as on 31 st March, 2018	-	-	-	BS - 65.0441 P&L - 64.4474	BS - 49.6700 P&L - 47.5445	BS - 65.0441 P&L - 64.4474	BS - 65.0441 P&L - 64.4474	BS - 65.0441 P&L - 64.4474	BS - 65.0441 P&L - 64.4474

β denotes figure is less than ₹ 50,000

Name of Subsidiaries	Aditya Birla Sun Life AMC Limited	Aditya Birla Sun Life Insurance Company Limited	Aditya Birla Sun Life Pension Management Limited	Aditya Birla Housing Finance Limited	Aditya Birla Finance Limited	Aditya Birla Money Limited
Date since when Subsidiary acquired	10-Oct-12	23-Mar-17	23-Mar-17	31-Dec-12	22-Apr-10	23-Feb-10
Currency	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore	₹ in Crore
Share Capital (Equity and Preference)	18.00	1,901.20	27.00	412.57	655.68	15.61
Reserves and Surplus	1,054.60	111.79	(1.19)	337.49	5,665.56	39.74
Total Assets (Non-Current Assets + Current Assets)	1,361.55	38,623.55	26.45	8,242.01	44,194.96	514.65
Total Liabilities (Non-Current Liabilities + Current Liabilities)	288.95	36,610.56	0.64	7,491.95	37,873.72	459.30
Investments	1,068.65	12,138.75	23.52	-	1,169.84	29.75
Revenue from Operations	1,216.07	6,374.96	β	615.12	4,480.00	156.94
Profit/(Loss) before Tax	484.32	166.83	(1.25)	23.72	1,109.27	12.27
Tax Expenses	162.32	-	0.01	(8.86)	378.44	2.70
Profit/(Loss) for the Year	322.00	166.83	(1.26)	32.58	730.83	9.57
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Share)	240.47	-	-	-	0.97	-
Percentage Holding as on 31 st March, 2018	51.00%	51.00%	51.00%	100.00%	100.00%	74.03%
Exchange Rate as on 31 st March, 2018	-	-	-	-	-	-

β denotes figure is less than Rs. 50,000

PART "B": ASSOCIATES & JOINT VENTURES: NOT APPLICABLE

For and on behalf of the Board
Aditya Birla Capital Limited
(Formerly known as Aditya Birla Financial Services Limited)

Ajay Srinivasan
Chief Executive Officer

Pinky Mehta
Chief Financial Officer

Santrupt Misra
Sushil Agarwal
S C Bhargava
Vijayalakshmi Iyer
P H Ravikumar
Directors

Date : 8th May, 2018
Place : Mumbai

Sailesh Daga
Company Secretary

Annexure V

Executive Remuneration Philosophy/Policy

Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services 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 terms 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 our 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.
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.

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.

V. 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) ESOPs

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 incentivise 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 our executives as we believe that they best align executive incentives with stakeholder interests and for retention of key talent.

VI. 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.

VII. 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 Committee in adopting, interpreting and implementing the Executive Remuneration Philosophy/Policy.

Annexure VI

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on financial year ended 31st March, 2018

Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014

I. REGISTRATION AND OTHER DETAILS:

CIN	:	L67120GJ2007PLC058890
Registration Date	:	15 th October 2007
Name of the Company	:	Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)
Category / Sub-Category of the Company	:	Public Company/ Limited by Shares
Address of the Registered office and contact details	:	Indian Rayon Compound, Veraval – 362 266, Gujarat, India. Tel No. +91 2876 243257; Fax No. +91 2876 243220
Whether listed company	:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:		
Till 14 th June, 2017	:	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (West), Mumbai - 400 078.
With effect from 15 th June, 2017	:	Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Tel: +91 40 6716 1627

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
Core Investment Company	6420 - Aditya Birla Capital Limited holds a certificate of Registration bearing no. B.01.00555 issued by the Reserve Bank of India to carry on business of a Non-Deposit taking Systemically Important Core Investment Company (CIC-ND-SI) under section 45-IA of the Reserve Bank of India Act, 1934.	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name of the Company	Registered Address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of shares held *	Applicable section
1	Grasim Industries Limited (Grasim) [#]	Birlagram, Nagda - 456 331, Madhya Pradesh	L17124MP1947PLC000410	Holding	55.98	2(46)
Indian Subsidiaries						
2	Aditya Birla PE Advisors Private Limited (formerly known as Aditya Birla Capital Advisors Pvt. Ltd.)	One Indiabulls Centre, Tower 1, 18 th Floor, Jupiter Mill Compound, 841, S. B. Marg, Elphinstone Road, Mumbai-400013, Maharashtra	U74140MH2008PTC179360	Subsidiary	100.00	2(87)(ii)
3	ABCAP Trustee Company Pvt. Ltd.	A-4, 4 th Floor, Aditya Birla Centre, S.K. Ahire Marg, Worli, Mumbai-400030, Maharashtra	U67100MH2013PTC242390	Subsidiary	100.00	2(87)(ii)
4	Aditya Birla MyUniverse Ltd. (formerly known as Aditya Birla Customer Services Ltd.)	Aditya Birla Centre, S.K. Ahire Marg, Worli, Mumbai-400030 Maharashtra	U93000MH2008PLC186669	Subsidiary	93.70	2(87)(ii)
5	Aditya Birla Financial Shared Services Ltd.	One Indiabulls Centre, Tower 1, 18 th Floor, Jupiter Mill Compound, 841, S. B. Marg, Elphinstone Road, Mumbai-400013, Maharashtra	U65999MH2008PLC183695	Subsidiary	100.00	2(87)(ii)
6	Aditya Birla Trustee Company Pvt. Ltd.	Aditya Birla Centre, S.K. Ahire Marg, Worli, Mumbai-400030, Maharashtra	U74999MH2008PTC186670	Subsidiary	100.00	2(87)(ii)
7	Aditya Birla Money Ltd. (ABML)	Indian Rayon Compound, Veraval -362266, Gujarat	L65993GJ1995PLC064810	Subsidiary	74.03	2(87)(ii)
8	Aditya Birla Commodities Broking Ltd.(100% Subsidiary of ABML)	Indian Rayon Compound, Veraval -362266, Gujarat	U51501GJ2003PLC065196	Subsidiary	74.03	2(87)(ii)
9	Aditya Birla Money Mart Ltd. (ABMML)	Indian Rayon Compound, Veraval -362266, Gujarat	U61190GJ1997PLC062406	Subsidiary	100.00	2(87)(ii)
10	Aditya Birla Money Insurance Advisory Services Ltd. (100% Subsidiary of ABMML)	Indian Rayon Compound, Veraval -362266, Gujarat	U67200GJ2001PLC062240	Subsidiary	100.00	2(87)(ii)
11	Aditya Birla Insurance Brokers Ltd.	Indian Rayon Compound, Veraval -362266, Gujarat	U99999GJ2001PLC062239	Subsidiary	50.002	2(87)(ii)
12	Aditya Birla Finance Ltd.	Indian Rayon Compound, Veraval -362266, Gujarat	U65990GJ1991PLC064603	Subsidiary	100.00	2(87)(ii)
13	Aditya Birla Housing Finance Ltd.	Indian Rayon Compound, Junagadh, Veraval-362266, Gujarat	U65922GJ2009PLC083779	Subsidiary	100.00	2(87)(ii)
14	Aditya Birla Sun Life Trustee Pvt. Ltd. (formerly known as Birla Sun Life Trustee Company Pvt. Ltd.)	One Indiabulls, Tower 1, 17 th Floor, Jupiter Mills, Senapati Bapat Marg, Elphinstone Road, Mumbai-400013, Maharashtra	U74899MH1994PTC166755	Subsidiary	50.85	2(87)(ii)
15	Aditya Birla Sun Life AMC Ltd. (formerly known as Birla Sun Life Asset Management Company Ltd.)	One Indiabulls, Tower 1, 17 th Floor, Jupiter Mills, Senapati Bapat Marg, Elphinstone Road, Mumbai-400013, Maharashtra	U65991MH1994PLC080811	Subsidiary	51.00	2(87)(ii)
16	Aditya Birla Health Insurance Co. Ltd.	10/A, Romel Tech- Park, Bldg. No. 2, 10 th Floor, Nirlon Compound, Western Express Highway, Goregaon (East), Mumbai-400063, Maharashtra	U66000MH2015PLC263677	Subsidiary	51.00	2(87)(ii)

Sl. No	Name of the Company	Registered Address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of shares held *	Applicable section
17	Aditya Birla Wellness Pvt. Ltd.	D- Wing, 1 st Floor, Aditya Birla Centre, S.K. Ahire Marg, Worli, Mumbai – 400030	U74999MH2016PTC282782.	Subsidiary	51.00	2(87)(ii)
18	Aditya Birla ARC Ltd.	18 th Floor, One Indiabulls Centre, Jupiter Mills Compound, 841, S B Marg, Mumbai – 400013	U65999MH2017PLC292331	Subsidiary	100.00	2(87)(ii)
19	Aditya Birla Sun Life Insurance Company Ltd. (ABSLI) (formerly known as Birla Sun Life Insurance Company Ltd.)	One Indiabulls Centre, Tower 1, 16 th Floor, Jupiter Mill Compound, 841, S. B. Marg, Elphinstone Road. Mumbai – 400013	U99999MH2000PLC128110	Subsidiary	51.00	2(87)(ii)
20	Aditya Birla Sun Life Pension Management Ltd. (formerly known as Birla Sun Life Pension Management Limited) (100% Subsidiary of ABSLI)	One Indiabulls Centre, Tower 1, 16 th Floor, Jupiter Mill Compound, 841, S. B. Marg, Elphinstone Road. Mumbai – 400013	U66000MH2015PLC260801	Subsidiary	51.00	2(87)(ii)

Foreign Subsidiaries

21	Aditya Birla Sun Life AMC (Mauritius) Ltd. (100% Subsidiary of ABSLAMC)	IFS Court, Bank Street Twenty Eight, Cybercity Ebene - 72201, Mauritius	Foreign Company	Subsidiary	51.00	2(87)(ii)
22	Aditya Birla Sun Life Asset Management Company Ltd. (Dubai) (100% Subsidiary of ABSLAMC)	Unit 05 , Floor-7, Currency House - Building 1, Dubai International Financial Centre, Dubai, 482027, United Arab Emirates	Foreign Company	Subsidiary	51.00	2(87)(ii)
23	Aditya Birla Sun Life Asset Management Company Pte Ltd, Singapore (ABSLAMC, Singapore) (100% Subsidiary of ABSLAMC)	1 Marina Boulevard #28-00, One Marina Boulevard, 018989, Singapore	Foreign Company	Subsidiary	51.00	2(87)(ii)
24	India Advantage Fund Limited, Mauritius (100% Subsidiary of ABSLAMC)	IFS Court, Bank Street Twenty Eight, Cybercity Ebene - 72201, Mauritius	Foreign Company	Subsidiary	51.00	2(87)(ii)
25	International Opportunities Fund (100% Subsidiary of ABSLAMC, Singapore)	4 th Floor, Harbour Place, 103 South Church Street, Grand Cayman	Foreign Company	Subsidiary	51.00	2(87)(ii)
26	Global Clean Energy Fund SPC (100% Subsidiary of ABSLAMC, Singapore)	4 th Floor, Harbour Place, 103 South Church Street, Grand Cayman Cayman Islands KY1-1002	Foreign Company	Subsidiary	51.00	2(87)(ii)
27	New Horizon Fund - SPC, Cayman Islands (100% Subsidiary of ABSLAMC, Singapore)	Harneys Services (Cayman) Limited, 4 th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands	Foreign Company	Subsidiary	51.00	2(87)(ii)

(Erstwhile) Aditya Birla Nuvo Limited amalgamated with Grasim Industries Limited with effect from 1st July, 2017

* Direct and Indirect holdings

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	60 [#]	60 [#]	0.00	12,19,624	-	12,19,624	0.05	0.05
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	81,89,59,940	41,32,80,000	1,23,22,39,940	100.00	1,56,64,52,443	-	1,56,64,52,443	71.17	(28.83)
e) Banks / FI(s)	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):	81,89,59,940	41,32,80,060	1,23,22,40,000	100.00	1,56,76,72,067	-	1,56,76,72,067	71.22	(28.78)
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI(s)	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	81,89,59,940	41,32,80,060	1,23,22,40,000	100.00	1,56,76,72,067	-	1,56,76,72,067	71.22	(28.78)
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	2,98,20,755	60,749	2,98,81,504	1.36	1.36
b) Banks / FI(s)	-	-	-	-	93,42,534	2,26,262	95,68,796	0.43	0.43
c) Central Govt	-	-	-	-	11,068	-	11,068	0.00	0.00
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Alternate Investment Fund	-	-	-	-	5,70,30,955	-	5,70,30,955	2.59	2.59
g) Insurance Companies	-	-	-	-	5,84,51,085	37,128	5,84,88,213	2.66	2.66
h) FII(s)	-	-	-	-	11,59,10,759	19,933	11,59,30,692	5.27	5.27
i) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
j) Others (Foreign bodies- DR)	-	-	-	-	3,780	-	3,780	0.00	0.00
Sub-total (B)(1):	-	-	-	-	27,05,70,936	3,44,072	27,09,15,008	12.31	12.31

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
a) Bodies Corp.	-	-	-	-	5,26,47,668	5,17,303	5,31,64,971	2.42	2.42
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	4,64,68,990	5,37,281	4,70,06,271	2.14	2.14
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	15,95,71,232	1,26,28,016	17,21,99,248	7.82	7.82
c) NBFC's registered with RBI	-	-	-	-	4,41,419	-	4,41,419	0.02	0.02
d) Others(specify)	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	33,739	-	33,739	0.00	0.00
NRI (Repat and Non- Repat)	-	-	-	-	91,16,695	20,06,716	1,11,23,411	0.51	0.51
Trusts	-	-	-	-	32,93,991	40,324	33,34,315	0.15	0.15
Clearing Members	-	-	-	-	18,44,050	-	18,44,050	0.08	0.08
Overseas Corporate Bodies	-	-	-	-	-	1,83,61,303	1,83,61,303	0.83	0.83
Sub-total(B)(2):	-	-	-	-	27,34,17,784	3,40,90,943	30,75,08,727	13.97	13.97
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	54,39,88,720	3,44,35,015	57,84,23,735	26.28	26.28
C. Shares held by Custodian for GDRs & ADRs									
Promoter and Promoter Group	-	-	-	-	3,36,16,128	-	3,36,16,128	1.53	1.53
Public	-	-	-	-	2,13,27,418	-	2,13,27,418	0.97	0.97
Total (C)	-	-	-	-	5,49,43,546	-	5,49,43,546	2.50	2.50
Grand Total (A+B+C)	81,89,59,940	41,32,80,060	1,23,22,40,000	100.00	2,16,66,04,333	3,44,35,015	2,20,10,39,348	100.00	

Includes 60 (Sixty) shares held by nominees of (erstwhile) Aditya Birla Nuvo Limited, which were subsequently transferred to Grasim Industries Limited ("Grasim").

Note:

- There was increase of 92,02,66,951 shares due to allotment of Equity Shares and Global Depository Shares ("GDSs") pursuant to the Composite Scheme of Arrangement between (erstwhile) Aditya Birla Nuvo Limited, Grasim Industries Limited and the Company and their respective Shareholders and Creditors (hereinafter referred to as "the Composite Scheme").
- During the financial year under review, the Company has issued and allotted 1,32,397 Stock Options pursuant to the ABCL Incentive Scheme for Stock Options and Restricted Stock Units – 2017 ("ABCL Incentive Scheme").

ii. Shareholding of Promoters:

Sl No	Name(s) of Promoter and Promoter Group	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Aditya Birla Nuvo Ltd.**	1,23,22,40,000	100.00	-	-	-	-	(100.00)
2	Grasim Industries Ltd.*	-	-	-	1,23,22,40,000	55.98	-	55.98
3	Aditya Vikram Kumar Mangalam Birla HUF	-	-	-	1,25,608	0.01	-	0.01
4	Mrs. Neerja Birla	-	-	-	1,02,286	0.00	-	0.00
5	Mrs. Rajashree Birla	-	-	-	7,73,989	0.04	-	0.04
6	Mrs. Vasavadatta Bajaj	-	-	-	1,65,951	0.01	-	0.01
7	Mr. Kumar Mangalam Birla	-	-	-	51,790	0.00	-	0.00
8	Birla Consultants Ltd.	-	-	-	1,22,334	0.01	-	0.01
9	Birla Industrial Finance (India) Ltd.	-	-	-	1,22,479	0.01	-	0.01
10	Birla Industrial Investments (India) Ltd.	-	-	-	26,119	0.00	-	0.00
11	ECE Industries Ltd.	-	-	-	4,71,931	0.02	-	0.02
12	Hindalco Industries Ltd.	-	-	-	3,95,11,455	1.79	-	1.79
13	Birla Group Holdings Private Ltd.	-	-	-	76,68,178	0.35	-	0.35
14	Rajratna Holdings Private Ltd.	-	-	-	938	0.00	-	0.00
15	Umang Commercial Company Private Ltd.	-	-	-	3,74,44,766	1.70	-	1.70
16	Vikram Holdings Pvt. Ltd.	-	-	-	1,050	0.00	-	0.00
17	Vaibhav Holdings Private Ltd.	-	-	-	938	0.00	-	0.00
18	Birla Institute of Technology And Science	-	-	-	9,25,687	0.04	-	0.04
19	Pilani Investment and Industries Corporation Ltd.	-	-	-	3,16,73,756	1.44	-	1.44
20	Renuka Investments & Finance Ltd.	-	-	-	3,39,059	0.02	-	0.02
21	IGH Holdings Private Ltd.	-	-	-	4,68,87,810	2.13	-	2.13
22	Turquoise Investment and Finance Private Ltd.	-	-	-	5,89,67,770	2.68	-	2.68
23	Trapti Trading & Investments Private Ltd.	-	-	-	5,81,35,303	2.64	-	2.64
24	TGS Investment & Trade Private Ltd.	-	-	-	5,02,34,905	2.28	-	2.28
25	Manav Investment & Trading Co. Ltd.	-	-	-	16,77,965	0.07	100.00	0.07
	Total	1,23,22,40,000**	100.00		1,56,76,72,067	71.22		(28.78)

Includes 60 (Sixty) shares held by nominees of (erstwhile) Aditya Birla Nuvo Limited, which were subsequently transferred to Grasim Industries Limited ("Grasim").

* Transferred from (erstwhile) Aditya Birla Nuvo Limited to Grasim Industries Limited pursuant to the Composite Scheme.

Note: There was increase of 92,02,66,951 shares due to allotment of Equity Shares and GDSs pursuant to the Composite Scheme.

Change in Promoters' Shareholding:

Name(s) of Promoter and Promoter Group	Shareholding		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Aditya Birla Nuvo Limited#				
At the beginning of the year	1,23,22,40,000	100%		
1 st July, 2017 - Transferred to Grasim Industries Limited pursuant to the Composite Scheme	(1,23,22,40,000)	-	-	-
At the end of the year	-	-	-	-
Grasim Industries Limited				
At the beginning of the year	-	-		
1 st July, 2017 – Pursuant to Amalgamation of (erstwhile) Aditya Birla Nuvo Limited with Grasim Industries Limited	1,23,22,40,000	55.99	1,23,22,40,000	55.99
At the end of the year			1,23,22,40,000	55.98*
Aditya Vikram Kumar Mangalam Birla HUF				
At the beginning of the year	-	-		
14 th August, 2017 – Allotment**	1,25,608	0.01	1,25,608	0.01
At the end of the year			1,25,608	0.01
Mrs. Neerja Birla				
At the beginning of the year	-	-		
14 th August, 2017 – Allotment**	1,02,286	0.00	1,02,286	0.00
At the end of the year			1,02,286	0.00
Mrs. Rajashree Birla				
At the beginning of the year	-	-		
14 th August, 2017 – Allotment**	7,73,989	0.04	7,73,989	0.04
At the end of the year			7,73,989	0.04
Mrs. Vasavadatta Bajaj				
At the beginning of the year	-	-		
14 th August, 2017 – Allotment**	1,65,951	0.01	1,65,951	0.01
At the end of the year			1,65,951	0.01
Mr. Kumar Mangalam Birla				
At the beginning of the year	-	-		
14 th August, 2017 – Allotment**	51,790	0.00	51,790	0.00
At the end of the year			51,790	0.00
Birla Consultants Limited				
At the beginning of the year	-	-		
14 th August, 2017 – Allotment**	1,22,334	0.01	1,22,334	0.01
At the end of the year			1,22,334	0.01
Birla Industrial Finance (India) Limited				
At the beginning of the year	-	-		
14 th August, 2017 – Allotment**	1,22,479	0.01	1,22,479	0.01

Name(s) of Promoter and Promoter Group	Shareholding		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the end of the year			1,22,479	0.01
Birla Industrial Investments (India) Limited				
At the beginning of the year	-	-		
14 th August, 2017 – Allotment**	26,119	0.00	26,119	0.00
At the end of the year			26,119	0.00
ECE Industries Limited				
At the beginning of the year	-	-		
14 th August, 2017 – Allotment**	4,71,931	0.02	4,71,931	0.02
At the end of the year			4,71,931	0.02
Hindalco Industries Limited				
At the beginning of the year	-	-		
14 th August, 2017 – Allotment**	3,95,11,455	1.79	3,95,11,455	1.79
At the end of the year			3,95,11,455	1.79
Birla Group Holdings Private Limited				
At the beginning of the year	-	-		
14 th August, 2017 – Allotment**	76,68,178	0.35	76,68,178	0.35
At the end of the year			76,68,178	0.35
Rajratna Holdings Private Limited				
At the beginning of the year	-	-		
14 th August, 2017 – Allotment**	938	0.00	938	0.00
At the end of the year			938	0.00
Umang Commercial Company Private Limited				
At the beginning of the year	-	-		
14 th August, 2017 – Allotment**	3,74,44,766	1.70	3,74,44,766	1.70
At the end of the year			3,74,44,766	1.70
Vikram Holdings Private Limited				
At the beginning of the year	-	-		
14 th August, 2017 – Allotment**	1,050	0.00	1,050	0.00
At the end of the year			1,050	0.00
Vaibhav Holdings Private Limited				
At the beginning of the year	-	-		
14 th August, 2017 – Allotment**	938	0.00	938	0.00
At the end of the year			938	0.00
Birla Institute of Technology and Science				
At the beginning of the year	-	-		
14 th August, 2017 – Allotment**	9,25,687	0.04	9,25,687	0.04
At the end of the year			9,25,687	0.04

Name(s) of Promoter and Promoter Group	Shareholding		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Pilani Investment and Industries Corporation Limited				
At the beginning of the year	-	-		
14 th August, 2017 – Allotment**	3,16,73,756	1.44	3,16,73,756	1.44
At the end of the year			3,16,73,756	1.44
Renuka Investments & Finance Limited				
At the beginning of the year	-	-		
14 th August, 2017 – Allotment**	3,39,059	0.02	3,39,059	0.02
At the end of the year			3,39,059	0.02
IGH Holdings Private Limited				
At the beginning of the year	-	-		
14 th August, 2017 – Allotment**	4,68,87,810	2.13	4,68,87,810	2.13
At the end of the year			4,68,87,810	2.13
Turquoise Investment and Finance Private Limited				
At the beginning of the year	-	-		
14 th August, 2017 – Allotment**	5,89,67,770	2.68	5,89,67,770	2.68
At the end of the year			5,89,67,770	2.68
Trapti Trading & Investments Private Limited				
At the beginning of the year	-	-		
14 th August, 2017 – Allotment**	5,81,35,303	2.64	5,81,35,303	2.64
At the end of the year			5,81,35,303	2.64
TGS Investment & Trade Private Limited				
At the beginning of the year	-	-		
14 th August, 2017 – Allotment**	5,02,34,905	2.28	5,02,34,905	2.28
At the end of the year			5,02,34,905	2.28
Manav Investment & Trading Company Limited				
At the beginning of the year	-	-		
14 th August, 2017 – Allotment**	16,77,965	0.07	16,77,965	0.07
At the end of the year			16,77,965	0.07

Includes 60 (Sixty) shares held by nominees of (erstwhile) Aditya Birla Nuvo Limited, which were subsequently transferred to Grasim Industries Limited ("Grasim").

* Change in percentage of holding due to allotment of Equity Shares by the Company under ABCL Incentive Scheme (ESOP)

** Pursuant to the Composite Scheme, allotment of Equity Shares was made on 14th August, 2017 against Equity Shares held in Grasim as on the record date.

iii. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No	Name of the Shareholder	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Life Insurance Corporation of India				
	At the beginning of the year	-	-		
	14 th August, 2017 - Allotment*	5,34,47,259	2.43	5,34,47,259	2.43
	15 th September, 2017 - Transfer	700	0.00	5,34,47,959	2.43
	At the end of the year			5,34,47,959	2.43
2.	PI Opportunities Fund I				
	At the beginning of the year	-	-		
	30 th June, 2017 - Private Placement	4,84,00,000	2.20	4,84,00,000	2.20
	15 th September, 2017 - Transfer	74,07,167	0.34	5,58,07,167	2.54
	At the end of the year			5,58,07,167	2.54
3.	Europacific Growth Fund				
	At the beginning of the year	-	-		
	14 th August, 2017 - Allotment*	2,41,82,207	1.10	2,41,82,207	1.10
	08 th December, 2017 - Transfer	(22,23,742)	(0.10)	2,19,58,465	1.00
	15 th December, 2017 - Transfer	(1,75,683)	(0.01)	2,17,82,782	0.99
	22 nd December, 2017 - Transfer	(3,27,662)	(0.01)	2,14,55,120	0.98
	29 th December, 2017 - Transfer	(24,32,495)	(0.11)	1,90,22,625	0.87
	05 th January, 2018 - Transfer	(7,59,024)	(0.03)	1,82,63,601	0.84
	12 th January, 2018 - Transfer	(13,72,103)	(0.07)	1,68,91,498	0.77
	19 th January, 2018 - Transfer	(15,41,539)	(0.07)	1,53,49,959	0.70
	09 th March, 2018 - Transfer	(17,56,000)	(0.08)	1,35,93,959	0.62
	At the end of the year			1,35,93,959	0.62
4.	Aberdeen Emerging Markets Fund				
	At the beginning of the year	-	-		
	14 th August, 2017 - Allotment*	1,09,55,084	0.50	1,09,55,084	0.50
	At the end of the year			1,09,55,084	0.50
5.	ICICI Prudential Life Insurance Company Limited				
	At the beginning of the year	-	-		
	14 th August, 2017 - Allotment*	1,04,96,274	0.48	1,04,96,274	0.48
	01 st September, 2017 - Transfer	(4,83,256)	(0.02)	1,00,13,018	0.46
	08 th September, 2017 - Transfer	(39,71,270)	(0.18)	60,41,748	0.28
	15 th September, 2017 - Transfer	(4,09,650)	(0.02)	56,32,098	0.26
	29 th September, 2017 - Transfer	(3,67,060)	(0.02)	52,65,038	0.24
	06 th October, 2017 - Transfer	(5,73,176)	(0.03)	46,91,862	0.21
	20 th October, 2017 - Transfer	(4,12,623)	(0.02)	42,79,239	0.19
	27 th October, 2017 - Transfer	(3,91,474)	(0.02)	38,87,765	0.17
	03 rd November, 2017 - Transfer	(1,89,969)	(0.01)	36,97,796	0.16

Sl No	Name of the Shareholder	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	17 th November, 2017 – Transfer	(966)	(0.00)	36,96,830	0.16
	09 th February, 2018 – Transfer	(2,20,251)	(0.01)	34,76,579	0.15
	16 th February, 2018 – Transfer	(4,60,268)	(0.01)	30,16,311	0.14
	23 rd February, 2018 – Transfer	(1,423)	(0.00)	30,14,888	0.14
	02 nd March, 2018 - Transfer	(3,35,936)	(0.02)	26,78,952	0.12
	At the end of the year			26,78,952	0.12
6.	Reliance Capital Trustee Co. Ltd A/C Reliance banking				
	At the beginning of the year	-	-		
	14 th August, 2017- Allotment*	1,01,29,973	0.46	1,01,29,973	0.46
	08 th September, 2017 – Transfer	(27,17,200)	(0.12)	74,12,773	0.34
	15 th September, 2017 – Transfer	(20,12,810)	(0.09)	53,99,963	0.25
	22 nd September, 2017- Transfer	(23,88,000)	(0.11)	30,11,963	0.14
	06 th October, 2017 – Transfer	90,900	0.00	31,02,863	0.14
	13 th October, 2017 – Transfer	37,61,164	0.17	68,64,027	0.31
	20 th October, 2017 – Transfer	3,29,300	0.01	71,93,327	0.32
	27 th October, 2017 – Transfer	1,24,600	0.01	73,17,927	0.33
	31 st October, 2017 – Transfer	1,65,950	0.01	74,83,877	0.34
	01 st December, 2017 – Transfer	(13,94,818)	(0.06)	60,89,059	0.28
	08 th December, 2017- Transfer	(18,80,721)	(0.09)	42,08,338	0.19
	15 th December, 2017- Transfer	(30,600)	(0.00)	41,77,738	0.19
	05 th January, 2018 - Transfer	(2,07,700)	(0.01)	39,70,038	0.18
	12 th January, 2018 - Transfer	(20,90,808)	(0.09)	18,79,230	0.09
	26 th January, 2018 – Transfer	(7,20,410)	(0.03)	11,58,820	0.06
	02 nd February, 2018 – Transfer	(3,33,740)	(0.02)	8,25,080	0.04
	09 th February, 2018 – Transfer	(8,25,080)	(0.04)	-	0.00
	23 rd February, 2018 – Transfer	5,31,485	(0.02)	5,31,485	0.02
	02 nd March, 2018 – Transfer	3,94,732	0.02	9,26,217	0.04
	09 th March, 2018 – Transfer	22,33,781	0.11	31,59,998	0.15
	23 rd March, 2018 – Transfer	5,00,000	0.02	36,59,998	0.17
	30 th March, 2018 – Transfer	14,00,000	0.06	50,59,998	0.23
	At the end of the year			50,59,998	0.23
7.	Aberdeen Global Indian Equity Limited				
	At the beginning of the year	-	-		
	14 th August, 2017- Allotment*	95,14,405	0.43	95,14,405	0.43
	16 th March, 2018 – Transfer	(7,93,889)	(0.04)	87,20,516	0.39
	23 rd March, 2018 – Transfer	(3,26,413)	(0.01)	83,94,103	0.38
	At the end of the year			83,94,103	0.38

Sl No	Name of the Shareholder	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	Government of Singapore				
	At the beginning of the year	-	-		
	14 th August, 2017- Allotment*	92,89,460	0.42	92,89,460	0.42
	08 th September, 2017 – Transfer	(27,55,522)	(0.12)	65,33,938	0.30
	13 th October, 2017 – Transfer	(9,331)	(0.00)	65,24,607	0.30
	10 th November, 2017 – Transfer	(1,47,100)	(0.01)	63,77,507	0.29
	24 th November, 2017 – Transfer	(7,20,258)	(0.03)	56,57,249	0.26
	08 th December, 2017- Transfer	(12,616)	(0.00)	56,44,633	0.26
	15 th December, 2017- Transfer	(15,06,662)	(0.07)	41,37,971	0.19
	22 nd December, 2017- Transfer	(17,92,998)	(0.09)	23,44,973	0.10
	29 th December, 2017- Transfer	(21,480)	(0.00)	23,23,493	0.10
	05 th January, 2018 - Transfer	(7,41,093)	(0.03)	15,82,400	0.07
	12 th January, 2018 - Transfer	(15,82,400)	(0.07)	-	-
	At the end of the year			-	-
9	Franklin India Balanced Fund				
	At the beginning of the year	-	-		
	14 th August, 2017- Allotment*	83,89,977	0.38	83,89,977	0.38
	15 th September, 2017 – Transfer	48,70,000	0.22	1,32,59,977	0.60
	22 nd September, 2017- Transfer	(14,71,410)	(0.06)	1,17,88,567	0.54
	29 th September, 2017 – Transfer	(4,38,603)	(0.02)	1,13,49,964	0.52
	06 th October, 2017 – Transfer	(52,650)	(0.01)	1,12,97,314	0.51
	2 nd November, 2017 – Transfer	(6,81,267)	(0.03)	1,06,16,047	0.48
	10 th November, 2017 – Transfer	(2,16,047)	(0.01)	1,04,00,000	0.47
	At the end of the year			1,04,00,000	0.47
10	Birla Sun Life Trustee Company Private Limited A/C				
	At the beginning of the year	-	-		
	14 th August, 2017- Allotment*	78,17,275	0.36	78,17,275	0.36
	At the end of the year			78,17,275	0.36
11	Aberdeen Emerging Markets Equity Fund, A Series of the Aberdeen Institutional Commingled Funds, LLC. (w.e.f. 8th September, 2017)				
	At the beginning of the year	-	-		
	14 th August, 2017- Allotment*	64,58,676	0.29	64,58,676	0.29
	At the end of the year			64,58,676	0.29
12	General Insurance Corporation of India (w.e.f. 15th September, 2017)				
	At the beginning of the year	-	-		

Sl No	Name of the Shareholder	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	14 th August, 2017- Allotment*	58,92,210	0.27	58,92,210	0.27
	15 th September, 2017 – Transfer	51	0.00	58,92,261	0.27
	20 th October, 2017 – Transfer	(25,000)	(0.00)	58,67,261	0.27
	27 th October, 2017 – Transfer	(1,00,000)	(0.00)	57,67,261	0.27
	03 rd November, 2017 – Transfer	(75,000)	(0.01)	56,92,261	0.26
	15 th December, 2017- Transfer	(89,135)	(0.00)	56,03,126	0.26
	02 nd February, 2018 - Transfer	(1,62,566)	(0.01)	54,40,560	0.25
	02 nd March, 2018 – Transfer	(4,37,434)	(0.02)	50,03,126	0.23
	At the end of the year			50,03,126	0.23
13	Aberdeen Global-Emerging Markets Equity Fund (w.e.f. 15th December, 2017)				
	At the beginning of the year	-	-		
	14 th August, 2017- Allotment*	56,03,353	0.25	56,03,353	0.25
	At the end of the year			56,03,353	0.25
14	St. James's Place Global Emerging Markets Unit Trust - First State Investment Management UK Limited (w.e.f. 23th March, 2018)				
	At the beginning of the year	-	-		
	14 th August, 2017- Allotment*	27,71,092	0.13	27,71,092	0.13
	22 nd September, 2017- Transfer	7,50,313	0.03	35,21,405	0.16
	29 th September, 2017 – Transfer	68,873	0.00	35,90,278	0.16
	06 th October, 2017 – Transfer	39,714	0.00	36,29,992	0.16
	27 th October, 2017 – Transfer	1,25,307	0.01	37,55,299	0.17
	08 th December, 2017- Transfer	24,943	0.00	37,80,242	0.17
	15 th December, 2017- Transfer	1,92,582	0.01	39,72,824	0.18
	05 th January, 2018 - Transfer	73,092	0.00	40,45,916	0.18
	12 th January, 2018 - Transfer	19,374	0.00	40,65,290	0.18
	19 th January, 2018 – Transfer	1,16,248	0.01	41,81,538	0.19
	26 th January, 2018 – Transfer	76,909	0.00	42,58,447	0.19
	02 nd February, 2018 - Transfer	5,64,910	0.03	48,23,357	0.22
	23 rd March, 2018 – Transfer	2,99,162	0.01	51,22,519	0.23
	31 st March, 2018 – Transfer	6,03,199	0.03	57,25,718	0.26
	At the end of the year			57,25,718	0.26

* Pursuant to the Composite Scheme, allotment of Equity Shares was made on 14th August, 2017 against Equity Shares held in Grasim as on the record date.

Notes:

1. Date of transfer of shares has been considered as the date on which the beneficiary positions were provided by Depositories.
2. Shareholding is consolidated based on Permanent Account Number (PAN) of the Shareholder.

iv. Shareholding of Directors and Key Managerial Personnel (KMP):

Sl No	For Each of the Directors and KMP	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Kumar Mangalam Birla, Non-Executive Director (w.e.f. 26 th October, 2017)				
	At the beginning of the year	-	-		
	Add: Allotment**	1,77,398 ³	0.01	1,77,398 ³	0.01
	At the end of the year			1,77,398 ³	0.01
2	Dr. Sanrupt Misra, Non-Executive Director (w.e.f. 26 th October, 2017)				
	At the beginning of the year	-	-		
	At the end of the year			-	-
3	Mr. Sushil Agarwal, Non-Executive Director (w.e.f. 26 th October, 2017)				
	At the beginning of the year	10 ¹	0.00	10 ¹	0.00
	Less: Transfer	(10) ¹	0.00	-	-
	Add: Allotment**	48,895 ³	0.00	48,895 ³	0.00
	At the end of the year			48,895 ³	0.00
4	Mr. S C Bhargava, Independent Director				
	At the beginning of the year	-	-		
	At the end of the year			-	-
5	Mrs. Vijayalakshmi Iyer, Independent Director (w.e.f. 26 th June, 2017)				
	At the beginning of the year	-	-		
	Add: Market Purchase	2,000	0.00	2,000	0.00
	At the end of the year			2,000	0.00
6	Mr. Arun Adhikari, Independent Director (w.e.f. 26 th June, 2017)				
	At the beginning of the year	-	-		
	At the end of the year			-	-
7	Mr. P H Ravikumar, Independent Director (w.e.f. 26 th June, 2017)				
	At the beginning of the year	-	-		
	Add: Allotment**	407	0.00	407	0.00
	At the end of the year			407	0.00
8	Mr. D P Rathi, Independent Director (ceased to be the Director w.e.f. 23 rd June, 2017)				
	At the beginning of the year	-	-		

SI No	For Each of the Directors and KMP	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Add: Allotment**	-	-	-	-
	At the end of the year			-	-
9	Mr. Shriram Jagetiya, Non-Executive Director (ceased to be the Non- Executive Director w.e.f. 26 th October, 2017)				
	At the beginning of the year	10 ¹	0.00	10 ¹	0.00
	Less: Transfer	(10) ¹	0.00	-	-
	Add: Allotment**	16,635	0.00	16,635	0.00
	At the end of the year			16,635	0.00
10	Mr. Ajay Srinivasan, Chief Executive Officer				
	At the beginning of the year	-	-		
	Add: Allotment**	31,500	0.00	31,500	0.00
	At the end of the year			31,500	0.00
11	Mrs. Anjali Makhija, Chief Financial Officer (Ceased to be the Chief Financial Officer w.e.f. 23 rd June, 2017)				
	At the beginning of the year	-	-		
	At the end of the year			-	-
12	Mrs. Pinky Mehta, Chief Financial Officer² (Ceased to be the Whole-time Director w.e.f. 26 th October, 2017)				
	At the beginning of the year	-	-		
	Add: Allotment**	14,702	0.00	14,702	0.00
	At the end of the year			14,702	0.00
13	Mr. Sailesh Daga, Company Secretary				
	At the beginning of the year	-	-		
	Add: Allotment**	23	0.00	23	0.00
	At the end of the year			23	0.00

** Pursuant to the Composite Scheme, allotment of Equity Shares was made on 14th August, 2017 against Equity Shares held in Grasim as on the record date.

Notes:

- Held by nominees of (erstwhile) Aditya Birla Nuvo Limited, which were subsequently transferred to Grasim Industries Limited ("Grasim").
- Mrs. Pinky Mehta, Non-Executive Director of the Company was appointed as the Whole-time Director and Chief Financial Officer of the Company with effect from 1st July, 2017. Thereafter, Mrs. Pinky Mehta relinquished the position of Whole-time Director with effect from 26th October, 2017. However, she continues to act as a Chief Financial Officer (Key Managerial Personnel) of the Company.
- Including Equity Shares held as a Karta of HUF.

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment for the financial year ended 31st March, 2018:

(₹ in Crore)

	Secured Loans excluding deposits (1)	Unsecured Loans (2)	Deposits (3)	Total Indebtedness (4) = (1) + (2) + (3)
Indebtedness at the beginning of the financial year				
i. Principal Amount	-	492.44	-	492.44
ii. Interest due but not paid	-	0.53	-	0.53
iii. Interest accrued but not due	-	-	-	-
Total(i+ii+iii)	-	492.97	-	492.97
Change in Indebtedness during the financial year				
• Addition	-	1,075.00	-	1,075.00
• Reduction	-	1,075.00	-	1,075.00
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i. Principal Amount	-	672.99	-	672.99
ii. Interest due but not paid	-	1.97	-	1.97
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	674.96	-	674.96

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTOR AND /OR MANAGER:

(₹ in Crore)

Sl. no.	Particulars of Remuneration	Mrs. Pinky Mehta ¹
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0.90 0.05 -
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - others, specify...	-
5.	Others, please specify : Provident Fund (PF)	0.11
	Total (A)	1.06
	Ceiling as per the Act	3.27

1. Mrs. Pinky Mehta, Non-Executive Director of the Company was appointed as the Whole-time Director and Chief Financial Officer of the Company with effect from 1st July, 2017. Thereafter, Mrs. Pinky Mehta relinquished the position of Whole-time Director with effect from 26th October, 2017. However, she continues to act as a Chief Financial Officer (Key Managerial Personnel) of the Company. The remuneration details pertain to the remuneration given to Mrs. Mehta during the period from 1st July, 2017 to 31st March, 2018.

B. REMUNERATION TO OTHER DIRECTORS:

During the year under review, the Company paid the following Sitting fees to its Independent Directors for attending Board Meetings and Committee Meetings as follows:-

(₹ in Crore)

Name of Director(s)	Fee for attending Board / Committee meetings	Commission	Others, please specify	Total
Independent Directors				
Mr. D P Rathi ¹	0.01	-	-	0.01
Mr. S C Bhargava	0.07	-	-	0.07
Mrs. Vijayalakshmi Iyer ²	0.05	-	-	0.05
Mr. Arun Adhikari ²	0.02	-	-	0.02
Mr. P H Ravikumar ²	0.05	-	-	0.05
Total (1)	0.20	-	-	0.20
Other Non-Executive Directors				
Mr. Kumar Mangalam Birla ³	-	-	-	-
Dr. Santrupt Misra ³	-	-	-	-
Mr. Sushil Agarwal ³	-	-	-	-
Mr. Shriram Jagetiya ⁴	-	-	-	-
Mrs. Pinky Mehta ⁵	-	-	-	-
Total (2)	-	-	-	-
Total (1 + 2)	0.20	-	-	0.20

Overall Ceiling as per the Companies Act, 2013 for sitting fees is Rupees One Lakh per Board Meeting or a Committee Meeting thereof.

- Mr. D. P. Rathi, ceased to be Independent Director w.e.f. 23rd June, 2017.
- Appointed as Independent Directors, w.e.f. 26th June, 2017.
- Appointed as Additional Non-Executive Directors w.e.f. 26th October, 2017.
- Mr. Shriram Jagetiya, ceased to be Non-Executive Director w.e.f. 26th October, 2017.
- Mrs. Pinky Mehta, Non-Executive Director of the Company was appointed as the Whole-time Director and Chief Financial Officer of the Company with effect from 1st July, 2017. Thereafter, Mrs. Pinky Mehta relinquished the position of Whole-time Director with effect from 26th October, 2017. However, she continues to act as a Chief Financial Officer (Key Managerial Personnel) of the Company.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MANAGING DIRECTOR, WHOLE-TIME DIRECTOR AND/OR MANAGER

(₹ in Crore)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel				Total
		Mr. Ajay Srinivasan - Chief Executive Officer ¹	Mrs. Pinky Mehta - Chief Financial Officer ²	Mrs. Anjali Makhija - Chief Financial Officer ³	Mr. Sailesh Kumar Daga - Company Secretary ⁴	
1.	Gross salary	30.89	0.90	0.11	0.34	32.24
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.43	0.05	β	β	0.48
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961					
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-
5.	Others, please specify : Provident Fund (PF)	0.36	0.11	0.01	0.02	0.50
	Total	31.68	1.06	0.12	0.36	33.22

β denotes figure is less than Rs. 50,000

- Includes payment towards Long Term Incentive Plan (LTIP) of the Company.
- Mrs. Pinky Mehta, Non-Executive Director of the Company was appointed as the Whole-time Director and Chief Financial Officer of the Company with effect from 1st July, 2017. Thereafter, Mrs. Pinky Mehta relinquished the position of Whole-time Director with effect from 26th October, 2017. However, she continues to act as a Chief Financial Officer (Key Managerial Personnel) of the Company. The remuneration details pertain to the remuneration given to Mrs. Mehta during the period from 1st July, 2017 to 31st March, 2018.
- Remuneration paid to Mrs. Anjali Makhija, Chief Financial Officer, was for the period 1st April, 2017 to 23rd June, 2017 due to her resignation w.e.f. 23rd June, 2017.
- Remuneration paid w.e.f. 1st October, 2017.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the financial year ended 31st March, 2018, there were no penalties/punishment/compounding of offences under the Companies Act, 2013.

For and on behalf of the Board
Aditya Birla Capital Limited
(Formerly known as Aditya Birla Financial Services Limited)

Date: 8th May, 2018
Place: Mumbai

Kumar Mangalam Birla
Chairman
DIN: 00012813

Annexure VII

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Aditya Birla Capital Limited
(Formerly known as Aditya Birla Financial Services Limited)
Indian Rayon Compound,
Veraval - 362266,
Gujarat

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') for the audit period covering the financial year ended on 31st March, 2018 (the 'Audit period'). 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.

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, 2018, 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 2018 according to the provisions 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) Reserve Bank of India Act, 1934 and its circulars, Master Circulars, Notifications and its Directions as prescribed for NBFC's;
- (iv) Prevention of Money Laundering Act, 2002;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') with effect from 1st September 2017 being the date from which the equity shares of Aditya Birla Capital Ltd (BSE Scrip Code: 540691/NSE Scrip Code: ABCAPITAL) have been listed: -
 - (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 (Share Based Employee Benefits) Regulations, 2014;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (e) 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;

We have also examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India related to Board Meetings and General Meetings.

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations and Secretarial Standards as mentioned above.

During the period under review, provisions of the following Act/ Regulations were not applicable to the Company:

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009,
- b. The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008,
- c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009,
- d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and
- e. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings.

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 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 are 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.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

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, major corporate event that has occurred during the year which has

a major bearing on the Company's affairs in pursuance of the applicable laws, rules, regulations, guidelines, standards, etc., are as under:

1. Hon'ble NCLT vide its order dated 1st June, 2017 approved the Composite Scheme of Arrangement between Aditya Birla Nuvo Limited ("ABNL"), Grasim Industries Limited ("Grasim") and the Company and their respective Shareholders and Creditors.
2. The Reserve Bank of India (RBI) vide its letter dated 26th May, 2017 approved the Application for prior approval for change in Name of the Company from "Aditya Birla Financial Services Limited" to "Aditya Birla Capital Limited".
3. The Registrar of Companies, Ahmedabad (ROC) approved e-form INC-24 for change in name of the Company and issued a fresh certificate of incorporation with effect from 21st June, 2017.
4. The Company adopted the Aditya Birla Capital Limited Employee Stock Option Scheme 2017 for the benefit of such persons who are in permanent employment of the Company and its Subsidiary Companies, in the management cadre, working in India, including any Managing or Whole-time Directors of the Company and its Subsidiary Companies.
5. The Company has granted the Employee Stock Options (Stock Options) / Restricted Stock Unit(s) (RSUs) to the eligible Employees of the Company and its Subsidiaries.
6. The Company approved the extension of benefits of the Aditya Birla Capital Limited Employee Stock Option Scheme 2017 to the permanent employees in the management cadre, including Managing and Whole-time Directors, of the Subsidiary Companies of the Company.
7. Issued 4,84,00,000 Equity shares of face value of ₹ 10/- at a price of ₹ 145.40/- per share (including premium of ₹ 135.40/- per share) aggregating to ₹ 7,03,73,60,000/- to PI Opportunities Fund I on Private Placement basis which was approved in the Meeting of Board of Directors and at the General Meeting of the shareholders held on 29th June, 2017 and allotted by the Allotment Committee at their Meeting held on 30th June, 2017.
8. In principle approval for listing of 2,200,906,951 Equity shares of the Company was received from National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) ("Stock Exchanges") vide their letters dated 18th August, 2017 and 21st August, 2017, respectively.

9. SEBI vide its letter dated 28th August, 2017 granted relaxation to the Company from the applicability of Clause 19(2)(b) of the Securities Contracts (Regulations) Rules, 1957 (“the Rules”).
10. Equity Shares of the Company were listed and admitted for trading on BSE & NSE w.e.f. 1st September, 2017.
11. 6,44,22,405 Global Depository Shares of the Company have been listed on the official list of the Luxembourg Stock Exchange (LuxSE) admitted in global dematerialised form for trading on the Euro MTF market of the LuxSE with effect from 11th October, 2017, pursuant to the Scheme of Arrangement..
12. Issued and allotted 92,02,66,951 Equity shares of Company to the shareholders of Grasim Industries Limited in ratio of 7 Equity shares of ₹ 10/- each of Company credited as fully paid up for every 5 Equity shares of ₹ 2/- each held by such shareholders in Grasim as on record date i.e. 20th July, 2017.
13. The Company approved and adopted the ‘ABCL Incentive Scheme’ pursuant to the Composite Scheme of Arrangement between Aditya Birla Nuvo Limited, Grasim Industries Limited and the Company as approved by the Hon’ble National Company Law Tribunal (“Hon’ble NCLT”).
14. The Company granted 14,65,927 Stock Options and 2,52,309 Restricted Stock Units (“RSUs”) which are exercisable into 17,18,236 Equity Shares, under the ABCL Incentive Scheme, out of which, 12,84,633 Stock Options and 1,92,539 RSUs were vested.
15. Allotted 1,32,397 Equity shares of the face value of ₹ 10/- each on 23rd March, 2018 pursuant to exercise of Stock Options and Restricted Stock Units under the Company’s ABCL Incentive Scheme.
16. The paid up equity share Capital of the Company was increased from Rs 22,00,90,69,510 (i.e. 2,20,09,06,951 fully paid up equity shares of ₹ 10/- each) to ₹ 22,01,03,93,480 (i.e. 2,20,10,39,348 fully paid up equity shares of ₹ 10/- each).

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]

B. Narasimhan
Partner

Date: 8th May, 2018
Place: Mumbai

FCS No. 1303/ COP No. 10440

Annexure I to the Secretarial Audit Report for the financial year ended 31st March, 2018

To,
The Members,
Aditya Birla Capital Limited
(Formerly Aditya Birla Financial Services Limited)

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

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **Aditya Birla Capital Limited** (the 'Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test

check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.

4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
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 BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]

Date: 8th May, 2018
Place: Mumbai

B. Narasimhan
Partner
FCS No. 1303/ COP No. 10440

Corporate Governance Report

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Aditya Birla Capital Limited is committed to the adoption of best practices of Corporate Governance and its adherence in true spirit, at all times. Your Company's governance practices are a product of self-desire, reflecting the culture of trusteeship that is deeply ingrained in our value system and reflected in our strategic thought process. At a macro level, our 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 as well as superior 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 Executive Management team and constitution of the 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 Executive Management provides your Board detailed reports on the Company's performance periodically.

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

Compliance with Corporate Governance Guidelines

The Equity Shares of your Company were admitted for trading with effect from 1st September, 2017 on two Indian Stock Exchanges viz. BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and the Global Depository Shares of your Company were admitted for trading on the Luxembourg Stock Exchange ("LSE") with effect from 11th October, 2017 (BSE, NSE and LSE shall be collectively hereinafter referred to as "the Stock Exchanges"). The provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations") were applicable to the Company with effect from 1st September, 2017 i.e. from the date of listing of Equity Shares on the Indian Stock Exchanges.

The details of compliance with Corporate Governance requirements during the financial year ended 31st March, 2018 ("financial year under review") are as follows:

I. BOARD OF DIRECTORS

Composition

The Board of Directors of your Company ("the Board") comprises of 7 (Seven) Directors, which includes 4 (Four) Independent Directors and 3 (Three) Non-Executive Directors. The Chairman of the Board is a Non-Executive Director. The composition of your Board is in conformity with the requirements of the Companies Act, 2013 ("the Act") and Regulation 17(1) of the SEBI Listing Regulations.

In terms of the provisions of the Act, the Directors submit necessary disclosures regarding the positions held by them on the Board and/or Committees of other public and/or private Companies, from time to time. On 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) is a Member of more than 10 (Ten) Committees or Chairperson of more than 5 (Five) Committees across all the public Companies in which he/she is a Director; and
- c) are related to each other.

All Independent Directors on the Board are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations. The maximum tenure of the Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. As per the declarations received, none of the Directors serve as an Independent Director in more than seven listed Companies.

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>.

The details of the Directors of the Company with regard to outside Directorships and Committee positions held as on 31st March, 2018 are as follows:

Name of the Director	Category	No. of outside Directorship(s) held ¹		No. of outside Committee positions held ²	
		Public	Member	Chairperson	
Mr. Kumar Mangalam Birla ³ (DIN:00012813)	Non-Executive Non-Independent	8	-	-	
Dr. Sanrupt Misra ³ (DIN:00013625)	Non-Executive Non-Independent	2	-	-	
Mr. Sushil Agarwal ³ (DIN:00060017)	Non-Executive Non-Independent	4	4	-	
Mr. Arun Adhikari (DIN:00591057)	Independent	4	2	-	
Mr. P H Ravikumar (DIN: 00280010)	Independent	7	5	3	
Mr. S C Bhargava (DIN:00020021)	Independent	8	6	1	
Mrs. Vijayalakshmi Iyer (DIN:05242960)	Independent	7	1	3	

Notes:

1. Excluding Directorship in the Company, Foreign Companies, Private Limited Companies and Companies under Section 8 of the Act.
2. Details of Committee positions of the Audit Committee and Stakeholders Relationship Committee alone, in other Indian Public Companies (Listed and Unlisted), are provided.
3. Appointed as additional Non-Executive Director of the Company with effect from 26th October, 2017. Resolution seeking approval of appointment shall be placed before the Members at the ensuing Annual General Meeting.

Non-Executive Directors' Compensation and Disclosures

Sitting fees paid to Independent Directors for attending Meetings of the Board / Committees has been approved by the Board. No sitting fees were paid to Non-Independent Directors of the Company during the financial year under review. No commission was recommended/ paid to any of Directors during the financial year under review. Details of the Sitting fees paid to Independent 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.

10 (Ten) Board Meetings were held during the financial year under review. The gap between any two Meetings was not more than 120 (One Hundred Twenty) days. The details of the Board Meetings held during the financial year under review, dates on which held and number of Directors present are as follows:

Date of Board Meeting	Board Strength	No. of Directors Present
25 th April, 2017	4	4
9 th May, 2017	4	3
26 th June, 2017	3	3
29 th June, 2017	6	5
18 th July, 2017	6	5
24 th July, 2017	6	5
11 th August, 2017	6	6
25 th October, 2017	6	6
7 th November, 2017	7	6
9 th February, 2018	7	5

The Directors on the Board are professionals, having expertise in their respective functional areas and bring a wide range of skills and experience to the Board.

The Board has an unfettered and complete access to any 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 Schedule II to Regulation 17 (Part A) of the SEBI Listing Regulations and in particular reviews and approves corporate strategies, business plans, annual budgets, projects and capital expenditure, etc. The Board provides direction and exercises appropriate control to

ensure that your Company is managed in a manner that fulfils stakeholder's 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 Members of the Company held on 19th July, 2017, at the Registered Office of the Company at Indian Rayon Compound, Veraval - 362 266, Gujarat are as follows:

Name of the Director	No. of Board Meetings held during the tenure		Attended Last AGM	No. of Equity Shares held
	Held	Attended		
Mr. Kumar Mangalam Birla ¹	2	1	-	1,77,398*
Dr. Sanrupt Misra ¹	2	2	-	-
Mr. Sushil Agarwal ¹	2	2	-	48,895*
Mr. Arun Adhikari	7	3	No	-
Mr. S C Bhargava	10	10	No	-
Mr. P H Ravikumar	7	7	No	407
Mrs. Vijayalakshmi Iyer	7	7	No	2,000

* including shares held as a Karta of HUF.

Notes:

1. Appointed on the Board with effect from 26th October, 2017.
2. Mr. D P Rathi, Independent Director, resigned from the Board with effect from 23rd June, 2017.
3. Mr. Shriram Jagetiya, Non-Executive Director, resigned from the Board with effect from 26th October, 2017.
4. Mrs. Pinky Mehta was appointed as the Non-Executive Director of the Company with effect from 31st March, 2015. Subsequently, she was appointed as the Whole-time Director and Chief Financial Officer of the Company with effect from 1st July, 2017. Thereafter, Mrs. Pinky Mehta relinquished the position of Whole-time Director with effect from 26th October, 2017. However, she continues to act as the Chief Financial Officer (Key Managerial Personnel) of the Company.

Code of Conduct

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 Personnel of the Company ("the Code"). The Code is applicable to all the Board Members and Senior Management of the Company.

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

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 is available on the Company's website i.e. www.adityabirlacapital.com.

The Directors are familiarised with your Company's businesses and its operations. Interactions are held between the Directors and Senior Management of your Company. 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>.

Performance evaluation of the Board

A formal evaluation 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, among others, providing strategic perspective, Chairmanship of Board and Committees, attendance, time devoted and preparedness for the 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. The Directors completed questionnaires providing feedback on functioning of the Board, Committees and Chairman of the Board.

Separate Meeting of Independent Directors

In accordance with the provisions of Schedule IV of the Act, Regulation 25 (3) of the SEBI Listing Regulations and SS 2.3 of the Secretarial Standard on the Meetings of Board of Directors, a Meeting of the Independent Directors of your Company was held on 9th February, 2018 without the presence of the Non-Independent Directors and the Members of the Management. The Independent Directors discussed matters *inter alia* the performance/ functioning of the Company, reviewing the performance of the Chairman, taking into account the views of Non-Independent Directors, assess 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.

Prevention of Insider Trading

In terms of the provisions of the Securities and Exchange Board of India (Prevention of Insider Trading) Regulations, 2015, your Company has adopted a Code of Conduct for trading in listed or proposed to be listed securities of the Company ("the Insider Code"). The Code aims at preserving and preventing misuse of unpublished price sensitive information. All Directors, Designated Persons and Connected Persons of your Company and its Subsidiaries (as defined under the Insider Code) are covered under the Insider Code, which provides *inter alia* for periodical disclosures and obtaining pre-clearances for trading in the securities of your Company.

II. COMMITTEES OF BOARD

Your Board has constituted the Committees of the Board with specific terms of reference as per the requirements of the SEBI Listing Regulations and the Act. The Committees of the Board are elaborated hereunder:

1) AUDIT COMMITTEE

Qualified Independent Audit Committee

Your Company has a qualified and independent Audit Committee, which acts as a link between the Management, the Statutory and Internal Auditors and the Board. Its composition, powers, role and scope are in accordance with the applicable provisions of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. All the Members of the Audit Committee are financially literate.

Composition, Meetings, attendance during the financial year and sitting fees paid

The Audit Committee of the Board comprises of 3 (Three) Non Executive Directors out of which 2 (Two) are Independent Directors.

The terms of reference of the Committee were revised at the Meeting of the Board held on 26th June, 2017, in compliance with section 177 of the Act and Regulation 18 of the SEBI Listing Regulations, and other applicable provisions pursuant to the proposed listing of the securities of the Company on the Stock Exchanges.

The Committee was reconstituted on 26th June, 2017 and 26th October, 2017 respectively, due to reconstitution of the Board, the details of which are stated in the notes below.

During the financial year under review, the Audit Committee met 5 (Five) times to deliberate on various matters and the gap between any two Meetings was not more than 120 (One Hundred Twenty) days. The required quorum was present in all the Meetings.

During the financial year under review, Audit Committee Meetings were held on 9th May, 2017, 26th June, 2017, 11th August, 2017, 7th November, 2017 and 9th February, 2018.

The composition, attendance and sitting fees paid are as follows:

Name of Member	Category	No. of Meetings held during the tenure		Sitting fees paid (Amount in ₹)
		Held	Attended	
Mrs. Vijayalakshmi Iyer ¹ (Chairperson)	Independent	3	3	75,000
Mr. P H Ravikumar ²	Independent	3	3	75,000
Mr. Sushil Agarwal ⁵	Non-Executive Non-Independent	2	2	-
Mr. Shriram Jagetiya ⁴	Non-Executive Non-Independent	3	2	-
Mr. S C Bhargava ⁵	Independent	2	2	50,000
Mr. D P Rathi ⁶	Independent	1	1	25,000

Notes:

1. Appointed as the Chairperson of the Committee with effect from 26th June, 2017.
2. Appointed as a Member of the Committee with effect from 26th June, 2017.
3. Appointed as a Member of the Committee with effect from 26th October, 2017.
4. Ceased to be a Member of the Committee upon his resignation from the Board with effect from 26th October, 2017.
5. Ceased to be a Member of the Committee pursuant to the reconstitution of the Board with effect from 26th June, 2017.
6. Ceased to be a Member of the Committee upon his resignation from the Board with effect from 23rd June, 2017.

Permanent Invitees

Mr. Ajay Srinivasan - Chief Executive Officer, Mrs. Pinky Mehta - Chief Financial Officer and 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 Committee and the Company also engage outside experts and advisors to the extent it considers appropriate to assist in its functioning.

The Company Secretary acts as the Secretary to the Committee.

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 also reviews from time to time, the audit and internal control procedures, the accounting policies of your Company and oversee your Company's financial reporting process so as to ensure that the financial statements are correct, sufficient and credible.

The Audit Committee also 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.

In accordance with the applicable provisions of the Act and in terms of the SEBI Listing Regulations read with Part C of Schedule II of the SEBI Listing Regulations, the scope, functions and terms of reference of the Audit Committee *inter alia* cover the following matters:

1. 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;
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing with the Management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - a. 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 Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by Management;
 - d. Significant adjustments made in the financial statements arising out of audit findings; if any
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Modified opinion(s) in the draft audit report, if any.
5. Reviewing with the Management, the quarterly financial results/ statements before submission to the Board for approval;
6. 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 monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the Auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the Management, performance of statutory and Internal Auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department,

staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussion with Internal Auditors of any significant findings and follow up there on;
15. 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;
16. 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;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders and creditors;
18. Reviewing the functioning of the Whistle Blower mechanism;
19. 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;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Audit Committee reviews the following information:

1. Management Discussion and Analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditors, if any;
4. Internal audit reports and discussion with the Internal Auditors on any significant findings and follow-up thereon;
5. The appointment, removal and terms of remuneration of the Internal Auditors;
6. Statement of deviations:

- (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulations 32(1) of the SEBI Listing Regulations.
- (b) Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32 (7) of the SEBI Listing Regulations.

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. The Committee has also reviewed the procedures laid down by your Company for assessing and managing risks applicable to the Company.

2) NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE

Composition, Meetings, attendance during the financial year and sitting fees paid

Nomination, Remuneration and Compensation Committee was constituted at the Meeting of the Board held on 31st March, 2015, pursuant to Section 178 of the Act. The nomenclature of the Committee was changed from "Nomination and Remuneration Committee" to "Nomination, Remuneration and Compensation Committee" at the Meeting of the Board held on 26th June, 2017 and accordingly, the powers and terms of reference of the Committee were revised, pursuant to the proposed listing of the securities of the Company on the Stock Exchanges.

The composition of the Committee is in line with the applicable provisions of Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations. The Committee is mainly entrusted with the responsibility of formulating criteria for determining the qualifications, positive attributes and independence of the present and proposed Directors as well as recommending a policy to the Board relating to the remuneration of Directors, Key Managerial Personnel and other employees. The Committee also monitors and administers the Employee Stock Option Scheme(s) of the Company.

The Committee was reconstituted on 26th June, 2017 and 26th October, 2017, respectively, due to

reconstitution of the Board, the details of which are stated in the notes below.

The Committee comprises of 4 (Four) Non-Executive Directors out of which 2 (Two) are Independent Directors.

During the financial year under review, the Committee met 4 (Four) times to deliberate on various matters and the Meetings were held on 26th June, 2017, 8th August, 2017, 11th August, 2017 and 15th January, 2018.

The composition, attendance during the financial year and sitting fees paid are as follows:

Name of Member	Category	No. of Meetings held during the tenure		Sitting fees paid (Amount in ₹)
		Held	Attended	
Mr. Arun Adhikari (Chairman) ¹	Independent	3	2	40,000
Mr. S C Bhargava	Independent	4	4	80,000
Mr. Sushil Agarwal ²	Non-Executive Non-Independent	1	1	-
Dr. Santrupt Misra ²	Non-Executive Non-Independent	1	1	-
Mr. Shriram Jagetiya ³	Non-Executive Non-Independent	3	3	-

Notes:

1. Appointed as the Chairman of the Committee with effect from 26th June, 2017.
2. Appointed as a Member of the Committee with effect from 26th October, 2017.
3. Ceased to be a Member of the Committee upon his resignation from the Board with effect from 26th October, 2017.

Terms of reference of the Nomination, Remuneration and Compensation Committee

The Nomination, Remuneration and Compensation Committee is authorized to:

1. set the level and composition of remuneration which is reasonable and sufficient to attract, retain and motivate Directors and Senior Managers of the quality required to run the Company successfully;
2. set the relationship of remuneration to performance;
3. check whether 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;
4. formulate appropriate policies, institute processes which enable the identification of individuals who are qualified to become Directors and who may be appointed in senior Management and recommend the same to the Board;
5. review and implement succession and development plans for Executive Directors and Senior Managers;
6. devise a policy on Board diversity;
7. formulate the criteria for determining qualifications,

positive attributes and independence of Directors;

8. decide whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
9. to supervise and monitor 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, more particularly in terms of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Aditya Birla Capital Limited Employee Stock Option Scheme 2017 (“Scheme 2017”)

The Scheme 2017 has been formulated by the Nomination, Remuneration and Compensation Committee of the Board with an aim to provide competitive remuneration opportunities to employees of your Company, including through annual incentive plans and long term incentive plans and 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 previous Annual General Meeting held 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 Subsidiary Companies, a separate Special Resolution was also passed by the Members of the Company at the said Annual General Meeting held on 19th July, 2017.

During the financial year under review, 2,40,62,864 Stock Options and 57,42,636 Restricted Stock Units were granted 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.

ABCL Incentive Scheme for Stock Options and Restricted Stock Units 2017 (“ABCL Incentive Scheme”)

During the financial year under review, 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 of the Board of Directors of the Company approved the ABCL Incentive Scheme.

Pursuant to the Composite Scheme, Grasim’s financial services business was demerged from Grasim and transferred to the Company with effect from 4th July, 2017. On account of reduction in intrinsic value of Grasim pursuant to the demerger, Part III of the Composite Scheme stipulated that the Board of Grasim and the Company shall together decide the manner in which difference in the intrinsic value created pursuant to the demerger of the Demerged Undertaking (i.e. the financial services business) is to be compensated to the Grasim Existing Option holders. The Composite Scheme stipulated that such compensation can be either by issue of new stock options, restricted stock units by the Demerged Company (i.e. Grasim) to the Grasim Existing Option holders or by the Resulting Company (i.e. the Company) by adopting a new incentive plan. Thereafter, the Nomination, Remuneration and Compensation Committee at its Meeting held on 15th January, 2018, approved the ABCL Incentive Scheme and granted 14,65,927 Stock Options and 2,52,310 Restricted Stock Units to the eligible grantees of Grasim as on the record date i.e. 20th July, 2017. During the financial year under review, 12,84,633 Stock Options and 1,92,539 Restricted Stock Units have vested in eligible grantees.

The Nomination, Remuneration and Compensation Committee allotted 1,32,397 Equity Shares of ₹ 10/- each of your Company upon exercise of Stock Options and Restricted Stock Units by the eligible grantees of Grasim.

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 i.e. www.adityabirlacapital.com.

Remuneration Policy

Your Company has adopted an Executive Remuneration Philosophy/Policy. The Policy has been published in this Annual Report as an Annexure to the Board’s Report.

3) RISK MANAGEMENT COMMITTEE

Risk Management is the process that can contribute progressively to organisational improvement by providing Management with a greater insight into risks and their impact. The Company has a robust Risk Management framework which proactively addresses risks and seizes opportunities so as to gain competitive advantage, and protects and creates value for your stakeholders.

The Committee was constituted on 26th June, 2017. The Committee was reconstituted on 26th October, 2017, due to reconstitution of the Board, the details of which are stated in the notes below. Accordingly, the terms of reference of the Committee were revised at the Meeting of the Board held on 26th October, 2017, in compliance with the applicable provisions of the Act and SEBI Listing Regulations, pursuant to the proposed listing of the securities of the Company on the Stock Exchanges.

In terms of the regulations of SEBI Listing Regulations, the provisions relating to the constitution and functioning of the Risk Management Committee were not applicable to the Company, during the financial year under review. However, as good governance, your Company had constituted a Risk Management Committee to review, identify and to develop risk mitigation strategies.

Based on the Market Capitalization of the Company as on 31st March, 2018, the Company is now statutorily required to constitute a Risk Management Committee and ensure compliance relating to the same.

The objectives and 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 Risk Management Committee comprises of 2 (Two) Independent Directors and 1 (One) Non-Executive Director.

During the financial year under review, the Risk Management Committee met once on 22nd December, 2017 to deliberate upon various matters.

The composition, attendance during the financial year and sitting fees paid are as follows:

Name of Member	Category	No. of Meetings held during the tenure		Sitting fees paid (Amount in ₹)
		Held	Attended	
Mrs. Vijayalakshmi Iyer (Chairperson) ¹	Independent	1	1	20,000
Mr. P H Ravikumar ²	Independent	1	1	20,000
Mr. Sushil Agarwal ³	Non-Executive Non-Independent	1	1	-

Notes:

1. Appointed as the Chairperson of the Committee with effect from 26th June, 2017.
2. Appointed as a Member of the Committee with effect from 26th June, 2017.
3. Appointed as a Member of the Committee with effect from 26th October, 2017.

4) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee comprises of 1 (One) Independent Director and 2 (Two) Non-Executive Directors.

The Committee was constituted and the terms of reference of the Committee were formulated at the Meeting of the Board held on 26th June, 2017, in compliance with section 178 of the Act and Regulation 20 read with Part C of Schedule II of the SEBI Listing

Regulations, pursuant to the proposed listing of the Securities of the Company on the Stock Exchanges.

The Committee was reconstituted on 26th October, 2017, due to reconstitution of the Board, the details of which are stated in the notes below.

During the financial year under review, the Stakeholders Relationship Committee met once on 7th November, 2017.

The composition, attendance during the financial year and sitting fees paid are as follows:

Name of Member ³	Category	No. of Meetings held during the tenure		Sitting fees paid (Amount in ₹)
		Held	Attended	
Mrs. Vijayalakshmi Iyer (Chairperson) ¹	Independent	1	1	20,000
Mr. Sushil Agarwal ²	Non-Executive Non-Independent	1	1	-
Dr. Santrupt Misra ²	Non-Executive Non-Independent	1	1	-

Notes:

1. Appointed as the Chairperson of the Committee with effect from 26th June, 2017.
2. Appointed as a Member of the Committee with effect from 26th October, 2017.
3. Mrs. Pinky Mehta and Mr. Shriram Jagetiya ceased to be the Members of the Committee upon their resignations from the Board with effect from 26th October, 2017.

The Company Secretary acts as Secretary to the Committee and is the Compliance Officer of the Company and also responsible for redressal of investor complaints.

Your Company's shares are compulsorily traded in the dematerialised form. To expedite transfers in the physical segment, necessary authority has been delegated by your Board to the Directors and the Officers of your Company to approve transfers / transmissions of shares. Details of share transfers / transmissions approved by the Directors and Officers are placed before the Board.

The terms of reference of the Committee are:

1. To monitor expeditious redressal of grievances of the Stakeholders and Investors complains relating to shareholders including complaints relating to transfer / transmission of shares etc.
2. To approve allotment of shares and other securities.
3. To authorize officers of the Company to approve request transfer, transposition, deletion, consolidation, sub-division, in respect of shares and securities.
4. To review the results of any investigation / audit conducted by any statutory authority.

Number of shareholders' complaint received so far / number not solved to the satisfaction of shareholders / number of pending complaints

Details of complaints received, number of shares transferred during the financial year, time taken for effecting these transfers and the number of share transfers pending are furnished in the "Shareholder Information" section of this Annual Report.

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 Securities and Exchange Board of India (SEBI) or any other statutory authority.

5) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In terms of the provisions of Section 135 of the Act and the SEBI Listing Regulations, your Company has constituted the Corporate Social Responsibility Committee at the Board level.

The Corporate Social Responsibility Committee comprises of 3 (Three) Independent Directors and 1 (One) Non Executive Director. Mrs. Rajashree Birla, Chairperson of Aditya Birla Centre for Community Initiatives and Rural Development and Dr. Pragnya Ram, Group Executive President, Corporate Communications and CSR are permanent invitees to the Meetings of Corporate Social Responsibility Committee.

The Committee was reconstituted with effect from 26th June, 2017 and 26th October, 2017, due to reconstitution of the Board, the details of which are stated in the notes below.

During the financial year under review, the Corporate Social Responsibility Committee met once on 9th February, 2018.

The composition, attendance during the financial year and sitting fees paid are as follows:

Name of Member ³	Category	No. of Meetings held during the tenure		Sitting fees paid (Amount in ₹)
		Held	Attended	
Mr. Arun Adhikari (Chairman) ¹	Independent	1	-	-
Mr. S C Bhargava	Independent	1	1	20,000
Mr. P H Ravikumar ¹	Independent	1	1	20,000
Dr. Santrupt Misra ²	Non-Executive Non-Independent	1	1	-

Notes:

1. Appointed as a Chairman of the Committee with effect from 26th June, 2017.
2. Appointed as a Member of the Committee with effect from 26th October, 2017.
3. Mr. D P Rathi and Mr. Shriram Jagetiya ceased to be the Members of the Committee upon their resignations from the Board with effect from 23rd June, 2017 and 26th October, 2017, respectively.

The Company Secretary acts as a Secretary to the Committee.

The Committee recommends to the Board the activities to be undertaken during the year and amount to be spent on these activities.

During the financial year under review, in view of losses incurred in previous years, your Company was not required to undertake any activity as a part of its Corporate Social Responsibility initiative under the provisions of Section 135 of the Act.

6) FINANCE COMMITTEE

The Finance Committee of your Company comprises of Mr. P H Ravikumar, Mr. Sushil Agarwal and Dr. Santrupt Misra as its Members.

The Committee was constituted on 26th June, 2017 and was reconstituted on 26th October, 2017, due to reconstitution of the Board.

Mr. P H Ravikumar is the Chairman of the Committee. The Committee looks into the borrowings, if any, to be made from fund and non fund based limits for the business requirements of the Company, authorises Officers of the Company to open/operate/close bank accounts, approves the grant and execution of Power of Attorneys to the Officers of the Company, besides the

other powers granted to it by the Board from time to time.

During the financial year under review, no Meeting of the Finance Committee was held.

7) ABFSL DEMERGER COMMITTEE

Your Board constituted an "ABFSL Demerger Committee" to oversee the implementation of the Composite Scheme. The Committee comprised of Mr. S C Bhargava, Mr. D P Rathi, Mr. Shriram Jagetiya, Mr. Ajay Srinivasan and Mrs. Pinky Mehta as its Members.

The Committee was authorised to look into the matters pertaining to implementation of the Composite Scheme.

During the financial year under review, the Committee met thrice on 20th June, 2017, 21st June, 2017 and 23rd June, 2017 to make the Composite Scheme effective upon receipt of requisite approvals from the regulatory authorities. The Committee was dissolved with effect from 26th June, 2017, as the purpose for which the Committee had been formed was served.

The composition, attendance during the financial year and sitting fees paid are as follows:

Name of Member	Category/Designation	No. of Meetings held during the tenure		Sitting fees paid (Amount in ₹)
		Held	Attended	
Mr. S C Bhargava	Independent	3	3	60,000
Mr. D P Rathi ¹	Independent	3	2	40,000
Mr. Shriram Jagetiya	Non Executive Non-Independent	3	3	-
Mr. Ajay Srinivasan	Chief Executive Officer	3	-	-
Mrs. Pinky Mehta	Non Executive Non-Independent	3	3	-

Note:

1. Ceased to be a Member of the Committee upon his resignation from the Board with effect from 23rd June, 2017.

8) ALLOTMENT COMMITTEE

The Allotment Committee of your Company comprised of Mrs. Pinky Mehta, Mr. D P Rathi, Mr. Shriram Jagetiya and Mr. S C Bhargava as its Members. The Committee was authorised to look in the matters pertaining to the allotment of Securities of the Company.

During the financial year under review, the Committee met twice on 30th June, 2017 and on 14th August, 2017.

The Committee was dissolved with effect from 25th October, 2017 as the purpose for which the Committee was constituted was served and the powers held by the Committee now stand vested in Stakeholders Relationship Committee of the Company.

The composition, attendance during the financial year and sitting fees paid are as follows:

Name of Member	Category	No. of Meetings held during the tenure		Sitting fees paid (Amount in ₹)
		Held	Attended	
Mrs. Pinky Mehta	Non-Executive Non-Independent	2	1	-
Mr. Shriram Jagetiya	Non-Executive Non-Independent	2	1	-
Mr. S C Bhargava	Independent	2	2	40,000

Vigil Mechanism / Whistle Blower Policy

The Company has in place a vigil 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 to 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 personnel 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 i.e. www.adityabirlacapital.com.

Subsidiary Companies

The Audit Committee reviews the consolidated financial statements/results of the Company and investments made by its listed and unlisted Subsidiary Companies. The minutes of the Board Meetings along with a report on significant developments of all the subsidiary Companies are periodically placed before the Board. The Management of all the Subsidiary Companies periodically brings to the notice of the Board, a statement of all significant transactions and arrangements entered into by the Subsidiary Companies. As per the definition of "material subsidiary" under SEBI Listing Regulations, Aditya Birla Sun Life Insurance Company Limited (formerly known as Birla Sun Life Insurance Company Limited) and Aditya Birla Finance Limited were the material subsidiaries of the Company as on 31st March, 2018. In accordance with the "Policy for determining material Subsidiary Companies" of the Company and the provisions of the SEBI Listing Regulations, your Company has complied with all the obligations relating to material subsidiaries of the Company, including the appointment of Independent Directors of the Company on their Board.

III. OTHER DISCLOSURES

Related Party Transactions

During the financial year, 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 defined under Section 188 of the Act. All related party transactions have been approved by the Audit Committee of your Company.

Particulars of related party transactions are listed out under the notes to accounts forming part of this Annual Report.

The policy on Related Party Transactions as approved by the Audit Committee and the Board is available on your Company's website i.e. www.adityabirlacapital.com.

Disclosure of accounting treatment

Your Company has followed all the applicable Accounting Standards while preparing the financial statements.

Performance evaluation criteria for Independent Directors

The Directors other than Independent Directors of your Company evaluate the performance of Independent Directors on 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

Management

1. The Management Discussion and Analysis forms part of the Annual Report and are 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 the Promoters, Directors or the Management, their subsidiaries or relatives etc. that may have a potential conflict with interests of the Company.

3. Your Company has instituted a comprehensive Code of Conduct in compliance with the SEBI regulations on prevention of insider trading.

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.

Remuneration to Directors

The Company has a system where all the Directors and Senior Management of the Company are required to disclose all pecuniary relationship or transactions with the Company. No significant material transactions have been made with the Non- Executive Directors vis-à-vis the Company.

Sitting fees ₹ 50,000/- per Meeting of the Board and ₹ 25,000/- per Meeting of the Audit Committee and ₹ 20,000/- per Meeting of other Committees is paid to the Independent Directors of the Company. Your Company does not pay commission to the Directors of the Company.

The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the Meetings.

Details of the shareholding of the Directors and the sitting fees paid to the Independent Directors for attending the Meetings of Board and the Board Committees in the financial year under review are as follows:

Name of the Director	Sitting fees paid (Amount in ₹)	No. of Equity Shares held
Mr. Kumar Mangalam Birla	-	1,77,398*
Dr. Santrupt Misra	-	-
Mr. Sushil Agarwal	-	48,895*
Mr. Arun Adhikari	1,90,000	-
Mr. P H Ravikumar	4,65,000	407
Mr. S C Bhargava	7,50,000	-
Mrs. Vijayalakshmi Iyer	4,65,000	2,000
Mr. Shriram Jagetiya	-	16,635
Mr. D P Rathi	1,65,000	-
Mrs. Pinky Mehta	-	14,702

* including shares held as a Karta of HUF.

The details of remuneration paid to the Whole-time Director are as follows:

(Amount in ₹)

Whole-time Director & Chief Financial Officer	No. of Equity Shares held	Remuneration paid during FY 2017-18			
		All elements of remuneration package i.e. salary, benefits, pensions etc.	Performance linked incentives along with performance criteria	Service contracts, notice period, severance fee	Stock option details, if any
Mrs. Pinky Mehta ⁴	14,702*	1,06,23,460	See note (2)	See note (3)	See notes (5) & (6)

* Pursuant to the Composite Scheme, allotment of Equity Shares was made on 14th August, 2017 against Equity Shares held in Grasim as on the record date.

Notes:

- The Company has a policy of not advancing any loans to its Directors.
- Performance Review System is primarily based on competencies and values. The Company closely monitors growth and development of top talent in the Company to align personal aspiration with the organization's purpose.
- No severance fees are paid to any Director of the Company.
- Mrs. Pinky Mehta, Non-Executive Director of the Company was appointed as the Whole-time Director and Chief Financial Officer of the Company with effect from 1st July, 2017. Thereafter, Mrs. Pinky Mehta relinquished the position of Whole-time Director with effect from 26th October, 2017. However, she continues to act as a Chief Financial Officer (Key Managerial Personnel) of the Company. The remuneration details pertain to the remuneration given to Mrs. Mehta during the period from 1st July, 2017 to 31st March, 2018.
- In terms of your Company's Employee Stock Option Scheme viz. Scheme 2017, Mrs. Mehta was granted 3,30,236 Stock Options during the financial year under review.
- Further, 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, in order to compensate the existing Stock Options/ Restricted Stock Units ("RSU") holders of Grasim as on the record date i.e. 20th July, 2018, ABCL Incentive Scheme was adopted by the Company, and Mrs. Mehta, being an eligible grantee under the ABCL Incentive Scheme, was granted 30,785 Stock Options and 16,158 RSUs during the financial year under review.
- All decisions relating to the remuneration of the Whole-time Director were taken by the Board based on the remuneration policy and in terms of the resolution passed by the Members of your Company.

IV. CEO/ CFO CERTIFICATION

Mr. Ajay Srinivasan, Chief Executive Officer of the Company and Mrs. Pinky Mehta, the Chief Financial Officer of your Company have issued necessary certificate pursuant to the provisions of Regulation 17(8) of the SEBI Listing Regulations and the same is attached and forms part of the Annual Report.

V. REPORT ON CORPORATE GOVERNANCE

The Corporate Governance Report forms part of the Annual Report. Your Company complies with the provisions of Regulation 34 of the SEBI Listing Regulations.

VI. COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

The Company has complied with the corporate governance requirements specified under regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI Listing Regulations.

VII. WEBSITE DISCLOSURES

The 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, has been updated on the website of your Company i.e. www.adityabirlacapital.com.

VIII. COMPLIANCE CERTIFICATE

Compliance Certificate from the Statutory Auditors confirming compliance with all the conditions of Corporate Governance as stipulated under Regulation 34 read with Schedule V (E) of the SEBI Listing Regulations forms part of the Annual Report.

IX. DETAILS OF NEW DIRECTORS AND DIRECTORS SEEKING RE-APPOINTMENT

The Company has provided the details of the Directors seeking appointment in the Notice of the ensuing Annual General Meeting.

X. COMMUNICATION TO STAKEHOLDERS

Quarterly Presentations on the results of the Company are available on the website of your Company (www.adityabirlacapital.com) and the Aditya Birla Group website (www.adityabirla.com). The results / press - release are sent to the concerned Stock Exchanges simultaneously so as to enable them to place the results and press-release on their website. The Company also sends results / press - release by e-mail (wherever available) to the Members immediately after the announcement of financial results.

XI. GENERAL BODY MEETINGS

During the preceding three years, the Company's Annual General Meeting's ("AGM") were held at the Registered Office of the Company at Indian Rayon Compound, Veraval - 362 266, Gujarat.

The date and time of such AGMs held during the last three years are as follows:

Year	Date	Time	Particulars of Special Resolution(s) passed
2014-15	8 th September, 2015	11.00 A.M	-
2015-16	26 th August, 2016	4.00 P.M.	-
2016-17	19 th July, 2017	11.30 A.M.	Refer Notes

Notes :

- Appointment of Mrs. Pinky Mehta (DIN: 00020429) as a Whole-time Director & Chief Financial Officer of the Company.
- Keeping index and Register of Members and other records, etc. at the office of M/s. Karvy Computershare Private Limited, Company's Registrar and Share Transfer Agents, at Hyderabad.
- Approval and adoption of Aditya Birla Capital Limited Employee Stock Option Scheme 2017 ("Scheme 2017")
- Approval for the extension of benefits of the Scheme 2017 to the permanent employees in the Management cadre, including Managing and Whole-time Directors of the Subsidiary Companies of the Company.

Postal Ballot, E-Voting and NCLT convened Meeting:

- Purpose:** To seek approval of the shareholders for the Composite Scheme of Arrangement between (erstwhile) Aditya Birla Nuvo Limited and Grasim Industries Limited and the Company and their respective shareholders and creditors.

Postal Ballot and E-Voting Period: 10th March, 2017 to 9th April, 2017.

Details of Voting: Postal Ballot, E-Voting and Voting at the venue of the Meeting

No. of Shares held by Shareholders	No. of valid Votes polled	No. of Votes in favour	No. of Votes against
123,22,40,000	123,22,40,000	123,22,40,000	-

Person who conducted the Postal Ballot exercise:

Mr. Ashish Garg, Practicing Company Secretary (Membership No. FCS 5181/CP 4423), Indore, was

appointed by the Hon'ble National Company Law Tribunal ("NCLT"), Bench at Ahmedabad, to act as the Scrutinizer for the voting process (through postal ballot, e-voting and voting conducted through electronic voting system through tablets at the Meeting) in a fair and transparent manner and to prepare a consolidated Scrutinizer's Report of the votes cast in favour or against the resolution stated in the Notice.

Procedure: The voting facility through postal ballot and e-voting period commenced on Friday, 10th March, 2017 and ended on Sunday, 9th April, 2017. During this period, the Equity Shareholders of the Company holding shares either in physical form or in dematerialized form, as of the cut-off date, i.e. 4th March, 2017 were entitled to cast their vote electronically or by postal ballot. The Company had engaged the services of Karvy Computershare Private Limited ("Karvy") for facilitating e-voting for the said resolution to be passed through Postal Ballot (including e-voting) and voting at the NCLT convened Meeting held on 10th April, 2017 for this purpose.

The Company, on the basis of the Register of Members and the list of beneficiary owners made available by the Depository, completed the dispatch of the Notice of the Meeting along with the relevant annexures referred thereto, postal ballot form, proxy form, attendance slip, etc. to the Equity Shareholders of the Company (holding the Equity Shares as of the cut-off date, i.e. 4th March, 2017) by Tuesday, 7th March, 2017 and also published an advertisement in this regard, in English language in The Indian Express (All editions) and translation thereof in Gujarati language in Sandesh, Rajkot edition on Wednesday, 8th March, 2017.

The e-voting module was disabled and blocked by Karvy for voting on 9th April 2017 at 5.00 p.m. The Equity shareholders were required to send the completed and signed postal ballot forms to reach the Scrutinizer on or before 5.00 p.m. on 9th April 2017.

On Monday, 10th April 2017, at the venue of the NCLT convened Meeting, at the end of discussion, the Chairman of the Meeting directed for conducting the voting through electronic voting system (through tablets) for the Equity Shareholders who were present at the Meeting but who had not cast their votes earlier through the postal ballots or the e-voting module of Karvy.

On completion of the voting at the NCLT convened Meeting, Karvy provided to the Scrutinizer the list of the Equity Shareholders who were present at the Meeting either in person or through proxies and who had cast their votes, their holding details and the details of the votes cast on the Resolution.

No votes were cast at the venue of the Meeting through electronic voting system (through tablets). No votes were cast through postal ballots. The Scrutinizer then unblocked the votes cast through the e-voting module of Karvy in the presence of two witnesses.

Mr. Ashish Garg submitted his report on the results of voting process (through postal ballot, e-voting and voting conducted through electronic voting system through tablets at the Meeting) to the Chairman appointed by NCLT for the purpose of this Meeting on 10th April, 2017. The said resolution was passed on 10th April, 2017.

2. Special resolution proposed to be passed through Postal Ballot:

Purpose: To seek approval of the shareholders to authorize the Board of Directors of the Company for the purpose of issuance of securities for an aggregate consideration of up to Rs. 3,500 Crores only (Rupees Three Thousand Five Hundred Crores only).

Postal Ballot and Remote E-Voting Period: 1st June, 2018 to 30th June, 2018.

Person who has been appointed to conduct the Postal Ballot exercise: Mr. B. Narasimhan (FCS No.:1303/ COP No.:10440), Proprietor, M/s. BN & Associates, Practicing Company Secretaries or failing him Mr. Prakash Pandya (FCS No.:3901/ COP No.:2311), Proprietor, P. K. Pandya & Co., Practicing Company Secretary, has been appointed to act as the scrutinizer for conducting the postal ballot and remote e-voting exercise.

Procedure: The voting facility through postal ballot and remote e-voting shall commence on Friday, 1st June, 2018 and end on Saturday, 30th June, 2018. During this period, the Members of the Company holding shares either in physical form or in dematerialized form, as of the cut-off date, i.e. 25th May, 2018 shall be entitled to cast their vote electronically through remote e-voting

or through Postal Ballot. The Company has engaged the services of Karvy Computershare Private Limited ("Karvy"), the Registrar and Share Transfer Agent of the Company for facilitating remote e-voting for the said special resolution to be passed through Postal Ballot (including remote e-voting) as stipulated under the Notice of Postal Ballot dated 8th May, 2018.

The Company, on the basis of the Register of Members and the list of beneficiary owners made available by the National Securities Depository Limited and Central Depository Services (India) Limited, shall complete the dispatch of the Notice of Postal Ballot along with the explanatory statement and Postal Ballot form to the Members of the Company (holding Equity Shares as of the cut-off date, i.e. 25th May, 2018) and also an advertisement in this regard shall be published, in English language in the Business Standard (All editions) and translation thereof in Gujarati language in Sandesh, Rajkot edition.

The e-voting module shall be disabled and blocked by Karvy for voting on 30th June, 2018 at 5.00 p.m. The Members are required to send the completed and signed postal ballot forms which reach the Scrutinizer on or before 5.00 p.m. on 30th June, 2018.

The Scrutinizer shall submit the Scrutinizer's Report of the total votes cast in favour or against and invalid votes, if any, to the Chairman of the Company or a person authorised by him, who shall countersign the same, on or before Monday, 2nd July, 2018. Based on the Scrutinizer's Report, the Company will submit within 48 hours of the conclusion of the postal ballot process (including remote e-voting) to the Stock Exchanges, details of the voting results as required under Regulation 44(3) of the SEBI Listing Regulations and the result of the postal ballot will be declared on or before Monday, 2nd July, 2018, latest by 5.00 p.m. (IST) at the Registered office of the Company. The result of the postal ballot declared along with the Scrutinizer's Report, will be hosted on the website of the Company at www.adityabirlacapital.com and on the website of Karvy at www.evoting.karvy.com and will also be displayed on the notice board of the Company at its Registered office and Corporate office, immediately after the declaration of the result by the Chairman or a person authorised by him in writing.

XII. MEANS OF COMMUNICATION

Quarterly Results

The Company's quarterly/ half yearly/annual financial results are sent to the Stock Exchanges and published in Business Standard (all editions), Economic Times (all editions) and Western Times (Gandhinagar edition, Gujarat).

Further, the quarterly/ half yearly/annual financial results approved by the Board at its Meeting held for this purpose, are also sent via email to the Members whose email addresses are registered with the Company and are also simultaneously made available on Company's website i.e. www.adityabirlacapital.com.

Website

The Company's website i.e. www.adityabirlacapital.com contains a separate section namely "Investor Relations" where shareholders' information is available. Also the annual report of your Company and its Subsidiaries is available under this section on the website in a downloadable form.

- a) Whether it also displays official news releases : Yes
- b) Presentations made to investors/analysts : Yes
- c) Shareholders' Information : Published as a separate section in this report

Status of Compliance of Discretionary Requirements under SEBI Listing Regulations

- 1) The statutory financial statements of your Company are unqualified.
- 2) The Internal Auditor's report to the Audit Committee.
- 3) The positions of the Chairman of the Board of Directors and the Chief Executive Officer are separate.
- 4) The quarterly, half-yearly and annual financial results of your Company are furnished to the Stock Exchanges and published in the newspapers as per the requirements of the SEBI Listing Regulations and the same are also posted on the website of the Company.

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 year ended 31st March, 2018.

For **Aditya Birla Capital Limited**
(Formerly known as Aditya Birla Financial Services Limited)

Place: Mumbai
Date: 8th May, 2018

Ajay Srinivasan
Chief Executive Officer

CEO/CFO CERTIFICATION

To,
The Board of Directors
Aditya Birla Capital Limited
(Formerly known as Aditya Birla Financial Services Limited)

We certify that:

1. We have reviewed the financial statements and the cash flow statement of Aditya Birla Capital Limited (“the Company”) for the year ended 31st March, 2018 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 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 our knowledge and belief, no transactions entered into by the Company during the period ended, 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 deficiencies in the design or operation of 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:-
 - i. significant changes in the Company’s internal control over financial reporting, if any, during the period;
 - ii. significant changes in accounting policies, if any, during the period and that the same 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.

Place: Mumbai
Date: 8th May, 2018

Ajay Srinivasan
Chief Executive Officer

Pinky Mehta
Chief Financial Officer

Shareholder Information

1. Annual General Meeting
 - Date and Time : Monday, 27th August, 2018, at 11.00 a.m.
 - Venue : At the Club Auditorium, Indian Rayon Compound, Veraval - 362 266, Gujarat, India
2. Financial Calendar for Reporting
 - Financial year of the Company : 1st April to 31st March
 - For the quarter ending 30th June, 2018 : By 14th August, 2018
 - For the quarter ending 30th September, 2018 : By 15th November, 2018
 - For the quarter ending 31st December, 2018 : By 15th February, 2019
 - For the quarter/ year ending 31st March, 2018 : By 15th May, 2019
 - 12th Annual General Meeting for the year ended March 2019 : August 2019
3. Dividend Payment Date : Not Applicable
4. Date of Book Closure : 21st August, 2018 to 27th August, 2018
5. Registered office : Indian Rayon Compound,
Veraval - 362 266, Gujarat, India
Phone: +91 2876 243 257
Email: abc.secretarial@adityabirlacapital.com
Web: www.adityabirlacapital.com
CIN: L67120GJ2007PLC058890

6. (a) Listing Detail

	Equity Shares		Global Depository Shares (GDSs)
1.	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	1.	Luxembourg Stock Exchange Societe de la Bourse de Luxembourg PO. Box 165, L-2011 Luxembourg, Grand Duchy of Luxembourg
2.	National Stock Exchange of India Ltd Exchange Plaza, Plot No. C-1, G- Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400 051		

Note: Annual Listing Fees for the Financial Year 2018-19 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 2018.

6. (b) Overseas Depository for GDSs : Citibank N.A.
Depository Receipt Services
388 Greenwich Street, 14th Floor,
New York, NY – 10013, USA
Tel: +212 723 4483;
Fax: +212 723 8023
6. (c) Domestic Custodian of GDSs : Citibank N.A.
Custody Services FIFC, 11th Floor, C 54 & 55,
G Block, Bandra Kurla Complex, Bandra (East),
Mumbai – 400 098
Tel: +91 22 6175 7110;
Fax: +91 22 2653 2205

7. Stock Code:

: Equity Shares - ISIN – INE674K01013

: Global Depository 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

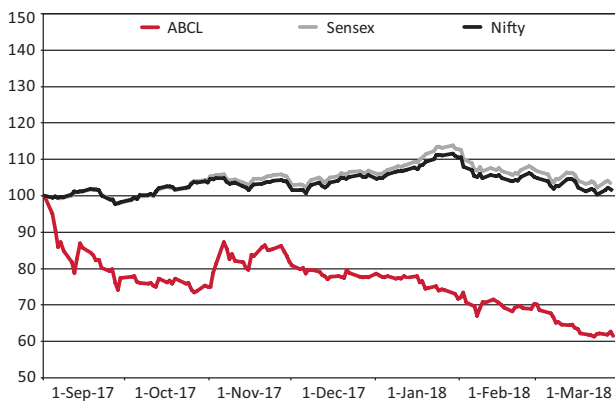
8. Stock Price Data

Year/ Month	BSE Limited				National Stock Exchange of India Limited				Luxembourg Stock Exchange		
	High	Low	Close	Volume	High	Low	Close	Volume	High	Low	Close
	(In ₹)			(In Nos.)	(In ₹)			(In Nos.)	(In US\$)		
Apr 2017	Not Applicable				Not Applicable				Not Applicable		
May 2017	Not Applicable				Not Applicable				Not Applicable		
Jun 2017	Not Applicable				Not Applicable				Not Applicable		
July 2017	Not Applicable				Not Applicable				Not Applicable		
Aug 2017	Not Applicable				Not Applicable				Not Applicable		
Sep 2017	264.00	173.55	183.65	2,51,43,060	255.00	173.50	183.75	16,33,19,617			
Oct 2017	189.10	174.00	178.15	1,11,21,237	189.00	173.70	177.90	6,92,48,906	2.80	2.69	2.69
Nov 2017	213.80	177.70	194.65	2,78,00,323	213.80	177.30	194.50	14,20,30,558	3.20	2.76	2.78
Dec 2017	196.80	179.15	184.10	1,23,62,742	196.80	179.00	184.15	5,53,65,113	2.98	2.80	2.80
Jan 2018	189.35	170.00	171.10	1,03,40,030	189.30	169.60	170.85	6,37,52,095	2.93	2.69	2.68
Feb 2018	175.30	155.50	166.60	80,24,665	175.00	157.00	166.55	4,29,81,573	2.73	2.48	2.48
Mar 2018	166.85	143.80	145.85	1,20,09,828	166.75	143.80	145.95	4,94,85,854	2.50	2.24	2.24

Notes: 1. Equity shares of the Company were listed on the BSE Limited and National Stock Exchange of India Limited w.e.f. 1st September, 2017.

2. Global Depository Shares (GDSs) of the Company were listed on the official list of Luxembourg Stock Exchange w.e.f. 11th October, 2017

9. Indexed Stock Performance



The listing of Aditya Birla Capital Limited was the culmination of the Composite Scheme of Arrangement under which (erstwhile) Aditya Birla Nuvo Limited (“ABNL”) was amalgamated with Grasim Industries Limited (“Grasim”), and the financial services undertaking was subsequently demerged into Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited) (“ABCL”). The Equity Shares of ABCL were admitted for trading effective 1st September 2017 on BSE Limited and National Stock Exchange of India Limited and the Global Depository Shares were admitted for trading effective 11th October, 2017 on the Luxembourg Stock Exchange as part of demerger process from Grasim.

- 10. Registrar and Share Transfer Agents (RTA)**
(For share transfers and other communication relating to share certificates, change of address etc.)
- : Karvy Computershare Private Limited
Unit: Aditya Birla Capital Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Serilingampally
Hyderabad – 500 032
Tel: +91 40 6716 1627
E-mail Id- adityacapital@karvy.com
- 11. Share Transfer System**
- : Share Transfer in physical form is registered normally within a period of 15 days from the date of receipt, provided that the documents are complete in all respects.

Details of Shares transferred during the Financial Year 2017-18

Transfer Period(in Days)	No. of Transfers	No. of Shares	%
1 – 5	176	29,671	33.81
6 – 15	321	58,077	66.19
16 and above	-	-	-
Total	497	87,748	100.00

No transfer of physical shares was pending as on 31st March, 2018.

During the financial year under review, there were no major legal proceedings relating to transfer of shares.

12. Investor Complaints details:

Nature of Complaints	2017-18		2016-17	
	Received	Cleared	Received	Cleared
Complaints relating to Transfer, Transmission, Demat, Non receipt of Shares on amalgamation / demerger, Non-Receipt of Annual Report etc.	10	10	Not Applicable*	

*The Company is listed on BSE Limited and National Stock Exchange of India Limited w.e.f. 1st September 2017.

13. Distribution of Shareholding as on 31st March, 2018:

No. of Shares Held	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1 - 100	254,155	49.66	1,20,66,090	0.55
101 - 200	79,920	15.62	1,28,29,972	0.58
201 - 500	96,876	18.93	3,31,10,349	1.50
501 - 1000	40,790	7.97	3,12,90,768	1.42
1001 - 5000	33,678	6.58	7,16,63,557	3.26
5001 - 10000	3,708	0.72	2,65,41,962	1.21
10001 and above	2,687	0.52	2,01,35,36,650	91.48
TOTAL	5,11,814	100.00	2,20,10,39,348	100.00

14. Categories of Shareholding as on 31st March, 2018:

Category of Shareholders	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
Promoter and Promoter Group	24	0.00	1,56,76,72,067	71.22
Banks, Mutual Funds Financial Institutions and Insurance Companies				
UTI and other Mutual Funds	110	0.02	2,99,29,776	1.36
Alternate Investment Funds	5	0.00	5,70,30,955	2.59
Banks, Financial Institutions	199	0.04	95,20,524	0.43
Insurance Companies	37	0.01	5,84,88,213	2.66
Foreign Investors				
FII and FPIs	183	0.04	11,59,30,692	5.27
NRIs/OCBs	11,224	2.19	2,95,18,453	1.34
GDSs*	1	0.00	5,49,43,546	2.50
Foreign Bodies - DR	1	0.00	3,780	0.00
Bodies Corporate	4,139	0.81	5,31,64,971	2.42
Trusts	85	0.02	33,34,315	0.15
Central/ State Government	2	0.00	11,068	0.00
NBFCs	38	0.01	4,41,419	0.02
Other - Individual/ Clearing Members	495,766	96.86	22,10,49,569	10.04
Total	511,814	100.00	2,20,10,39,348	100.00

* Includes 3,36,16,128 GDSs held by Promoter Group.

15. Dematerialisation of Shares and Liquidity

98.44 % of outstanding Equity Shares have been dematerialised as on 31st March, 2018. Trading in shares of your Company is permitted only in the dematerialised form. The Equity Shares of the Company are available for trading in the dematerialised form under both the Depositories viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

- Shares held in Demat mode in NSDL : 94.65%
- Shares held in Demat mode in CDSL : 3.79%
- Total : 98.44%**

16. **Details on use of public funds obtained in the last three years** : 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 ₹ 703,73,60,000 to PI Opportunities Fund I (“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 is used towards growth, expansion, marketing and general corporate activities, repayment of borrowings and investment in Subsidiaries of the Company.
17. **Outstanding GDSs/ADRS/ Warrants or any Convertible instruments, Conversion date and likely impact on Equity** : 5,49,43,546 GDSs as on 31st March, 2018. Each GDS represents one underlying Equity Share. There are no ADRs, Warrants/Convertible Bonds outstanding as at the year end.
18. **Commodity Price Risk or Foreign Exchange Risk and Hedging Activities** : The Company does not have any un-hedged exposure to commodity price risks and foreign exchange risk.

19. Other useful information for the shareholders:

Share Transfer/Dematerialisation

Share transfer request for physical shares is acted upon within 15 days from the date of their receipt at the RTA of the Company. In case, no response is received from the Company within 30 days of lodgement of transfer request, the lodger should immediately write to the RTA of the Company with full details, so that necessary action can be taken to safeguard the interest of the concerned against any possible loss/interception during postal transit.

Dematerialisation requests, duly completed in all respects, are normally processed within 7 days from the date of receipt at the Company or its RTA.

Shareholders are requested to note that if the physical documents, viz., Dematerialisation Request Form (DRF), Share Certificates, etc., are not received from their concerned Depository Participants (DPs) by the Company within a period of 15 days from the date of generation of the Dematerialisation Request Number (DRN) for dematerialisation, the DRN will be treated as rejected/cancelled. This step is being taken on the advice of National Securities Depository Limited (NSDL), so that no demat request remains pending beyond a period of 21 days.

In accordance with the provisions of Section 56(1) of the Companies Act, 2013, shares are required to be lodged within a period of 60 days from the date of execution of instrument of transfer. For expeditious transfer of shares in physical form, shareholders should fill in complete and correct particulars in the transfer deed.

Wherever applicable, registration number of Power of Attorney should also be quoted in the transfer deed at the appropriate place.

Permanent Account Number (PAN)

Members, who hold shares in physical form, are advised that SEBI has made it mandatory that a self attested copy of the PAN card of the transferee(s), members, surviving joint holders/legal heirs be furnished to the Company while making request for transfer, deletion of name of deceased joint holder, transposition of names and transmission of shares, as the case may be.

Nomination Facility for Shareholding

Section 72 of the Companies Act, 2013, extends nomination facility to individuals holding shares in

physical form. Shareholders, in particular, those holding shares in single name, may avail the above facility by furnishing the particulars of their nominations in the prescribed Nomination Form, which can be downloaded from the website of the Company or obtained from the Company's RTA by sending a written request through any mode including E-mail on adityacapital@karvy.com.

Change of Address and Furnishing of Bank Details

Shareholders holding shares in physical form should notify to the Company's RTA, change in their address with PIN Code number and Bank Account details by written request under the signatures of sole/first joint holder.

Beneficial Owners of shares in demat form should send their instructions regarding change of address, bank details, nomination, power of attorney, change in E-mail address, etc., directly to their DP, as the said records are maintained by the DPs.

To prevent fraudulent encashment of dividend warrants, Shareholders, who hold shares in physical form, should provide their Bank Account details to the Company's RTA, while those Shareholders, who hold shares in dematerialised form, should provide their Bank Account details to their DPs, for printing of the same on the dividend warrants.

Shareholders are requested to keep record of their specimen signature before lodgement of shares with the RTA of the Company to obviate the possibility of difference in signature at a later date.

Shareholders of the Company who have multiple accounts in identical name(s) or holding more than one Share Certificate in the same name under different Ledger Folio(s) in physical form are requested to apply for consolidation of such Folio(s) and sent the relevant Share Certificates to the RTA of the Company.

Registering of E-mail Address

Shareholders, 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's RTA (in case the shares are held in physical form) or their DPs (in case the shares are held in dematerialised form) so as to enable the Company to serve them fast.

Loss of Shares

In case of loss/misplacement of shares, investors should immediately lodge an FIR/Complaint with the police

and inform to the Company/RTA along with the original or certified copy of FIR/Acknowledged copy of Police Complaint along with a self-attested copy of their PAN card.

Non- Resident Shareholders

Non-resident members are requested to immediately notify the following to the RTA of the Company in respect of shares held in physical form and to their DPs in respect of shares held in dematerialized form:

- Indian address for sending all communications, if not provided earlier;
- Email 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 Obligations and Disclosure Requirements) Regulations, 2015 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/ RTA.

In terms of the Composite Scheme of Arrangement between (erstwhile) Aditya Birla Nuvo Limited (ABNL), Grasim Industries Limited (Grasim) and Aditya Birla Capital Limited (ABCL), shareholders of ABNL and Grasim were allotted shares in the ratio as mentioned below:-

- Equity Shares of Grasim were allotted to the shareholders of ABNL, in the ratio of 15 (Fifteen) Equity Shares of ₹ 2 each of Grasim for every 10 (Ten) Equity Shares of ₹ 10 each held by such shareholder in ABNL.
- Subsequently, Equity Shares of ABCL were allotted to the shareholders of Grasim Industries Limited, in

the ratio of 7 (Seven) Equity Shares of ₹ 10 each of ABCL for every 5 (Five) Equity Shares of ₹ 2 each held by such shareholder in Grasim.

Pursuant to the above, the Company has allotted 8,97,177 Equity Shares on 14th August, 2017 against the Equity Shares lying in the Unclaimed Suspense Account of Grasim Industries Limited.

A report in respect of the Equity Shares lying in the Unclaimed Suspense Account as on 31st March, 2018 is as under:-

Sr. No	Description	Number of Shareholders	Number of Equity Shares
1	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as at 1 st September, 2017	8,305	8,97,177
2	Number of shareholders who have approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year	16	24,346
3	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	16	24,346
4.	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as at 31 st March, 2018	8,289	8,72,831

The voting rights on the shares in the suspense account as on 31st March, 2018, shall remain frozen till the rightful owners of such shares claim the shares.

Company's Website

You are requested to visit the Company's website www.adityabirlacapital.com for

- Information on investor services offered by the Company.
- Downloading of various forms/formats, viz., Nomination form, ECS Mandate form, Indemnity, Affidavits, etc.

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.

To enable remittance of dividend or other payment, if any through NECS, 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 / RTA in respect of shares held in physical form and to the depository participants in respect of shares held in electronic form.

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 Company's RTA - Karvy Computershare Private Limited (Karvy) at Hyderabad. All correspondence regarding shares of the Company should be addressed to Karvy. Karvy has also designated an exclusive e-mail ID adityacapital@karvy.com for effective 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 Report, Auditor's Report, etc., henceforth to their shareholders electronically as a part of its Green Initiative in Corporate Governance.

Keeping in view the aforesaid green initiative of MCA, your Company shall send the Annual Report to its shareholders in electronic form, at the E-mail address provided by them and made available to it by the Depositories. In case of any change in your E-mail

address, you are requested to please inform the same to your Depository (in case you hold the shares in dematerialised form) or to the Company (in case you hold the shares in physical form).

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 / adityacapital@karvy.com.

Benefits of registering your 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.

Your Company will make the said documents available on its website www.adityabirlacapital.com. Please note that physical copies of the above documents shall also be made available for inspection, during office hours, at the Registered Office of the Company at Indian Rayon Compound, Veraval- 362 266, Gujarat.

In case you wish to receive the same in physical form, please write to the Registered Office of the Company or send us an E-mail at abc.secretarial@adityabirlacapital.com / adityacapital@karvy.com. Upon receipt of a request from you, physical copy shall be provided free of cost.

Feedback: Members are requested to give us their valuable suggestions for improvement of our investor services to our Corporate Office at Mumbai.

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 Indiabulls 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
E-mail: abc.secretarial@adityabirlacapital.com

(iii) Registrar & Share Transfer Agent:

Karvy Computershare Private Limited
Unit: Aditya Birla Capital Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Serilingampally,
Hyderabad – 500 032
Tel: +91 40 6716 1627
E-mail : adityacapital@karvy.com

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 (Formerly known as Aditya Birla Financial Services 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, 2017 to 31 st March, 2018
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	The Company holds a certificate of Registration issued by the Reserve Bank of India to carry on business of a Non-Deposit taking 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 (“the Company”) is the Holding Company of all the financial services businesses of Aditya Birla Group. The Company alongwith its Subsidiaries has significant presence across several business sectors including NBFC, asset management, life insurance, health insurance, housing finance, private equity, general insurance broking, wealth management, broking, online personal finance management, 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, 2018, the Company and its Subsidiaries had 733 branches across 364 locations in India. The step down Subsidiaries of the Company have presence in Mauritius, Dubai, Singapore and Cayman Islands.
10.	Markets served by the Company	The Company’s Subsidiaries serve customers in India and international locations.

Section B: Financial Details of the Company

		Standalone	Consolidated
1.	Paid-up Equity Capital as on 31st March, 2018	₹ 2,201.04 Crore	₹ 2,201.04 Crore
2.	Total Turnover	₹ 174.79 Crore	₹ 13,427.76 Crore
3.	Total Profits after taxes	₹ 61.49 Crore	₹ 1,003.73 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	In view of losses incurred in the previous years, your Company was not required to spend any amount towards CSR during the financial year 2017-18. Accordingly, no CSR activity was undertaken by the Company.	
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?**

The Company had 26 (Twenty Six) Subsidiary Companies as on 31st March, 2018.

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):

The Subsidiary Companies of the Company participate in the business responsibility initiatives of the Company.

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

DIN Number (if applicable)	00121181
Name	Mr. Ajay Srinivasan
Designation	Chief Executive Officer
Telephone number	+91 22 4356 7000
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 marginalized.
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	P1	P2	P3	P4	P5	P6	P7	P8	P9
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).	The Company's Sustainability policy and the Environment, Social and Governance scorecard conforms to national standards and is guided by international standards like Equator Principles and the United Nations-supported Principles for Responsible Investment standards.								
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 focused policies are accessible only by employees of the Company and its Subsidiaries and are not shared in the public domain. The Company's Sustainability and CSR Policy are available on the Company's website at https://adityabirlacapital.com/about-us/csr-and-sustainability								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies are communicated to key internal stakeholders and it is an ongoing process.								
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								

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	Not Applicable								
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)									

1. Governance related to BR

- a) **Indicate the frequency with which the Board of Directors, Committees 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.

- 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 Equity Shares of the Company were listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") with effect from 1st September, 2017. The Company forms part of the top 500 Listed Companies (on BSE as well as NSE) based on market capitalization as on 31st March, 2018. The Company has so far not published any Business Responsibility Report or Sustainability Report. The first Business Responsibility Report for the financial year 2017-18 is available on the website of the Company i.e. www.adityabirlacapital.com.

Section E: Principle – wise performance

The Company and its Subsidiaries are a part of Aditya Birla Group, which has long standing policies on various aspects of doing business and managing its external interfaces.

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 organization 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.

The Company also has a Code of Conduct that is specifically designed for all the Board Members and Senior Management. 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.

Though the Company's policies currently do not apply to external stakeholders including suppliers, contractors, NGOs etc., the Company alongwith its subsidiaries insist on adherence to ethical business practices by such agencies during their dealings.

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, 10 complaints were received from the Members, all of which were attended to/resolved till date.

With respect to employees, the Company has a Whistle Blower mechanism, whereby employees can raise their concerns. During the financial year under review, the Company did not receive any complaints from employees.

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 your 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 sectors viz. Non-banking financial activities (NBFC), asset management, life insurance, health insurance, housing finance, private equity, general insurance broking, wealth management, broking, online personal finance management, pension fund management and asset reconstruction business. Given the nature of business of the Company and its Subsidiaries, it does not have any goods and raw material utilisation as part of its products and services.

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 the Company and its Subsidiaries.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your 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.

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?**

Not Applicable

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.**

Considering the nature of business of the Company and its Subsidiaries, this question is not applicable. However, the Company and its Subsidiaries have procedures to dispose of e-waste in accordance with the applicable laws. The Company and its Subsidiaries conduct recycling activities through its service provider ViaGreen which collects dry waste from offices and branches and turns them into notebooks and notepads.

Principle 3 - Businesses should promote the well being of all employees

1. Please indicate the Total number of employees.

The Company had 35 (Thirty Five) employees, as on 31st March, 2018.

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 8 (Eight) permanent women employees, as on 31st March, 2018.

4. Please indicate the Number of permanent employees with disabilities.

The Company did not have any permanent employee having disability, as on 31st March, 2018.

5. Do you have an employee association that is recognized by management?

The Company does not have any employee association that is recognized by the Management.

6. What percentage of your permanent employees is members of this recognized employee association?

Not applicable since the Company does not have any employee association that is recognized 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 2017-18	No. of complaints pending as on 31 st March, 2018
1.	Child labour / forced Labour / involuntary labour	None	None
2.	Sexual harassment	None	None
3.	Discriminatory employment	None	None

8. What percentage of your 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	100%	65.71%
2.	Permanent Women Employees	100%	50%
3.	Casual/Temporary/ Contractual Employees	Not Applicable	Not Applicable
4.	Employees with Disabilities	Not Applicable	Not Applicable

Employee health and safety is of prime importance for the Company and its Subsidiaries. We conduct robust and periodic training on fire safety and evacuation related training for floor marshals and employees across offices and branches. Periodic fire evacuation drills were conducted at the office locations as well as branches, to sensitise employees about fire safety norms and regulations. We have tie-ups with vendors to educate and demonstrate use of fire-fighting equipment to our staff. We also conduct safety training for women employees where they are trained on situation reaction and self-defence 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 organize various sessions in-house 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 marginalized.

1. Has the company mapped its internal and external stakeholders? Yes/No

The Company has mapped its internal as well as external stakeholders and carries out engagements with investors, employees, clients and business partners etc. The internal stakeholders like employees of the Company and its Subsidiaries are identified through surveys and regular engagements. The external stakeholders are reached through defined activities such as press

releases, analyst/ investor meets, client events, participation in events organised by various associations, etc.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders?

The Company and its Subsidiaries have identified the disadvantaged, vulnerable and marginalised stakeholders through need assessment and engagement with such marginalised communities under its Corporate Social Responsibility activities.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof in 50 words or so.

The CSR footprint of the Company and its Subsidiaries as a whole extends to 10 (Ten) states through partnership with 30 (Thirty) Non-governmental organizations. Our endeavour in thematic areas Healthcare, Education, Women Empowerment and Sustainable Livelihood, Sports, etc reach out to nearly 3 Lakh people PAN India. All of the projects are based on needs of the communities. Our vision in a nutshell epitomises inclusive growth and dignifying the lives of the underprivileged.

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?

The Company does not have any specific policy on human rights. However, Aditya Birla Group has put in place a Human Rights Policy which extends to the Company and its Subsidiary Companies.

The Company and its Subsidiaries adhere to all statutes which embodies the principles of human rights such as prevention of child labour, prevention of sexual harassment, equal employment opportunities etc.

The Company and its Subsidiaries are committed to 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 stakeholder 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 Company's Sustainability policy is guided by Aditya Birla Group's Sustainability Vision and is extended to our Subsidiary Companies and their projects. The internal environment management policy guides the Company towards achieving resource efficiency and creating employee awareness on positive environmental actions.

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.

The Company's internal Environment, Social and Governance (ESG) Scorecard helps the Company move towards the Paris Agreement goal of addressing issues like climate change, pollution reduction and management, emission reduction etc., which is also available on the Company's website at <https://adityabirlacapital.com/about-us/csr-and-sustainability>.

3. Does the company identify and assess potential environmental risks? Y/N

The Company and its Subsidiaries have recently implemented an Environment, Social and Governance (ESG) Scorecard that enables businesses to assess their portfolios' ESG risks. The scorecard is guided by international best practices like Equator Principles and the United Nations-supported Principles for Responsible Investment standards.

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 and its Subsidiaries are committed to reducing its negative environmental impact in its internal operations. In this regard, we tied up with ViaGreen, who helps us in waste management and recycling. Most of our offices are installed with LED lights making them very energy-efficient.

The Company, in support of Ministry of Corporate Affairs 'Green Initiative', sends its various notices and documents, including Annual Report, to its shareholders through electronic mode to their registered e-mail addresses, thus saving a large quantity of paper and as a measure of protecting the environment saving many trees.

We have also requested shareholders to register their e-mail IDs to get Annual Report and other communications through email instead of paper mode.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The Company and its Subsidiaries comply with applicable environmental regulation in respect of its premises.

7. Number of show cause/ legal notices received from CPCB/SPCB which is pending (i.e. not resolved to satisfaction) as on end of financial year.

During the financial year under review, no show cause or legal notices were received by the Company and its Subsidiaries from CPCB/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 your business deals with:

The Company and its Subsidiaries work closely with collective trade and industry associations and also participates in key projects and 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), Indian Banks' Association (IBA), Bombay Chamber of Commerce and Industry, etc.

Our participation with various associations helps us understand industry wide issues and thus help contribute in developing policies that are beneficial to the stakeholders. Members of Senior management of the Company and its Subsidiaries are Members of various Committees constituted by regulators and industry bodies.

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, the Company promotes 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 and rural development.

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.

The Company and its Subsidiaries have put in place a Policy on Corporate Social Responsibility ("CSR") to guide its 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 marginalized sections of society and raise the country's human development index".

The CSR Policy of the Company articulates positive contribution towards economic, environmental and social well-being of communities through its Corporate Social Responsibility activities.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO /government structures/any other organization?

The programmes/projects are undertaken through in-house teams as well as in partnership with Non-Governmental Organizations (NGOs).

3. Have you done any impact assessment of your initiative?

Yes, the Company and its Subsidiaries have conducted social audit of its key CSR initiatives by an independent agency to ascertain efficiency and effectiveness of the projects by using a multi-stakeholder model. The outcome of the audit is very encouraging and has seen positive outcomes and benefits to the people.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

The Company's Subsidiaries have spent an amount of ₹ 13.90 Crore during the financial year 2017-18 towards Corporate Social Responsibility related activities.

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 Corporate Social Responsibility projects undertaken by its Subsidiaries, it endeavors to ensure the sustainability of the project by making the community co-owner of the project.

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 has a well-defined system of addressing customer complaints. All complaints are appropriately addressed and resolved. There are

no customer complaints/consumer cases pending against the Company as on 31st March, 2018.

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 Company and its Subsidiaries are complied with.

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.

The requisite information as mandated as per the local laws is inscribed on the policy documents of the Subsidiaries of the Company.

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 behavior.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

Yes, Consumer Satisfaction Surveys are being conducted by the external agencies as well as internal teams periodically to assess consumer satisfaction.

The Company has not carried out any formal consumer survey to map consumer satisfaction. However, the Company and its Subsidiaries always put the interest of clients before its own interest. We understand client needs, seek new opportunities for them, address them and deliver unique solutions as per their expectations. The Company and its Subsidiaries promote their products in ways that do not mislead the clients.

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Standalone Financial Statements

Independent Auditor's Report

TO THE MEMBERS OF ADITYA BIRLA CAPITAL LIMITED
(FORMERLY KNOWN AS ADITYA BIRLA FINANCIAL SERVICES LIMITED)

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of ADITYA BIRLA CAPITAL LIMITED (the "Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India.

This responsibility also includes 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under Section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the Accounting Standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit 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.
 - 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement 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 Accounting Standards prescribed under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position in standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Place: Mumbai
Date: 8th May, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited) (the "Company") as of 31st March, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India". 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also,

projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note”.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

Firm's Registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar

Partner

Membership No. 039826

Place: Mumbai

Date: 8th May, 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

1. In respect of fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - b) The fixed assets were physically verified during the current year by the Management in accordance with the planned programme of verification once in two years, which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered transfer deed and Composite Scheme of Arrangement provided to us, we report that, the title deed, comprising the immovable property of building which is freehold, is held in the name of the Birla Global Finance Limited (formerly known as Birla Growth Fund Limited). The details are provided as under:

Particulars of the land and building	Gross Block (as at 31st March, 2018)	Net Block (as at 31st March, 2018)	Remarks (give reasons for the exception)
Building premises located at 2nd Floor of Apeejay Premises Co-operative Society Limited, Mumbai, admeasuring 4723 sft.	₹ 16.87 Crore	₹ 16.54 Crore	The title deeds are in the name of Birla Global Finance Limited, which got merged in erstwhile Aditya Birla Nuvo Limited (ABNL) which in turn was merged with the Grasim Industries Limited (Grasim) in terms of Composite Scheme of Arrangement between Grasim, ABNL and the Company and their respective shareholders and creditors under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the National Company Law Tribunal, Ahmedabad. The Company has filed a request with the Apeejay Premises Co-operative Society Limited for the transfer of share certificate pertaining to the above in the name of the Company.

2. According to the information and explanations given to us, the Company is Core Investment Company and its activities do not require it to hold any inventories and hence reporting under clause (ii) of the Order is not applicable.
3. According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013, in respect of which:
 - a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - c) There is no overdue amount remaining outstanding as at the balance sheet date.
4. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of Companies Act 2013 in respect of grants of loans, making investments and providing guarantees and securities, as applicable.
5. According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause (v) of the Order is not applicable.
6. Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.

7. According to the information and explanations given to us in respect of statutory dues:
- a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Family Pension Fund, Income Tax, Service Tax, Goods and Service Tax and other statutory dues applicable to it with the appropriate authorities. To the best of our knowledge and belief, the Company was not required to deposit or pay any dues in respect of Employee's State Insurance, Sales Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess during the year.
 - b) There were no undisputed amounts payable in respect of Provident Fund, Family Pension Fund, Income Tax, Service Tax, Goods and Service Tax and other material statutory dues in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.
 - c) There were no dues in respect of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Goods and Service Tax and Value Added Tax which have not been deposited as on 31st March, 2018 on account of disputes.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
9. According to the information and explanations given to us the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. According to the information and explanations given to us the Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
14. According to the information and explanations given to us, the Company has made private placement of shares during the year under review.

In respect of the above issue, we further report that:

- a) the requirements of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
 - b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Act are not applicable.
16. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Place: Mumbai
Date: 8th May, 2018

Balance Sheet

as at 31st March, 2018

Particulars	Note No.	₹ crore	
		As at 31st March, 2018	As at 31st March, 2017
EQUITY AND LIABILITIES			
(A) Shareholders' Funds			
Share Capital	3	2,201.04	1,232.24
Reserves and Surplus	4	4,943.05	3,378.66
	Sub-Total	7,144.09	4,610.90
(B) Non-Current Liabilities			
Deferred Tax Liabilities	5	103.26	-
Long-term Provisions	6A	-	13.94
	Sub-Total	103.26	13.94
(C) Current Liabilities			
Short-term Borrowings	7	674.96	492.97
Trade Payables- total outstanding dues of	8		
- Micro Enterprises and Small Enterprises		-	-
- Creditors Other Than Micro Enterprises and Small Enterprises		39.05	17.98
Other Current Liabilities	9	12.54	1.63
Short-term Provisions	6B	37.08	18.00
	Sub-Total	763.63	530.58
	TOTAL	8,010.98	5,155.42
ASSETS			
(D) Non-Current Assets			
Property, Plant and Equipment	10	27.56	2.48
Intangible Assets	11	6.01	1.28
Intangible Assets Under Development		0.04	4.67
Non-Current Investments	12	7,849.41	5,053.97
Long-term Loans and Advances	13A	22.53	8.24
	Sub-Total	7,905.55	5,070.64
(E) Current Assets			
Current Investments	14	6.46	29.99
Cash and Cash Equivalents	15	1.96	2.47
Short-term Loans and Advances	13B	70.81	12.55
Other Current Assets	16	26.20	39.77
	Sub-Total	105.43	84.78
	TOTAL	8,010.98	5,155.42

Significant Accounting Policies.

2

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
ICAI Firm registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar
Partner

Mumbai, 8th May, 2018

For and on behalf of the Board of Directors

Ajay Srinivasan
Chief Executive Officer
Sailesh Daga
Company Secretary

Mumbai, 8th May, 2018

Pinky Mehta
Chief Financial Officer

Sanrput Misra
Sushil Agarwal
S C Bhargava
Vijayalakshmi Iyer
P H Ravikumar
Directors

Statement of Profit and Loss

for the year ended 31st March, 2018

₹ crore

Particulars	Note No.	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Revenue from Operations	17	174.79	34.99
Other Income	18	0.46	0.03
Total Revenue		175.25	35.02
EXPENSES			
Employee Benefits Expenses	19	22.27	24.45
Finance Cost	20	25.38	0.53
Depreciation and Amortisation Expenses	21	0.49	0.14
Other Expenses	22	65.62	5.66
Total Expenses		113.76	30.78
Profit Before Tax		61.49	4.24
Tax Expenses		-	-
Profit For The Year		61.49	4.24
Basic Earnings Per Share (₹)	23	0.32	0.05
Diluted Earnings Per Share (₹)		0.31	0.05
(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 DELOITTE HASKINS & SELLS LLP

Chartered Accountants

ICAI Firm registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar

Partner

Mumbai, 8th May, 2018

For and on behalf of the Board of Directors

Ajay Srinivasan

Chief Executive Officer

Sailesh Daga

Company Secretary

Mumbai, 8th May, 2018

Pinky Mehta

Chief Financial Officer

Santrupt Misra

Sushil Agarwal

S C Bhargava

Vijayalakshmi Iyer

P H Ravikumar

Directors

Cash Flow Statement

for the year ended 31st March, 2018

Particulars	Year Ended		₹ crore	
	31st March, 2018		31st March, 2017	
A CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax		61.49		4.24
Adjustments For:				
Depreciation and Amortisation Expenses		0.49		0.14
Share Issue Expenses		(2.81)		-
Provision for Employee Benefits		28.46		47.17
Provision for Standard Loan Assets and Advances		0.91		-
Gain on Sale of Investments - Private Equity Fund		(47.83)		-
Gain on Sale of Current Investments		(9.34)		(1.46)
Employee Stock Options		2.01		-
Gain on Fixed Assets Sold		(0.01)	(28.12)	(0.01)
				45.84
Operating Profit Before Working Capital Changes		33.37		50.08
Adjustments For:				
Decrease/(Increase) in Loans and Advances		(57.85)		(9.79)
Decrease/(Increase) in Other Assets		64.94		(22.00)
Increase/(Decrease) in Trade Payables		20.84		4.86
Increase/(Decrease) in Other Liabilities		6.48		1.36
Increase/(Decrease) in Provisions		(23.60)	10.81	(18.45)
				(44.02)
Cash Generated From Operations		44.18		6.06
Income Taxes Refund / (Paid)		(1.88)		(3.09)
Net Cash Generated From Operating Activities		42.30		2.97
B CASH FLOW FROM INVESTING ACTIVITIES				
Sale/(Purchase) of Current Investments (Net)		148.10		(28.53)
Purchase of Fixed Assets		(7.17)		(7.43)
Sale of Fixed Assets		0.01		0.02
Acquisition of Additional Shares/Investment in Subsidiary		(1,156.72)		(2,005.00)
Proceeds Received from Private Equity Fund on Redemption of Units		138.04	(877.74)	67.39
				(1,973.55)
Net Cash (Used in) Investing Activities		(877.74)		(1,973.55)
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from borrowings		1,732.30		492.97
Repayment of borrowings		(1,601.58)		-
Redemption of Preference Shares		-		(1,471.11)
Proceeds from Issue of Shares (Including Securities Premium)		704.21	834.93	2,948.06
				1,969.92
Net Cash Generated From Financing Activities		834.93		1,969.92
Net Decrease In Cash and Cash Equivalents (A+B+C)		(0.51)		(0.66)
Cash and Cash Equivalents at the Beginning of the year		2.47		3.13
Cash and Cash Equivalents at the End of the year		1.96		2.47

Notes:

1 Net cash used in operating activities is including the following:-

Interest Received		5.61		0.07
Dividend Received		111.26		33.48
Interest Paid on Borrowings		(23.94)		-

Significant Accounting Policies.

2

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

ICAI Firm registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar

Partner

Mumbai, 8th May, 2018

For and on behalf of the Board of Directors

Ajay Srinivasan

Chief Executive Officer

Sailesh Daga

Company Secretary

Mumbai, 8th May, 2018

Pinky Mehta

Chief Financial Officer

Sanrupt Misra

Sushil Agarwal

S C Bhargava

Vijayalakshmi Iyer

P H Ravikumar

Directors

Notes

forming Part of Financial Statements for the year ended 31st March, 2018

NOTE: 1

CORPORATE INFORMATION AND BASIS OF PREPARATION

Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services 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 Systemically Important-Core Investment Company (“CIC-ND-SI”) registered with the RBI vide certificate no. B.01.00555 dated 16th October, 2015.

Information on other related party relationships of the Company is provided in Note No 29.

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2006, as amended (“Accounting Standards”), and other accounting principles generally accepted in India. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle, and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current/non-current classification of assets and liabilities.

NOTE: 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Use of Estimate

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affects the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although, these estimates are based on the management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

II. Tangible Fixed Assets and Depreciation

Tangible fixed assets, capital work in progress are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. When significant parts of plant and equipments are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful life and depreciates them accordingly. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation on tangible fixed assets is provided on Straight Line Method based on the useful lives as specified in the Schedule II of the Companies Act, 2013 or as estimated by the management. The Company has used the following useful life to provide depreciation on its fixed assets.

Asset Category	Useful life prescribed by Schedule II of the Companies Act, 2013	Estimated useful life
Furniture and fixtures	10 years	5 years
Office equipment’s (computers)	3 years	4 years
Land and Building	60 years	60 years
Vehicles	6 years	4 years

Notes

forming Part of Financial Statements for the year ended 31st March, 2018

Useful life of assets different from corresponding life specified in Schedule II has been estimated by the Management and supported by technical assessment.

The estimated useful lives and residual values of the tangible fixed assets are reviewed at the end of each financial year.

Tangible fixed assets, individually costing less than Rupees five thousands, are fully depreciated in the year of purchase.

Depreciation on the tangible fixed assets added/disposed off/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.

III. Intangible Assets and Amortisation

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful life which is estimated at three years.

The estimated useful life 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.

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.

IV. Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in the prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

V. Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and net realisable value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminutions in value is made to recognise a decline other than temporary in the value of the investments.

Long term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

Notes

forming Part of Financial Statements for the year ended 31st March, 2018

VI. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured.

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate.

Dividend income on investments is accounted for when the right to receive the payment is established.

Profit or loss on sale of current investments is determined on the basis of the weighted average cost method.

Gain or loss on long term investments is accounted on actual receipt in excess of cost of investment recognised in books.

VII. Foreign Currency Transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting rate. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange Differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

1. Exchange differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised.
2. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised over the remaining life of the concerned monetary item.
3. All other exchange differences are recognised as income or as expenses in the period in which they arise.

VIII. Taxation

Tax expense comprises of current and deferred tax.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Notes

forming Part of Financial Statements for the year ended 31st March, 2018

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain, that sufficient future taxable income will be available.

In case of unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profit. At each Balance Sheet date the Company reassesses the deferred tax assets.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

IX. Employee Benefits

a) Short-term Obligations

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.

The obligations are presented as a part of "Trade Payables" or "Short Term Provisions" in the balance sheet if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

b) Post-employment Obligations

The Company operates various post-employment schemes, including both defined contribution and defined benefit plans.

1) Defined contribution plans

The Company 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 Company. The Company 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 Company as of 31st March, 2018 and 31st March, 2017). The contributions are recognised as a part of "Employee Benefits Expenses" in the period in which the employee renders services

Notes

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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 Current Liabilities” or, as the case may be, within “Short-term Provisions” in the balance sheet.

2) Defined benefit plan (gratuity obligation)

The liability or asset recognised in the balance sheet in respect of gratuity scheme is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of government bonds with terms that match, as closely as possible, the estimated future cash outflows. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss as a part of “Employee Benefits Expense”. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments (past service costs) are recognised immediately in the Statement of Profit and Loss as “Employee Benefits Expense”. The liability so determined is presented within “Short Term Provisions” in the balance sheet as the Company will this amount to the Gratuity Fund within the next twelve months. Gratuity claims by employees where the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, are classified as “Other Current Liabilities”.

c) Other long-term employee benefits obligations

The expected costs of other long-term employee benefits such as long 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 benefit 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 “Trade Payables” or “Short-term Provisions” in the balance sheet if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur. Otherwise these are classified within “Long-term Provisions”.

X. Share Based Payments

The Employee Option Plan is administered by the Company.

Share-based compensation benefits are provided to employees via Employee Stock Option Plan and Restricted Stock Units. Information relating to these schemes is set out in Note No. 36 below. The intrinsic value of options granted (as of the date of grant), is recognised as an “Employee Benefits Expense” with a corresponding increase in equity (through a credit to the “Share Options Outstanding Account”). The total amount to be expensed is determined by reference to the intrinsic value of the options granted and is charged to the Statement of Profit and Loss over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the Statement of Profit and Loss, with a corresponding adjustment to equity.

Where existing stock options have been repriced, the change in the intrinsic value of the Option is adjusted against the “Employee Benefits Expenses” over the remaining vesting period. In the case of forfeiture of any of the outstanding stock options that have not vested, the amortised expense is reversed. Where a stock option remains unexercised, the corresponding amount credited to the Stock Options Outstanding Account is transferred to the General Reserve.

Notes

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XI. Contingent Liabilities and Provisions

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding employee benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are neither recognised nor disclosed in the financial statements.

XII. Provision for Non-Performing Assets and Other Contingencies

The Company policy is to carry adequate amounts in the Provision for Non-Performing Assets Account and the Provision and Contingencies account to cover the amount outstanding in respect of all non-performing assets and standard assets respectively as also all other contingencies. All loans and other credit exposures where the interest and/or instalments are overdue for specified number of days and more are classified as non-performing assets in accordance with the prudential norms prescribed by the Reserve Bank of India. The provision for non-performing assets is deducted from loans and advances.

XIII. Standard Asset Provisioning (Collective Allowances)

Provisions are established on a collective basis against loan assets classified as "Standard" to absorb credit losses on the aggregate exposures in each of the Company's loan portfolios based on the Reserve Bank of India Directions. A higher standard asset provision may be made based upon an analysis of past performance, level of allowance already in place and Management's judgement. This estimate includes consideration of economic and business conditions. The amount of the collective allowance for credit losses is the amount that is required to establish a balance in the Provision for Standard Assets Account that the Company management considers adequate, after consideration of the prescribed minimum under the above mentioned directions, to absorb credit related losses in its portfolio of loan items after individual allowances or write offs.

XIV. Leases

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

XV. Cash and Cash Equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

XVI. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Notes

forming Part of Financial Statements for the year ended 31st March, 2018

XVII. Cash Flow Statement

Cash flows are reported using the indirect method, whereby 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 cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

XVIII. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity 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 is adjusted for the effects of all dilutive potential equity shares.

Notes

forming Part of Financial Statements for the year ended 31st March, 2018

NOTE: 3

SHARE CAPITAL

₹ crore

Particulars	As at 31st March, 2018	As at 31st March, 2017
Authorised:		
4,000,000,000 (Previous Year 2,200,000,000) Equity Shares of ₹ 10/- each	4,000.00	2,200.00
NIL (Previous Year 1,800,000,000) Preference Shares of ₹ 10/- each (Refer Foot Note No. 4)	-	1,800.00
	4,000.00	4,000.00
Issued, Subscribed & Paid-up		
Equity Share Capital		
2,201,039,348 (Previous Year 1,232,240,000) Equity Shares of ₹ 10/- each fully paid up	2,201.04	1,232.24
Total Share Capital	2,201.04	1,232.24

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

Sr. No.	Description	As at 31st March, 2018		As at 31st March, 2017	
		Equity Shares	Preference Shares	Equity Shares	Preference Shares
1	Number of Shares Outstanding at the beginning of the year	1,232,240,000	-	796,010,000	1,807,610,000
2	Allotment of fully paid up shares during the year	968,799,348	-	402,580,000	-
	a) P I Opportunities Fund 1 (Refer Note No. 33)	48,400,000	-	-	-
	b) Pursuant to Composite Scheme of Arrangement (Refer Note No. 34)	920,266,951	-	-	-
	c) ABCL Incentive Plan 2017 (Refer Note No. 35)	132,397	-	-	-
	d) Rights Issue of Shares	-	-	402,580,000	-
3	Conversion of Preference Shares into Equity Shares	-	-	33,650,000	(336,500,000)
4	Redemption of Preference Shares	-	-	-	(1,471,110,000)
5	Number of Shares Outstanding at the end of the year	2,201,039,348	-	1,232,240,000	-

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 Shareholder	As at 31st March, 2018		As at 31st March, 2017	
		Number of Shares Held	% of Total Paid-up Equity Share Capital	Number of Shares Held	% of Total Paid-up Equity Share Capital
1	Grasim Industries Limited *	1,232,240,000	55.98%	-	-
2	Aditya Birla Nuvo Limited (with nominees)	-	-	1,232,240,000	100%

* Pursuant to the Composite Scheme of Arrangement (the "Scheme") amongst the erstwhile Aditya Birla Nuvo Limited (ABNL), Grasim Industries Limited (Grasim) and the Company 920,266,951 equity shares of ₹ 10 each were issued to Grasim as fully paid up in exchange of the assets of the Financial Services Business. The scheme has been described more elaborately in Note No. 34

Notes

forming Part of Financial Statements for the year ended 31st March, 2018

4) Reclassification of Authorised Share Capital

- a) During the current year the Company had reclassified its Authorised Share Capital. The revised structure comprises 4,000,000,000 Equity Shares of ₹ 10 each.
- b) During the previous year the Company had reclassified its Authorised Share Capital. The revised structure comprises 2,200,000,000 Equity Shares of ₹ 10 each and 1,800,000,000 Preference Shares of ₹ 10 each.

5) Conversion of Preference Shares:

- a) During the previous year 56,500,000-0.01% Non Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each were due for conversion on the existing terms and conditions. Accordingly, the Company had converted preference shares into 5,650,000 fully paid Equity Shares of ₹ 10 each at premium of ₹ 90 each.
- b) During the previous year the Company had made early conversion of its 280,000,000-0.01% Non Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each into 28,000,000 fully paid Equity Shares of ₹ 10 each at premium of ₹ 90 each.

6) Rights Issue of Equity Shares:

During the previous year the Company made,

- a) Rights issue of 20,000,000 Equity Shares of ₹ 10 each at a premium of ₹ 90 each.
 - b) Right issue of 382,580,000 Equity Shares of ₹ 10 each at a premium of ₹ 60 each.
- 7) During the previous year the Company made early redemption of its 1,471,110,000-6% Non-Convertible Non- Cumulative Redeemable Preference Shares of ₹ 10 each held by erstwhile Aditya Birla Nuvo Limited. The same is approved by Board of Directors' and accounted accordingly. The redemption is made as per existing terms and conditions.
- 8) During the last five years no Bonus Shares were issued.
- 9) The shares reserved for issue under Employee Stock Option Plan (ESOP) of the Company (Refer Note No. 35 & 36)

NOTE: 4

RESERVES AND SURPLUS

Particulars	₹ crore	
	As at 31st March, 2018	As at 31st March, 2017
1) Capital Reserves		
Opening Balance	-	-
Pursuant to the Composite Scheme of Arrangement (Refer Note No. 34)	801.35	-
	801.35	-
2) Securities Premium Account		
Opening Balance	3,489.33	711.00
Addition:		
Issue of Equity Shares (Refer Note No. 33)	655.34	2,475.48
Conversion of Preference Shares (Refer Note No. 3 (5))	-	302.85
Securities Premium on ESOP Exercised	0.34	-
Deduction:		
Share Issue Expenses	2.81	-
	4,142.20	3,489.33
3) Share Options Outstanding Account		
Opening Balance	-	-
Addition:		
Employee Stock Options Grants (Refer Note No. 36)	41.65	-
Transferred on Scheme of Arrangement (Refer Note No. 34)	7.37	-
Less:		
Transferred to Securities Premium on ESOP Exercised	0.34	-
	48.68	-

Notes

forming Part of Financial Statements for the year ended 31st March, 2018

Particulars	₹ crore	
	As at 31st March, 2018	As at 31st March, 2017
4) Special Reserve		
Opening Balance (Refer Foot Note (a))	-	-
Addition:		
Transfer from Surplus in the Statement of Profit and Loss	13.14	-
	13.14	-
5) Surplus/(Deficit) in the Statement of Profit and Loss		
Opening Balance	(110.67)	(114.91)
Addition:		
Profit of the Year	61.49	4.24
Less: Appropriations:		
Transfer to Special Reserve	13.14	-
	(62.32)	(110.67)
	4,943.05	3,378.66

(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.

**NOTE: 5
DEFERRED TAX LIABILITIES**

Particulars	₹ crore	
	As at 31st March, 2018	As at 31st March, 2017
Deferred Tax Liabilities on assets acquired from Grasim Industries Limited at fair value:		
Equity Shares of Aditya Birla Finance Limited (Refer Note No. 34)	99.65	-
Building (Refer Note No. 34)	3.61	-
	103.26	-
Deferred Tax Assets (Refer Note No. 25)		
Unabsorbed Depreciation and Carry Forward Losses	26.93	0.31
Others	0.29	0.49
	27.22	0.80

**NOTE: 6A
LONG-TERM PROVISIONS**

Particulars	₹ crore	
	As at 31st March, 2018	As at 31st March, 2017
Provisions for Employee Benefits		
Long-Term Incentive Plan	-	13.94
	-	13.94

Notes

forming Part of Financial Statements for the year ended 31st March, 2018

NOTE: 6B

SHORT-TERM PROVISIONS

₹ crore

Particulars	As at 31st March, 2018	As at 31st March, 2017
Provisions for Employee Benefits		
Compensated Absence	1.82	1.00
Gratuity (Funded)	1.31	0.10
Long-Term Incentive Plan	33.67	16.90
Contingency Provision on Standard Loan Assets	0.28	-
	37.08	18.00

NOTE: 7

SHORT-TERM BORROWINGS

₹ crore

Particulars	As at 31st March, 2018	As at 31st March, 2017
UNSECURED		
Other Loans and Advances:		
Commercial Papers*	674.96	492.97
	674.96	492.97

* Commercial Papers shown net of unamortised discounting charges ₹ 10.04 Cr (Previous year ₹ 7.03 Cr)

NOTE: 8

TRADE PAYABLES

₹ crore

Particulars	As at 31st March, 2018	As at 31st March, 2017
Payable for Salaries, Wages, Bonus and Other Employee Benefits	18.79	13.20
Trade Payables (Others) (Refer Note No. 28)		
Outstanding Dues to Other Than Micro and Small Enterprises	20.26	4.78
	39.05	17.98

NOTE: 9

OTHER CURRENT LIABILITIES

₹ crore

Particulars	As at 31st March, 2018	As at 31st March, 2017
Unpaid Fractional Warrant FY 2017	0.23	-
Capital Creditors	4.43	-
Statutory Dues	7.50	1.62
Employee's Deposit - OYCS Scheme	0.01	0.01
Other Payables to Related Parties	0.37	-
	12.54	1.63

Notes

forming Part of Financial Statements for the year ended 31st March, 2018

NOTE: 10

PROPERTY, PLANT AND EQUIPMENT

₹ crore

Particulars	Building	Furniture & Fixtures	Office Equipments	Vehicles	Total
Gross Block					
As at 1st April, 2016	-	0.01	0.94	0.99	1.94
Additions	-	-	0.70	1.71	2.41
Deletions	-	-	-	0.35	0.35
As at 31st March, 2017	-	0.01	1.64	2.35	4.00
Additions	-	6.45	0.98	2.72	10.15
Deletions	-	-	-	0.13	0.13
Addition/(Deletion) on Aquisitions	16.87	-	0.05	-	16.92
As at 31st March, 2018	16.87	6.46	2.67	4.94	30.94
Accumulated Depreciation					
As at 1st April, 2016	-	-	0.76	0.38	1.14
For the year	-	-	0.20	0.41	0.61
Deletions	-	-	-	0.23	0.23
As at 31st March, 2017	-	-	0.96	0.56	1.52
For the year	0.33	0.31	0.43	0.92	1.99
Deletions	-	-	-	0.13	0.13
As at 31st March, 2018	0.33	0.31	1.39	1.35	3.38
Net Block as at 31st March, 2017	-	0.01	0.68	1.79	2.48
Net Block as at 31st March, 2018	16.54	6.15	1.28	3.59	27.56

NOTE: 11

INTANGIBLE ASSETS

₹ crore

Particulars	Exclusive Images	Computer Software	Total
Gross Block			
As at 1st April, 2016	-	0.35	0.35
Additions	-	1.38	1.38
Deletions	-	-	-
As at 31st March, 2017	-	1.73	1.73
Additions	4.94	0.89	5.83
Deletions	-	-	-
As at 31st March, 2018	4.94	2.62	7.56
Accumulated Amortisation			
As at 1st April, 2016	-	0.01	0.01
For the year	-	0.44	0.44
Deletions	-	-	-
As at 31st March, 2017	-	0.45	0.45
For the year	0.29	0.81	1.10
Deletions	-	-	-
As at 31st March, 2018	0.29	1.26	1.55
Net Block as at 31st March, 2017	-	1.28	1.28
Net Block as at 31st March, 2018	4.65	1.36	6.01

Foot Note:

Company does not have any Internally Generated Intangible Assets.

Notes

forming Part of Financial Statements for the year ended 31st March, 2018

NOTE: 12

INVESTMENTS: NON-CURRENT

₹ crore

Particulars	Face Value	As at 31st March, 2018		As at 31st March, 2017	
		Number of Shares	Amount	Number of Shares	Amount
Trade Investments Valued at Cost, Except Otherwise Stated					
Investment in Equity Instruments - Quoted					
Subsidiary					
Aditya Birla Money Limited (Refer Note No. 32)	1	41,550,000	248.30	41,550,000	248.30
Less: Diminution in investment of Aditya Birla Money Limited		-	12.42	-	12.42
			235.88		235.88
Investment in Equity Instruments - Unquoted					
Subsidiaries					
Aditya Birla PE Advisors Private Limited	10	3,500,000	3.50	3,500,000	3.50
Aditya Birla Financial Shared Services Limited	10	50,000	0.05	50,000	0.05
Aditya Birla MyUniverse Limited (Refer Note No. 38)	10	16,866,271	71.11	16,866,271	71.11
Aditya Birla Trustee Company Private Limited	10	50,000	0.05	50,000	0.05
Aditya Birla Insurance Brokers Limited	10	1,350,054	0.30	1,350,054	0.30
Aditya Birla Finance Limited	10	645,676,477	5,138.59	566,135,431	2,795.06
Aditya Birla Money Mart Limited	10	100,000	0.10	100,000	0.10
Less: Diminution in investment of Aditya Birla Money Mart Limited			0.06		0.06
Aditya Birla Housing Finance Limited	10	412,569,679	767.66	333,050,000	417.66
Aditya Birla Sun Life AMC Limited	10	9,179,980	33.71	9,179,980	33.71
Aditya Birla Sun Life Insurance Company Limited	10	969,616,080	1,206.93	969,616,080	1,206.93
Aditya Birla Sun Life Trustee Private Limited	10	10,170	0.02	10,170	0.02
Aditya Birla Wellness Private Limited	10	4,249,711	12.65	2,227,000	6.58
Aditya Birla Health Insurance Co. Limited	10	67,768,904	119.06	51,225,001	51.23
ABCAP Trustee Company Private Limited	10	20,000	0.02	10,000	0.01
Aditya Birla ARC Limited	10	100,000,000	100.00	-	-
Total Equity Shares Investments			7,689.57		4,822.13
Investment in Preference Shares - Unquoted					
Subsidiaries					
8% Cumulative Redeemable Preference Shares of Aditya Birla Finance Limited	10	10,000,000	10.21	-	-
0.001% Compulsory Convertible Cumulative Preference Shares of Aditya Birla ARC Limited	100	800,000	8.00	-	-
0.001% Compulsory Convertible Cumulative Preference Shares of Aditya Birla MyUniverse Limited (Refer Note No. 38)	10	4,695,938	60.00	4,695,938	60.00
8% Redeemable Non Convertible Non Cumulative Preference Shares of Aditya Birla Money Limited	100	1,000,000	30.00	1,000,000	30.00
0.01% Redeemable Non Convertible Cumulative Preference Shares of Aditya Birla Money Mart Limited	10	100,000	0.10	100,000	0.10
Less: Diminution in Investment of Aditya Birla Money Mart Limited			0.07		0.03
Total Preference Shares Investments			108.24		90.03
Investment in Private Equity Funds					
Investment in Aditya Birla Private Equity - Fund I	96	17,613	0.17	7,891,812	75.57
Investment in Aditya Birla Private Equity - Sunrise Fund	100	142,808	1.43	1,624,270	16.24
Total Private Equity Fund Investments			1.60		91.81
Investment in Debentures					
0.1% Compulsory Convertible Debentures (CCD):					
Aditya Birla Money Mart Limited (Refer Note No. 39)	100	2,600,866	26.01	2,600,866	26.01
Aditya Birla Finance Limited	100	2,399,134	23.99	2,399,134	23.99
Total Debentures Investments			50.00		50.00
Total Non-current Investments			7,849.41		5,053.97

Note:

- Aggregate Amount of Quoted Investment ₹ 235.88 Crore (31st March, 2017 ₹ 235.88 Crore) Market Value of ₹ 208.58 Crore (31st March, 2017 ₹ 131.09 Crore)
- Aggregate Amount of Unquoted Investment ₹ 7,613.53 Crore (31st March, 2017 ₹ 4,818.09 Crore)
- Aggregate Amount of Diminution in Value of Investment ₹ 12.55 Crore (31st March, 2017 ₹ 12.55 Crore)
- Aggregate Amount of Private Equity Fund:-
 - Sunrise Fund ₹ 1.43 Crore (31st March, 2017 ₹ 16.24 Crore) Market Value ₹ 14.78 Crore (31st March, 2017 ₹ 23.48 Crore)
 - Fund I ₹ 0.17 Crore (31st March, 2017 ₹ 75.57 Crore) Market Value ₹ 10.14 Crore (31st March, 2017 ₹ 110.71 Crore)

Notes

forming Part of Financial Statements for the year ended 31st March, 2018

NOTE: 13A

LONG-TERM LOANS AND ADVANCES

(Unsecured, Considered Good, except otherwise stated)

₹ crore

Particulars	As at 31st March, 2018	As at 31st March, 2017
Security Deposits	3.05	0.15
Other Loans and Advances (including doubtful of recovery ₹ 0.62 Crore)	10.11	-
Less: Provision for amounts doubtful of recovery	(0.62)	-
Advance Tax [Net of Provision ₹ 2.43 Crore (31st March, 2017 ₹ 2.43 Crore)]	9.97	8.09
Loans to Employees	0.02	-
	22.53	8.24

NOTE: 13B

SHORT-TERM LOANS AND ADVANCES

(Unsecured, Considered Good, except otherwise stated)

₹ crore

Particulars	As at 31st March, 2018	As at 31st March, 2017
Security Deposits	-	1.59
Inter-Corporate Deposits	70.23	-
Dues from Government	-	0.38
Prepaid Expenses	0.58	0.47
Other Loans and Advances	-	10.11
	70.81	12.55

NOTE: 14

CURRENT INVESTMENTS

₹ crore

Particulars	As at 31st March, 2018	As at 31st March, 2017
Investment in Mutual Fund - Unquoted		
Aditya Birla Sun life Cash Plus - Growth [Units - 233,069.893 (31st March, 2017 Units - 1,148,424.108)]	6.46	29.99
	6.46	29.99

Market Value as on 31st March, 2018 ₹ 6.51 Crore (31st March, 2017 ₹ 30.02 Crore)

NOTE: 15

CASH AND CASH EQUIVALENTS

₹ crore

Particulars	As at 31st March, 2018	As at 31st March, 2017
Cash & Cash Equivalents		
Balances with Banks in Current Accounts	1.96	2.47
	1.96	2.47

NOTE: 16

OTHER CURRENT ASSETS

(Unsecured Considered Good)

₹ crore

Particulars	As at 31st March, 2018	As at 31st March, 2017
Interest Accrued on Inter Corporate Deposits	1.20	-
Application Money Pending Allotment of Units of Mutual Fund	1.90	-
Other Receivables from Related Parties	23.10	39.77
	26.20	39.77

Notes

forming Part of Financial Statements for the year ended 31st March, 2018

NOTE: 17

REVENUE FROM OPERATIONS

₹ crore

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Dividend from Subsidiaries	111.26	33.48
Gain on Sale of Private Equity Fund	47.83	-
Interest Income from Subsidiaries	6.36	0.05
Gain on Sale of Mutual Funds	9.34	1.46
	174.79	34.99

NOTE: 18

OTHER INCOME

₹ crore

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Interest Income - Others	0.45	0.02
Profit on Sale of Fixed Assets (Net)	0.01	0.01
	0.46	0.03

NOTE: 19

EMPLOYEE BENEFITS EXPENSE

₹ crore

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Salaries and Wages	79.76	80.44
Contribution to Provident and Other Funds	1.78	3.22
Expense on Employee Stock Options Scheme	10.64	-
Staff Welfare Expenses	0.57	0.55
	92.75	84.21
Less: Recovery of Expenses (Refer Note No. 40)	(70.48)	(59.76)
	22.27	24.45

NOTE: 20

FINANCE COST

₹ crore

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Interest on Borrowings	25.38	0.53
	25.38	0.53

NOTE: 21

DEPRECIATION AND AMORTISATION EXPENSES

₹ crore

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Depreciation of Tangible Assets	1.99	0.61
Amortisation of Intangible Assets	1.10	0.44
	3.09	1.05
Less: Recovery of Expenses (Refer Note No. 40)	(2.60)	(0.91)
	0.49	0.14

Notes

forming Part of Financial Statements for the year ended 31st March, 2018

NOTE: 22

OTHER EXPENSES

₹ crore

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Rent	3.55	3.05
Repairs and Maintenance	1.18	0.57
Insurance	0.40	0.14
Rates and Taxes	1.20	3.30
Advertisement and Promotional Expenses	61.38	0.20
Legal and Profession Expenses	13.86	4.34
Auditors' Remuneration (Refer Note No. 27)	0.68	0.13
Directors' Sitting Fees	0.21	0.11
Listing Expenses	0.64	-
Provision for Standard Loan Assets and Advances	0.91	-
Printing and Stationery	0.47	0.19
Travelling and Conveyance	3.12	1.43
Communication Expenses	0.16	0.13
Bank Charges	0.02	0.01
Postage Expenses	0.14	-
Electricity Charges	0.38	0.47
Miscellaneous Expenses	3.44	2.29
	91.74	16.36
Less: Recovery of Expenses (Refer Note No. 40)	(26.12)	(10.70)
	65.62	5.66

NOTE: 23

EARNINGS PER SHARE (EPS)

₹ crore

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Earnings Per Share (EPS) is calculated as under:		
Net Profit as per the Statement of Profit and Loss	61.49	4.24
Less: Preference Dividend and Tax thereon	-	-
Net Profit for EPS (A)	61.49	4.24
Weighted-Average Number of Equity Shares for calculation of Basic EPS (B)	1,951,975,713	832,981,799
Basic EPS (₹) (A/B)	0.32	0.05
Weighted-Average Number of Equity Shares Outstanding	1,951,975,713	832,981,799
Add: Dilutive Impact of Employee Share Based Payments	9,060,322	-
Weighted-Average Number of Equity Shares for calculation of Diluted EPS (C)	1,961,036,035	832,981,799
Diluted EPS (₹) (A/C)	0.31	0.05

Notes

forming Part of Financial Statements for the year ended 31st March, 2018

24. Operating Leases

₹ crore

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Operating Lease Payment recognised in the statement of Profit and Loss	3.55	3.05

There are no non-cancellable operating leases.

25. Deferred Tax Liabilities / Assets

The Company has not recognised deferred tax asset in respect of timing differences related to depreciation on fixed assets, carried forward losses and compensated absence at the end of the year as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such net deferred tax asset can be realised.

26. Employee Benefit Plans and Employee Contribution Plans

(A) Defined benefit plan:

The Company operates defined benefit, viz. gratuity for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at minimum 15 days of last drawn salary for each completed year of service.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for respective plans.

₹ crore

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Amount Recognised in the Balance Sheet in respect of Gratuity		
Present value of the funded defined benefit obligation at the end of the year	7.14	5.43
Fair value of plan assets	(5.83)	(5.33)
Net Liability	1.31	0.10
Amount Recognised in Salary, Wages and Employee Benefits in the Statement of Profit and Loss in respect of Gratuity		
Current service cost	0.90	0.67
Interest on defined benefit obligations	0.40	0.38
Expected return on plan assets	(0.39)	(0.34)
Net actuarial losses/(gain) recognised during the year	(1.49)	0.62
Net Gratuity Cost	(0.58)	1.33
Actual return on plan asset		
Expected return on plan assets	0.39	0.34
Actuarial gain on plan assets	-	(0.11)
Actual Return on Plan Assets	0.40	0.22
Reconciliation of Present Value of the Obligation and the Fair Value of the Plan Assets		
Change in Defined Benefit Obligation		
Opening defined benefit obligation	5.43	4.88
Current service cost	0.90	0.67
Interest cost	0.40	0.38
Actuarial losses/(gain)	(1.49)	0.73
Benefits paid	1.90	(1.22)
Closing Defined Benefit Obligation	7.14	5.43
Change in Fair Value of Plan Assets		
Opening fair value of the plan assets	5.33	3.96
Expected return on plan assets	0.39	0.34
Actuarial losses/(gain) on plan assets	β	0.11
Contributions by the employer	(1.79)	2.15
Benefits paid	1.90	(1.22)
Closing Fair Value of the Plan Assets	5.83	5.33

Notes

forming Part of Financial Statements for the year ended 31st March, 2018

Particulars	₹ crore	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
The Major Categories of Plan Assets as a Percentage of the Fair Value of Total Plan Assets are as follows		
Government of India Securities	11.91%	10.51%
Corporate Bonds	0.41%	0.40%
Special Deposit Schemes	2.17%	-
Insurer Managed Funds	59.73%	60.03%
Others	25.79%	29.10%

Experience Adjustments:

Particulars	₹ crore				
	2018	2017	2016	2015	2014
Experience Adjustment on Plan Liabilities	(1.14)	0.60	(0.32)	0.88	-
Experience Adjustment on Plan Asset	β	0.11	(0.03)	0.05	-

Expected rate of return on assets is based on the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.

Estimated amount of contribution expected to be paid to the Gratuity Fund during the annual period after the Balance Sheet date is ₹ 2.23 Crore (31st March, 2017 ₹ 0.84 Crore).

Particulars	As at	
	31st March, 2018	31st March, 2017
Principal Actuarial Assumptions as at the Balance Sheet date		
Discount rate	8.00%	7.40%
Estimated rate of return on plan assets	8.00%	7.40%
Future salary escalation	7.00%	7.00%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority promotion and other relevant factors such as supply and demand in the employment market.

(B) Defined Contributions Plans:

Particulars	₹ crore	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Contribution to Employee Provident Fund and Pension	1.54	1.14
Contribution to Superannuation Fund	0.82	0.75
Total	2.36	1.89

27. During the year, the Company has paid following amount to Statutory Auditors:

Particulars	₹ crore	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Audit Fees	0.36	0.05
Limited Review	0.26	0.03
Tax Audit	0.03	0.02
Other Services	0.01	0.02
Reimbursement of Expenses	0.02	0.01
Total	0.68	0.13

The above disclosed figures are excluding Goods and Service Tax (Previous Year Service Tax).

Notes

forming Part of Financial Statements for the year ended 31st March, 2018

28. 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. Auditors have relied on this.

29. Related Party Disclosure

Names of related parties where control exists irrespective of whether transactions have occurred or not.

Particulars	Name of the Party
Holding Company	Aditya Birla Nuvo Limited (Upto 30th June, 2017)
	Grasim Industries Limited (w.e.f 1st July, 2017) (Refer Note No. 34)
Subsidiaries	1. Aditya Birla PE Advisors Private Limited (formerly known as Aditya Birla Capital Advisors Private Limited)
	2. Aditya Birla MyUniverse Limited (formerly known as Aditya Birla Customer Services Limited)
	3. Aditya Birla Financial Shared Services Limited
	4. Aditya Birla Trustee Company Private Limited
	5. Aditya Birla Money Limited
	6. Aditya Birla Money Mart Limited
	7. Aditya Birla Insurance Brokers Limited
	8. Aditya Birla Finance Limited
	9. Aditya Birla Housing Finance Limited
	10. Aditya Birla Sun Life AMC Limited (formerly known as Birla Sun Life Asset Management Company Limited)
	11. Aditya Birla Sun Life Insurance Company Limited (w.e.f. 23rd March, 2017) (formerly known as Birla Sun Life Insurance Company Limited)
	12. Aditya Birla Sun Life Pension Management Limited (formerly known as Birla Sun Life Pension Management Limited) (w.e.f. 23rd March, 2017) (100% Subsidiary of Aditya Birla Sun Life Insurance Company Limited)
	13. Aditya Birla Health Insurance Co. Limited
	14. ABCAP Trustee Company Private Limited
	15. Aditya Birla Commodities Broking Limited (100% Subsidiary of Aditya Birla Money Limited)
	16. Aditya Birla Wellness Private Limited (w.e.f. 23rd June, 2016)
	17. Aditya Birla Money Insurance Advisory Services Limited (100% Subsidiary of Aditya Birla Money Mart Limited)
	18. Aditya Birla Sun Life Trustee Private Limited (formerly known as Birla Sun Life Trustee Company Private Limited)
	19. Aditya Birla Sun Life AMC (Mauritius) Limited (100% Subsidiary of Aditya Birla Sun Life AMC Limited) (formerly known as Birla Sun Life AMC (Mauritius) Limited)
	20. Aditya Birla Sun Life AMC Limited; Dubai (100% Subsidiary of Aditya Birla Sun Life AMC Limited) (formerly known as Birla Sun Life AMC Ltd; Dubai)
	21. Aditya Birla Sun Life AMC Pte. Ltd; Singapore (100% Subsidiary of Aditya Birla Sun Life AMC Limited) (formerly known as Birla Sun Life AMC Pte. Ltd; Singapore)
	22. India Advantage Fund Ltd; Mauritius (100% Subsidiary of Aditya Birla Sun Life AMC Limited)
	23. International Opportunities Fund – SPC, Cayman Islands (100% Subsidiary of Aditya Birla Sun Life AMC Pte. Ltd. Singapore)
	24. Global Clean Energy Fund SPC (100% Subsidiary of Aditya Birla Sun Life AMC Pte. Ltd. Singapore) (w.e.f. 1st April, 2016)
	25. Aditya Birla ARC Limited (w.e.f. 10th March, 2017)
	26. New Horizon Fund – SPC, Cayman Islands (100% Subsidiary of Aditya Birla Sun Life AMC Pte. Ltd. Singapore)
Key Managerial Personnel	1. Mr. Ajay Srinivasan, Chief Executive Officer
	2. Mrs. Pinky Mehta, Whole-time Director from 1st July, 2017 to 26th October, 2017
Names of other related parties with whom transactions have taken place during the year	
Fellow Subsidiaries	1. ABNL Investment Limited
	2. Aditya Birla Idea Payments Bank Limited
	3. Aditya Birla Sun Life Insurance Company Limited (formerly known as Birla Sun Life Insurance Company Limited) (Upto 22nd March, 2017)

Refer **Annexure 1** for the transactions with related parties.

Notes

forming Part of Financial Statements for the year ended 31st March, 2018

30. Contingent Liabilities and Commitments

a. Capital Commitments:

- i) There are no capital commitment as on 31st March, 2018 (31st March, 2017 ₹ 1.02 Crore).
- ii) Pursuant to the Shareholders' Agreement entered into with Sun Life of Canada by the Aditya Birla Capital Limited, in respect of Aditya Birla Sun Life Insurance Company Limited (formerly known as Birla Sun Life Insurance Company Limited), the Company has agreed to infuse share capital from time to time to meet the solvency requirement prescribed by the regulatory authority.

Transfer of investments in Aditya Birla Sun Life Insurance Company Ltd., is restricted by the terms contained in Shareholder Agreements entered into by the Company.

b. Contingent Liabilities:

Aditya Birla MyUniverse Limited (formerly known as Aditya Birla Customer Services Limited) (ABMU), a subsidiary of the Company, has issued 0.001% Compulsorily Convertible Preference Shares (CCPS) aggregating to ₹ 60 Crore to International Finance Corporation (IFC) vide Shareholders' Agreement, dated 19th December, 2014, and Subscription Agreement dated 19th December, 2014 (SHA). Under the said SHA, the Company has granted to IFC an option to sell the shares to the Company at fair valuation from the period beginning on the expiry of 60 months of the subscription by IFC up to a maximum of 120 months from the date of subscription by IFC, in the event ABMU fails to provide an opportunity to IFC to exit from ABMU within 60 months from the date of subscription by IFC in the form of Listing, secondary sale or acquisition, etc. In the event ABMU fails to fulfill its obligation, the Company will be obligated to fulfill this obligation.

31. Segment Reporting

Since the Company operates in single segment (i.e. investments and financing activities), no further disclosure is required to be given as per the notified AS-17 'Segmental Reporting'.

32. During the current year, the Company has reassessed its value of investments in Aditya Birla Money Limited ("ABML") based on the Company's last 2 years profitable business performance and future business plan. Considering investment of long term and strategic nature and based on independent valuation report obtained by the Company, no additional impairment provision is required to be made in financial statements as at 31st March, 2018 in this regard.

The Company had reassessed its value of investments in Aditya Birla Money Limited ("ABML") and had made a provision of ₹ 12.42 Crore in FY 2013-2014 being 5% against equity shares and the same is carried as at 31st March, 2018.

33. During the current year, the Company has issued and allotted 48,400,000 Equity Shares of ₹ 10 each at a premium of ₹ 135.40 per share which were subscribed by P I Opportunities Fund 1 (AIF). (Refer Note No. 3)

34. Composite Scheme of Arrangement:

The Composite Scheme of Arrangement (the "Scheme") amongst the erstwhile Aditya Birla Nuvo Limited ("ABNL"), Grasim Industries Limited ("Grasim") and Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited) ("ABCL"), was approved by the Hon'ble National Company Law Tribunal Bench at Ahmedabad on 1st June, 2017.

Pursuant to the Approved Scheme:

- ABCL has become a subsidiary of Grasim with effect from 1st July, 2017
- The Board of Directors of Grasim and ABCL executed the demerger of the financial services business ("Demerged Undertaking") from Grasim (post its amalgamation with ABNL) into ABCL effective on 4th July, 2017 and accordingly the financial services business of amalgamated Grasim has been demerged into ABCL with effect from 4th July, 2017.
- In accordance with the Scheme, the ABCL has:
 - recorded transferred assets and liabilities pertaining to Demerged Undertaking at the respective carrying values as appearing in the books of account of Grasim on the date of demerger;
 - issued 920,266,951 Equity Shares of ₹ 10 each, which have been issued and recorded at face value, to the shareholders' of Grasim as on record date; and
 - difference between the value of assets and liabilities pertaining to Demerged Undertaking, after adjusting the amount credited to share capital, has been recognised as Capital Reserve.

Notes

forming Part of Financial Statements for the year ended 31st March, 2018

Following are the assets and liabilities transferred business:

₹ crore

Particulars	Amount
Assets:	
Tangible Assets	16.67
Non-Current Investments (minority stake in Aditya Birla Finance Limited, a subsidiary)	1,728.93
Current Investments	117.13
Loans and Advances	13.43
Other Current Assets	0.21
Total Assets (A)	1,876.37
Liabilities:	
Deferred Tax Liability	103.26
Short-term Borrowings	51.27
Employee Liabilities	0.22
Total Liabilities (B)	154.75
Net Assets Acquired (C) = (A) - (B)	1,721.62
Consideration Paid by Issue of 920,266,951 Equity Shares of ₹ 10 each (D) #	920.27
Capital Reserve Recognised by the Company (E) = (C) - (D)	801.35

The Company also paid a sum of ₹ 25.00 Crore towards stamp duty.

- Further, to fulfil the Company's commitments under the Scheme, the Board of Directors of the Company have approved the issuance of stock options and restricted stock units under the ABCL Incentive Scheme for Stock Options and Restricted Stock Units 2017 (the "ABCL Incentive Scheme") for granting of stock options and restricted stock options to the eligible grantees of Grasim Employee Stock Option Scheme 2006 and Grasim Employee Stock Option Scheme 2013 (the "Grasim Employee Benefit Schemes") in the same ratio as the ratio in which shares were issued to the shareholders of Grasim. Under the arrangement, the Company is obligated to issue equity shares not exceeding 1,718,237 at the face value of ₹ 10 each against 1,465,927 stock options and 252,310 restricted stock units granted by it to eligible employees of Grasim who held grants of stock options and restricted stock options of Grasim Employee Benefit Schemes. The stock options and restricted stock options thus granted under the ABCL Incentive Scheme would be deemed to be held by the eligible employees of Grasim for determining the minimum vesting period and the vesting conditions and dates for stock options and restricted share units under the ABCL Incentive Scheme would follow the same vesting conditions as applicable to the grantees of for stock options and restricted share units under the Grasim Employee Benefit Schemes. Accordingly, ₹ 7.37 Crore representing the pro-rata amount of the vested Employee Stock Options Reserve created by Grasim against the Grasim Employee Benefit Schemes has been transferred to the Company against which sum the Company will be entitled to an equivalent cash reimbursement. The balance pro-rata amount of Employee Stock Options Reserve would be transferred to the Company by Grasim upon vesting of the stock options and restricted stock options of Grasim Employee Benefit Schemes with a corresponding cash reimbursement.

35. 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 their 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 (formerly known as Aditya Birla Financial Services Limited) (Refer Note No. 34). Out of the above, the Company; has granted 195,040 ESOPs and 45,060 RSUs under this Scheme to a Director of the Company. 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 Scheme 2006 and 2013

Notes

forming Part of Financial Statements for the year ended 31st March, 2018

Particulars	ABCL Incentive Scheme	
	Options	RSU's
Plan Period	As per Grasim Employee Benefit Scheme 2006 and 2013	
Quantum of Grant	1,465,927	252,310
Method of Accounting	Intrinsic	Intrinsic
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 date of Vesting	5 years from date of Vesting
Grant Date	15.01.2018	15.01.2018
Grant / Exercise Price (₹ Per Share)	10	10

Details of Activity in the Scheme:

Particulars	ABCL Incentive Scheme	
	Options	RSU's
Options Outstanding at beginning of the year	-	-
Granted during the year	1,465,927	252,310
Exercised during the year	98,476	33,921
Lapsed during the year	12,861	-
Options Outstanding at the end of the year	1,354,590	218,388
Options unvested at the end of year	168,433	59,770
Options exercisable at the end of the year	1,186,157	158,618

Since the above grants were part of the acquisition of financial services business as part of Scheme of Arrangement amongst Aditya Birla Nuvo Limited, Grasim Industries Limited and Aditya Birla Capital Limited as per Note No. 34, and these being issued to Grasim and ABNL ESOP and RSU holders there would be no impact on earnings per share arising from differences between intrinsic value and fair value of Options and RSU's.

36. 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 ("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.

The intrinsic value of the ESOP i.e. the difference between the fair value of the shares underlying the ESOP granted on the date of grant of option and the exercise price of the option is expensed over the vesting period.

Particulars	LTIP 1	LTIP 2	LTIP 3	
	RSU	ESOP	RSU	ESOP
Plan Period	2017-2019	2017-2021	2017-2018	2017-2022
Quantum of Grant	4,343,750	11,557,872	1,398,886	12,504,992
Method of Accounting	Intrinsic	Intrinsic	Intrinsic	Intrinsic
Vesting Period	100% (2 years)	25% p.a. (4 years)	100% (2 years)	20% p.a. (5 years)

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forming Part of Financial Statements for the year ended 31st March, 2018

Particulars	LTIP 1		LTIP 2		LTIP 3	
	RSU		ESOP		ESOP	
Instrument	Continued employment		75% of the consolidated Profit Before Tax achievement against annual performance target		75% of the consolidated Profit Before Tax achievement against annual performance target	
Vesting Condition(s)	Continued employment		75% of the consolidated Profit Before Tax achievement against annual performance target		75% of the consolidated Profit Before Tax achievement against annual performance target	
Exercise Period	5 Years From Date of Vesting		5 Years From Date of Vesting		5 Years From Date of Vesting	
Grant Date	11.08.2017		11.08.2017		11.08.2017	
Grant / Exercise Price (₹ Per Share)	10		115		115	
Value of Equity Shares as on the date of Grant of Original Option (₹ Per Share)	139		139		139	

Details of Activity in the Plan:

Features	LTIP 1		LTIP 2		LTIP 3	
	RSU		ESOP		ESOP	
Options/RSU's Outstanding at beginning of the year	-		-		-	
Granted during the year	4,343,750		11,557,872		1,398,886	
Exercised during the year	-		-		-	
Lapsed during the year	339,000		112,133		-	
Options/RSU's Outstanding at the end of the year	4,004,750		11,445,739		1,398,886	
Options/RSU's unvested at the end of year	4,004,750		11,445,739		1,398,886	
Options/RSU's exercisable at the end of the year	-		-		-	

The ESOP compensation cost is amortised on a straight line basis over the total vesting period of the options. Accordingly ₹ 10.64 Crore has been charged to the current year Statement of Profit and Loss (Previous Year ₹ Nil).

Fair Valuation:

The fair value of the options used to compute proforma net profit and earnings per share have 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 (%)	6.5%		6.5% to 6.8%		6.5%	
Option Life (Years)	4.5		3.5 to 6.5		4.5	
Historical Volatility	38.5%		37.0% to 38.5%		38.5%	
Expected Volatility	-		-		-	
Expected Dividend Yield (%)	0.0%		0.0%		0.0%	
Weighted Average Fair Value per Option (₹)	131.6		70.4		131.6	

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forming Part of Financial Statements for the year ended 31st March, 2018

Particulars	For the year ended 31st March, 2018
Net Profit	61.49
Add: Compensation cost as per Intrinsic Value	10.64
Less: Compensation cost as per Fair Value	24.60
Adjusted Net Income	47.53
Weighted average number of Basic Equity Shares Outstanding (In Nos.)	1,951,975,713
Weighted average number of Diluted Equity Shares Outstanding (In Nos.)	1,961,036,035
Face value of the Equity Share (₹)	10
Reported Earning Per Share (EPS)	
— Basic EPS (₹)	0.32
— Diluted EPS (₹)	0.31
Proforma Earning Per Share (EPS)	
— Basic EPS (₹)	0.24
— Diluted EPS (₹)	0.24

- 37.** With effect from 11th October, 2017, 64,422,405 Global Depository Shares (GDSs) representing 64,422,405 Equity Shares of ₹ 10/- each have been admitted for trading on the Luxembourg Stock Exchange.
- 38.** The Company has investment in Equity Shares and Preference Shares of Aditya Birla MyUniverse Limited (“ABMU”) of ₹ 71.11 Crore (Previous year ₹ 71.11 Crore) and of ₹ 60 Crore (Previous year ₹ 60 Crore) respectively. The Investee Company (ABMU) is making substantial losses and its net worth has been eroded. Based on the business plan of ABMU and strategic investment by International Finance Corporation in the ABMU in the previous year, the Company has assessed the value of ABMU being higher than the investment. Accordingly, based on the business plan and considering that the investment being long term and strategic in nature, and diminution in the value of the said investment has been considered as temporary; no provision is required to be made in financial statements as at 31st March, 2018 in this regard.
- 39.** The Company has investment in 0.1% Compulsory Convertible Debentures (CCD) of Aditya Birla Money Mart Limited (“ABMML”) of ₹ 26.01 Crore (Previous year ₹ 26.01 Crore). The Investee Company (ABMML) is making losses and its net worth has been eroded. Considering the plans and the investment being strategic and long-term in nature, diminution in the value of the said investment has been considered as temporary and hence no provision is required to be made in financial statements as at 31st March, 2018 in this regard.
- 40.** During the current year, the Company has provided; services to its subsidiaries and other financial services group companies (“Group”), such as strategy and business planning, risk and compliance, technology and operational support, marketing and public relations, human resources, etc. The Company has allocated the cost to the respective companies on the basis of time spent by senior management employees. Increase in retention amount as compared to previous year is mainly because of retention of promotional expenses.

The amount allocated to the various companies is as given hereunder:

₹ crore

Name of the Company	Year Ended March 31, 2018	Year Ended March 31, 2017
Aditya Birla Sun Life Insurance Company Limited	29.35	23.64
Aditya Birla Sun Life AMC Limited	21.61	16.60
Aditya Birla Finance Limited	40.21	27.33
Aditya Birla Insurance Brokers Limited	3.55	2.80
Aditya Birla PE Advisors Private Limited	1.63	1.00
Aditya Birla Money Limited	β	β
Aditya Birla Money Mart Limited	β	β
Aditya Birla Housing Finance Limited	2.85	-
Aditya Birla MyUniverse Limited	β	0.01
Total	99.20	71.48

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forming Part of Financial Statements for the year ended 31st March, 2018

41. The Company's pending litigations comprise of claims by or against the Company primarily by the employees/ customers/suppliers, etc. and proceedings pending with tax and other government authorities. The Company has reviewed its pending litigations and proceedings and has adequately provided for where Provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements and appropriate disclosure for contingent liabilities is given refer note no. 30

42. Expenditure in Foreign Currency: ₹ crore

Expenses Head	Amount
Business Promotion	0.19
Subscription	0.02
Listing Expenses	0.80

43. The Company has short-term rating viz. "(ICRA) A1+" and "(CRISIL) A1+" accordingly the Company raised funds through Commercial Paper to mitigate working capital requirements.

44. Disclosure as required under Annexure I of Master Direction - Core Investment Companies (Reserve Bank), Direction, 2016. Schedule to the Balance Sheet of a non-deposit taking Core Investment Company (Refer Annexure 2).

45. Disclosure of details as required under Clause No. 19 of Master Direction - Core Investment Companies (Reserve Bank) Direction, 2016.

(a) **Provisions as per CIC Guidelines** – The Company has provided an amount of ₹ 0.28 Crore as per guidelines.

(b) Exposure to real estate sector, both direct and indirect – Nil

(c) Maturity pattern of assets and liabilities ₹ crore

Particulars	Less than 1 year	1 year to 3 years	Over 3 years	Total
Liabilities				
Borrowings	674.96	-	-	674.96
Assets				
Advances	82.20	13.04	-	95.24
Investments (Net of Provision)	6.46	31.60	7,817.81	7,855.87

46. The figures for the previous year ended 31st March, 2017 are subjected to audit by the previous Auditors vide their report dated 9th May, 2017.

47. Figures ₹ 50,000 or less have been denoted by β.

48. Previous Year's figures have been regrouped / rearranged, wherever necessary.

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

ICAI Firm registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar
Partner

Mumbai, May 08, 2018

For and on behalf of the Board of Directors

Ajay Srinivasan
Chief Executive Officer

Sailesh Daga
Company Secretary

Mumbai, May 08, 2018

Pinky Mehta
Chief Financial Officer

Sanrput Misra

Sushil Agarwal

S C Bhargava

Vijayalakshmi Iyer

P H Ravikumar

Directors

Notes

forming Part of Financial Statements for the year ended 31st March, 2018

ANNEXURE 1

Statement of Related Party Transaction and Balances for the year ended 31st March, 2018

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:

Sr No	Particulars	For the year / As at	
		31st March, 2018	31st March, 2017
		₹ crore	
	Brief description - Company wise and item wise		
1	Issue of Equity Shares:-		
	Aditya Birla Nuvo Limited (Holding Company)	-	2,877.98
	ABNL Investment Limited	-	0.08
	Conversion of Preference Shares to equity shares:-		
	Aditya Birla Nuvo Limited (Holding Company)	-	336.50
	Issue of Preference Shares:-		
	Aditya Birla Nuvo Limited (Holding Company)	-	70.00
	Redemption of Preference Shares:-		
	Aditya Birla Nuvo Limited (Holding Company)	-	1,471.11
	Investment Equity shares		
	Aditya Birla Finance Limited (incl. Purchase of Shares from ABNL Investment Limited)	600.05	580.05
	Aditya Birla Housing Finance Limited	350.00	178.22
	Aditya Birla Wellness Private Limited (incl. Share application money of ₹ 4.08 Crore)	6.07	6.58
	Aditya Birla Health Insurance Co. Limited (incl. Purchase of shares from Aditya Birla Nuvo Limited)	56.10	33.23
	Aditya Birla Sun Life Insurance Company Limited (Purchased from Aditya Birla Nuvo Ltd)	-	1,206.93
	Aditya Birla ARC Limited	100.00	-
	ABCAP Trustee Company Pvt Limited	0.01	-
	Grasim Industries Limited	0.09	-
	Employee Related Assets Transfer	0.09	-
2	Income from operations		
	Dividend Received From Subsidiaries		
	Aditya Birla Finance Limited	0.01	0.02
	Aditya Birla Insurance Brokers Limited	9.36	7.96
	Aditya Birla Sun Life AMC Limited	101.90	25.50
	Interest Income on Debenture		
	Aditya Birla Money Mart Limited	0.03	0.03
	Aditya Birla Finance Limited	0.02	0.02
	Interest Income on Inter Corporate Deposit	6.36	-
	Aditya Birla MyUniverse Limited	1.75	-
	Aditya Birla Housing Finance Limited	4.12	-
	Aditya Birla Money Mart Limited	0.27	-
	Aditya Birla Money Insurance Advisory Services Limited	0.22	-
3	Expenses recovered		
	ESOP Expenses (Transfer & Exit)	1.58	-
	Aditya Birla Insurance Brokers Limited	0.11	-
	Aditya Birla Finance Limited	0.35	-
	Aditya Birla Sun Life Insurance Company Limited	0.55	-
	Aditya Birla Sun Life AMC Limited	0.12	-
	Aditya Birla Financial Shared Services Limited	0.01	-

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forming Part of Financial Statements for the year ended 31st March, 2018

₹ crore

Sr No	Particulars	For the year / As at	
		31st March, 2018	31st March, 2017
	Aditya Birla MyUniverse Limited	0.10	-
	Aditya Birla Money Limited	0.10	-
	Aditya Birla Health Insurance Co. Limited	0.04	-
	Aditya Birla Housing Finance Limited	0.20	-
	Salary Expenses	0.64	0.50
	Aditya Birla Sun Life Insurance Company Limited	0.64	0.50
	Employee Transfer In / Out	0.23	1.53
	Aditya Birla Financial Shared Services Limited	0.13	-
	Aditya Birla MyUniverse Limited - Mr. Tejas Bhavsar	0.02	-
	Aditya Birla Health Insurance Co. Limited -Mr. Ankur Bamsal	-	0.23
	Aditya Birla Health Insurance Co. Limited -Mr. Srinivas Subramanian	-	0.28
	Aditya Birla Finance Limited - Amit Khanna	-	(0.14)
	Aditya Birla Payments Bank Limited- Sudhakar Ramasubramanian	(0.02)	1.16
	Aditya Birla Insurance Brokers Limited - Mahesh Kerekatte	(0.13)	-
	Aditya Birla Insurance Brokers Limited - Mahesh Kerekatte- Car Transfer	0.22	-
	Aditya Birla Sun Life AMC Limited- Chetan Jadhav	0.01	-
	Other Expenses	3.58	0.02
	Aditya Birla Financial Shared Services Limited	3.24	0.02
	Aditya Birla MyUniverse Limited	0.03	-
	Grasim Industries Limited	0.31	-
	Insurance Premium		
	Aditya Birla Health Insurance Co. Limited	0.02	0.11
4	Expense Reimbursement		
	Salary & Wages	69.03	56.87
	Aditya Birla Insurance Brokers Limited	2.54	2.31
	Aditya Birla PE Advisors Private Limited	1.05	0.66
	Aditya Birla Finance Limited	28.38	22.81
	Aditya Birla Sun Life Insurance Company Limited	20.08	17.64
	Aditya Birla Sun Life AMC Limited	15.17	13.29
	Aditya Birla Housing Finance Limited	1.81	0.16
	Employers Contribution to Provident Fund	1.26	1.10
	Aditya Birla Insurance Brokers Limited	0.04	0.03
	Aditya Birla PE Advisors Private Limited	0.02	0.02
	Aditya Birla Finance Limited	0.50	0.31
	Aditya Birla Sun Life Insurance Company Limited	0.39	0.41
	Aditya Birla Sun Life AMC Limited	0.27	0.22
	Aditya Birla Housing Finance Limited	0.04	0.11
	Employers Contribution to Superannuation	0.68	0.64
	Aditya Birla Insurance Brokers Limited	0.02	0.02
	Aditya Birla PE Advisors Private Limited	0.01	0.01
	Aditya Birla Finance Limited	0.27	0.20
	Aditya Birla Sun Life Insurance Company Limited	0.21	0.27
	Aditya Birla Sun Life AMC Limited	0.15	0.14
	Aditya Birla Housing Finance Limited	0.02	-

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forming Part of Financial Statements for the year ended 31st March, 2018

Sr No	Particulars	₹ crore	
		For the year / As at	
		31st March, 2018	31st March, 2017
	Gratuity	(0.49)	1.15
	Aditya Birla Insurance Brokers Limited	(0.02)	0.04
	Aditya Birla PE Advisors Private Limited	(0.01)	0.03
	Aditya Birla Finance Limited	(0.20)	0.36
	Aditya Birla Sun Life Insurance Company Limited	(0.14)	0.47
	Aditya Birla Sun Life AMC Limited	(0.11)	0.25
	Aditya Birla Housing Finance Limited	(0.01)	-
	Other Expenses	26.12	10.40
	Aditya Birla Insurance Brokers Limited	0.88	0.37
	Aditya Birla PE Advisors Private Limited	0.49	0.25
	Aditya Birla Finance Limited	10.25	3.23
	Aditya Birla Sun Life Insurance Company Limited	7.94	3.99
	Aditya Birla Sun Life AMC Limited	5.52	2.49
	Aditya Birla Housing Finance Limited	0.90	-
	Aditya Birla Financial Shared Services Limited	0.14	0.07
	Statutory Dues	9.54	-
	Aditya Birla Insurance Brokers Limited	0.32	-
	Aditya Birla PE Advisors Private Limited	0.18	-
	Aditya Birla Finance Limited	3.92	-
	Aditya Birla Sun Life Insurance Company Limited	2.83	-
	Aditya Birla Sun Life AMC Limited	2.03	-
	Aditya Birla Housing Finance Limited	0.26	-
	Depreciation	2.60	0.91
	Aditya Birla Insurance Brokers Limited	0.09	0.03
	Aditya Birla PE Advisors Private Limited	0.05	0.02
	Aditya Birla Finance Limited	1.01	0.29
	Aditya Birla Sun Life Insurance Company Limited	0.79	0.37
	Aditya Birla Sun Life AMC Limited	0.58	0.20
	Aditya Birla Housing Finance Limited	0.08	-
	Other Transactions		
	Deposit - Paid		
	Aditya Birla Nuvo Limited	0.04	-
	Aditya Birla Insurance Brokers Limited	0.01	-
	Aditya Birla Finance Limited	0.05	-
	Aditya Birla Sun Life Insurance Company Limited	0.01	-
	Aditya Birla MyUniverse Limited	-	0.01
	Aditya Birla Money Mart Limited	-	0.01
	Aditya Birla Money Limited	-	0.01
	Aditya Birla Health Insurance Co. Limited	0.07	-
	Aditya Birla Housing Finance Limited	0.01	-
	Deposit - Received		
	Aditya Birla Insurance Brokers Limited	0.01	-
	Aditya Birla Finance Limited	0.05	-
	Aditya Birla Sun Life Insurance Company Limited	0.01	-
	Aditya Birla MyUniverse Limited	-	0.01
	Aditya Birla Money Mart Limited	-	0.01
	Aditya Birla Money Limited	-	0.01

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forming Part of Financial Statements for the year ended 31st March, 2018

Sr No	Particulars	₹ crore	
		For the year / As at	
		31st March, 2018	31st March, 2017
	Aditya Birla Health Insurance Co. Limited	0.07	-
	Aditya Birla Housing Finance Limited	0.01	-
	Aditya Birla Nuvo Limited	0.04	-
	Aditya Birla Financial Shared Services Limited	-	0.02
	ESOP Charge	32.57	-
	Aditya Birla PE Advisors Private Limited	0.79	-
	Aditya Birla MyUniverse Limited	0.47	-
	Aditya Birla Finance Limited	7.04	-
	Aditya Birla Financial Shared Services Limited	0.34	-
	Aditya Birla Housing Finance Limited	1.14	-
	Aditya Birla Health Insurance Co. Limited	1.78	-
	Aditya Birla Insurance Brokers Limited	1.87	-
	Aditya Birla Money Limited	1.57	-
	Aditya Birla Money Mart Limited	0.01	-
	Aditya Birla Wellness Private Limited	0.04	-
	Aditya Birla Sun Life AMC Limited	5.74	-
	Aditya Birla Sun Life Insurance Company Limited	11.69	-
	Aditya Birla Sun Life Pension Management Limited	0.07	-
	Aditya Birla Commodities Broking Limited	0.02	-
	Aditya Birla Money Insurance Advisory Services Limited	β	-
5	Other Current Assets	24.30	39.77
	Aditya Birla Financial Shared Services Limited	-	0.29
	Aditya Birla PE Advisors Private Limited	0.17	0.20
	Aditya Birla Insurance Brokers Limited	0.65	1.85
	Aditya Birla Finance Limited	5.98	19.13
	Aditya Birla Sun Life Insurance Company Limited	2.72	7.68
	Aditya Birla Sun life AMC Limited	3.33	9.84
	Aditya Birla MyUniverse Limited	1.89	0.75
	Aditya Birla Money Mart Limited	-	-
	Aditya Birla Housing Finance Limited	1.16	0.03
	Aditya Birla Health Insurance Co. Limited	0.65	-
	Aditya Birla Nuvo Limited	-	β
	Aditya Birla Wellness Private Limited	0.01	-
	Aditya Birla ARC Limited	0.18	-
	Grasim Industries Limited	7.56	-
	Other Current Liabilities	0.37	0.01
	Aditya Birla Financial Shared Services Limited	0.29	-
	Aditya Birla Money Limited	0.08	-
	Aditya Birla Health Insurance Co. Limited	-	0.01
6	Non-Current Investment		
	Quoted:		
	Equity Shares Capital held by the Company		
	Aditya Birla Money Limited	235.88	235.88
	Unquoted:		
	Equity Shares Capital held by the Company		
	Aditya Birla PE Advisors Private Limited	3.50	3.50

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Sr No	Particulars	₹ crore	
		For the year / As at	
		31st March, 2018	31st March, 2017
	Aditya Birla Financial Shared Services Limited	0.05	0.05
	Aditya Birla MyUniverse Limited	71.11	71.11
	Aditya Birla Trustee Company Private Limited	0.05	0.05
	Aditya Birla Insurance Brokers Limited	0.30	0.30
	Aditya Birla Finance Limited	5,138.59	2,795.06
	Aditya Birla Money Mart Limited	0.04	0.04
	Aditya Birla Housing Finance Limited	767.66	417.66
	Aditya Birla Sun life AMC Limited	33.71	33.71
	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	12.65	6.58
	Aditya Birla Health Insurance company Limited	119.06	51.23
	ABCAP Trustee Company Private Limited	0.02	0.01
	Aditya Birla ARC Limited	100.00	-
	Preference Shares Capital held by the Company		
	Aditya Birla Finance Limited		
	8% Cumulative Redeemable Preference Shares	10.21	-
	Aditya Birla Money Mart Limited		
	0.01% Redeemable Non Convertible Non Cumulative Preference Shares	0.03	0.03
	Aditya Birla Money Limited		
	8% Redeemable Non Convertible Cumulative Preference Shares	30.00	30.00
	Aditya Birla MyUniverse Limited		
	0.001% Compulsory Convertible Cumulative Preference Shares	60.00	60.00
	Aditya Birla ARC Limited		
	0.001% Compulsory Convertible Cumulative Preference Shares	8.00	-
	Debentures held by the Company		
	Aditya Birla Money Mart Limited		
	0.1% Cumulative Convertible Debentures (CCD)	26.01	26.01
	Aditya Birla Finance Limited		
	0.1% Cumulative Convertible Debentures (CCD)	23.99	23.99
	Investment in Private Equity Fund		
	Aditya Birla Private Equity - Sunrise Fund	1.43	16.24
	Aditya Birla Private Equity - Fund I	0.17	75.57
7	Short-term Loans and Advances:		
	Aditya Birla MyUniverse Limited	45.00	-
	Aditya Birla Housing Finance Limited	18.00	-
	Aditya Birla Money Mart Limited	3.99	-
	Aditya Birla Money Insurance Advisory Services Limited	3.24	-
8	Key Managerial Personnel **		
	Mr. Ajay Srinivasan (Chief Executive Officer)	37.07	24.35
	Mrs. Pinky Mehta (Whole-time Director from 1st July, 2017 to 26th October, 2018)	0.54	-

* Figures of ₹ 50,000 or less have been denoted by β

** Expenses towards LTIP, 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 companies.

*** Refer Note No. 34 for Demerger related transaction with Grasim Industries Limited.

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forming Part of Financial Statements for the year ended 31st March, 2018

ANNEXURE: 2

₹ crore

Sr No	Particulars	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 borrowing	-	-
	(e) Commercial Paper	674.96	-
	(f) Other Loans (specify nature)	-	-
	Assets Side:	Amount Outstanding	
2	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
	(a) Secured	-	-
	(b) Unsecured	118.96	-
3	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:	Amount	
	(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) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	-	-
	(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)	-	-
	2. Unquoted:		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	6.46	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-

Notes

forming Part of Financial Statements for the year ended 31st March, 2018

₹ crore

Sr No	Particulars	Amount Outstanding	Amount Overdue
	Long Term Investments:		
	1. Quoted:		
	(i) Shares: (a) Equity	235.88	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2. Unquoted:		
	(i) Shares: (a) Equity	7,453.69	-
	(b) Preference	108.24	-
	(ii) Debentures and Bonds	50.00	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Private Equity Fund	1.60	-
5	Borrower group-wise classification of assets financed as in (2) and (3) above:		
	Category	Secured	Unsecured
	1. Related Parties		
	(a) Subsidiaries	-	94.53
	(b) Companies in the same Group	-	-
	(c) Other related parties	-	-
	(d) Other than related parties	-	24.43
	Total	-	118.96
6	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):		
	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
	1. Related Parties		
	(a) Subsidiaries	-	7,847.81
	(b) Companies in the same Group	-	-
	(c) Other related parties	-	-
	(d) Other than related parties	-	1.60
	Total	-	7,849.41

Consolidated Financial Statements

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Independent Auditor's Report

TO THE MEMBERS OF ADITYA BIRLA CAPITAL LIMITED

(FORMERLY KNOWN AS ADITYA BIRLA FINANCIAL SERVICES LIMITED)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Aditya Birla Capital Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group"), comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as the "Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards prescribed under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in sub-paragraphs (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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 financial statements, subsidiaries referred to in the Other Matters paragraph below,

the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Standards and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

- (a) We did not audit the financial statements of 19 subsidiaries, whose financial statements reflect total assets of ₹ 45,544.60 crore as at March 31, 2018, total revenues of ₹ 5,220.96 crore and net cash inflows amounting to ₹ 51.12 crore for the year ended on that date, as considered in the consolidated financial statements. 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, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.
- (b) "Change in Valuation of Liability in Respect of Insurance Policies" includes charge for actuarial valuation of liabilities for life policies in force and for the policies in respect of which premium has been discontinued but liability exists as at reporting date, in respect of one subsidiary and the estimate of claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER), in respect of another subsidiary. These charges has been determined based on the liabilities duly certified by the subsidiaries' appointed actuaries, and in their respective opinions, 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. The respective auditors of these subsidiaries have relied on the appointed actuaries' certificates in this regard in forming their opinion on the financial statements of the said subsidiaries.

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 the other auditors, the financial statements certified by the Management and the actuarial valuation for the life insurance policies in respect of which premium has been discontinued but the liability exists as at the reporting date and of the estimate of claims IBNR and claims IBNER.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries, referred in the Other Matters paragraph above 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, returns and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement 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 Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”, which is based on the auditors’ reports of the Holding company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company’s, and subsidiary Company’s incorporated in India internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii. The liability for insurance contracts, is determined by the Subsidiary Companies’ Appointed Actuary, and is covered by the Subsidiary Companies’ Appointed Actuary’s certificate, referred to in sub-paragraph no. (b) in the Other Matters paragraph above, on which we have placed reliance; and the Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm’s Registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Place: Mumbai
Date: May 8, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited) (hereinafter referred to as the "Holding Company") and its Subsidiaries, which are Companies incorporated in India, as of that date.

The estimate of claims Incurred But Not Reported ("IBNR") and claims Incurred But Not Enough Reported ("IBNER"), included under Policy Liabilities and the actuarial valuation of liabilities for life policies in force and for the policies in respect of which premium has been discontinued but liability exists as at reporting date included under Policy Liabilities (current and non-current) as at March 31, 2018 has been duly certified by the subsidiaries' appointed actuaries as per the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statement Regulations"), and has been relied upon by subsidiaries' auditors, as mentioned in "Other Matters" paragraph of our audit report on the consolidated financial statements as at and for the year ended March 31, 2018. In view of this, the subsidiaries' auditors did not perform any procedures relating to internal financial controls over financial reporting in respect of the valuation and accuracy of the actuarial valuation of estimate of claims IBNR and claims IBNER as well as the actuarial valuation of liabilities for life policies in force and for the policies in respect of which premium has been discontinued but liability exists as at reporting date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its Subsidiary Companies, which are Companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the "internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its Subsidiary Companies, which are Companies incorporated in India, 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the auditors the Subsidiary Companies, which are Companies incorporated in India, 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 system over financial reporting of the Holding Company and its Subsidiary Companies, which are Companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and other auditors referred to in the Other Matters paragraph below, the Holding Company and its Subsidiary Companies, which are Companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on, the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 19 Subsidiary Companies, which are Companies incorporated in India, is based solely on the corresponding reports of the auditors of such Companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Place: Mumbai
Date: May 8, 2018

Consolidated Balance Sheet

as at 31st March, 2018

Particulars	Note No.	₹ crore	
		As at 31st March, 2018	As at 31st March, 2017
EQUITY AND LIABILITIES			
(A) Shareholders' Funds			
Share Capital	2A	2,201.04	1,232.24
Reserves and Surplus	3	6,449.72	5,363.25
Equity Attributable to Owners of the Parent		8,650.76	6,595.49
Minority Interest		1,591.81	1,951.80
Total Equity	Sub-Total	10,242.57	8,547.29
(B) Preference Share issued by Subsidiary Companies	2B	4.70	14.70
(C) Non-Current Liabilities			
Long-term Borrowings	4A	23,976.93	18,308.50
Deferred Tax Liabilities (Net)	5	103.26	-
Other Long-term Liabilities	6A	168.23	178.73
Long-term Provisions	7A	201.90	189.57
Policyholders' Fund		34,021.30	32,199.69
Fund for Discontinued Policies		357.13	356.19
Fund for Future Appropriations		2.97	4.20
	Sub-Total	58,831.72	51,236.88
(D) Current Liabilities			
Short-term Borrowings	4B	16,027.31	11,848.09
Trade Payables- total outstanding dues of			
– Micro enterprises and small enterprises		0.19	0.04
– Creditors other than micro enterprises and small enterprises		853.31	687.18
Other Current Liabilities	6B	6,348.15	4,793.88
Short-term Provisions	7B	262.09	149.02
Policyholders' Fund		1,314.22	579.79
Fund for Discontinued Policies		182.48	281.76
Fund for Future Appropriations		2.26	2.67
	Sub-Total	24,990.01	18,342.43
	TOTAL	94,069.00	78,141.30
ASSETS			
(E) Non-Current Assets			
Property Plant and Equipments	8A	155.63	106.95
Intangible Assets	8B	127.63	90.79
Capital Work-in-Progress		0.59	1.59
Intangible Assets under Development		39.54	33.27
Goodwill on Consolidation		580.03	580.03
Non-Current Investments			
– Investments of Life Insurance Business	9A	10,944.28	9,116.98
– Investments of Health Insurance Business	10A	202.38	187.13
– Other Investments	11A	562.43	390.20
Asset Held to Cover Linked Liabilities of Life Insurance Business	12A	20,794.21	22,086.96
Deferred Tax Assets (Net)	5	130.33	106.80
Long-term Loans and Advances	13A	37,680.25	28,610.91
Other Non-Current Assets	14A	58.02	42.24
	Sub-Total	71,275.32	61,353.85
(F) Current Assets			
Current Investments			
– Investments of Life Insurance Business	9B	1,141.00	477.43
– Investments of Health Insurance Business	10B	7.69	41.76
– Other Investments	11B	1,697.15	1,546.42
Assets Held to Cover Linked Liabilities of Life Insurance Business	12B	3,933.70	2,800.76
Stock of Securities	15	115.62	582.78
Trade Receivables	16	424.68	369.93
Cash and cash equivalent	17	1,090.12	803.70
Short-term Loans and Advances	13B	13,405.96	9,464.26
Other Current Assets	14B	977.76	700.41
	Sub-Total	22,793.68	16,787.45
	TOTAL	94,069.00	78,141.30

Significant Accounting Policies

The accompanying Notes are integral part of Financial Statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

ICAI Firm registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar

Partner

Mumbai, May 08, 2018

For and on behalf of the Board of Directors

Ajay Srinivasan

Chief Executive Officer

Sailesh Daga

Company Secretary

Mumbai, May 08, 2018

Pinky Mehta

Chief Financial Officer

Sanrupt Misra

Sushil Agarwal

S C Bhargava

Vijayalakshmi Iyer

P H Ravikummar

Directors

Consolidated Statement of Profit and Loss

for year ended 31st March, 2018

₹ crore

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
Revenue from Operations	18	13,427.76	5,823.01
Other Income	19	212.77	62.69
Total Revenue		13,640.53	5,885.70
Expenses			
Employee Benefits Expenses	20	1,499.45	717.28
Finance Cost	21	3,026.15	2,299.11
Depreciation and Amortisation Expense	22	108.86	43.17
Benefit Paid - Insurance Business		5,181.19	416.17
Change in Valuation of Liability in respect of Insurance Policies in Force		149.52	314.60
Other Expenses	23	2,121.75	1,029.63
Total Expenses		12,086.92	4,819.96
Profit Before Tax		1,553.61	1,065.74
Tax Expenses			
– Current Tax		576.32	380.47
– MAT Credit Entitlement		(1.03)	(0.36)
– Short/(Excess) Provision for Tax of Earlier Years (Net)		(1.88)	2.00
– Deferred Tax		(23.53)	(7.52)
Profit for the Year		1,003.73	691.15
Profit for the Year Attributable to			
– Owners of Parent		824.25	530.00
– Minority Interest		179.48	161.15
Profit for the Year (A) + (B)		1,003.73	691.15
Basic Earnings Per Share (₹)		4.22	6.35
Diluted Earnings per Share (₹)	27	4.20	6.35
(Face Value of ₹ 10/- each)			

Significant Accounting Policies

1

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

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

ICAI Firm registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar

Partner

Mumbai, May 08, 2018

For and on behalf of the Board of Directors

Ajay Srinivasan

Chief Executive Officer

Sailesh Daga

Company Secretary

Mumbai, May 08, 2018

Pinky Mehta

Chief Financial Officer

Sanrput Misra

Sushil Agarwal

S C Bhargava

Vijayalakshmi Iyer

P H Ravikumar

Directors

Consolidated Cash Flow Statement

for year ended 31st March, 2018

₹ crore

Particulars	Year ended 31st March, 2018		Year ended 31st March, 2017	
A CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax		1,553.61		1,065.74
Adjustments for :				
Provision for Long term Investments	(0.21)		-	
Depreciation and Amortisation	108.86		43.17	
Foreign Currency Exchange	1.28		(0.44)	
Net gain on sale of investment	(131.69)		(56.92)	
Profit on sale of Property, Plant and Equipments	(0.18)		0.01	
Change in Valuation of Liabilities in respect of insurance policies in force	149.52		314.60	
Expense on Employee Stock Options Scheme	41.65		-	
Bad Debts and Provision for Bad and Doubtful Debts and Advances including Contingency Provision for Standard Assets of NBFC and HFC	173.89	343.12	117.53	417.95
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		1,896.73		1,483.69
Adjustments for:				
Decrease / (Increase) in Trade Receivables	(60.62)		(96.37)	
Decrease / (Increase) in Loans & Advances	(13,070.21)		(11,265.15)	
Decrease / (Increase) in Other Assets	(285.66)		6.87	
Decrease / (Increase) in Stock of Securities	467.16		(252.59)	
Decrease/(Increase) in Net Change in Policyholders Investments	213.69		272.16	
Increase/(Decrease) in Trade Payables	166.05		(36.04)	
Increase / (Decrease) in Provisions	8.16		200.79	
Increase / (Decrease) in Other Liabilities	132.67	(12,428.76)	2,503.33	(8,667.00)
CASH GENERATED FROM OPERATIONS		(10,532.03)		(7,183.31)
Income Taxes Refund/(Paid)		(569.79)		(386.29)
NET CASH FROM OPERATING ACTIVITIES		(11,101.82)		(7,569.60)
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets		(177.44)		(122.12)
Sale of Fixed Assets		1.25		4.19
Acquisition of Additional Shares/Investment in Subsidiary (Net of Cash and Cash Equivalents)		-		(1,226.97)
Sale/(Purchase) of Current Investments, Mutual Fund Units and Shareholders' Investment of Life Insurance Business (Net)		(130.42)		(842.50)
Purchase of Long-term Investments		(259.42)		-
Proceeds of long term investment		138.04		67.38
Inter-Corporate Deposits (Net)		-		9.00
Bank Deposits with original maturity greater than three months (Net)		(128.97)		(11.20)
NET CASH (USED IN)/FROM INVESTING ACTIVITIES		(556.96)		(2,122.22)

₹ crore

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
C CASH FLOW FROM FINANCING ACTIVITIES		
Stamp duty payment on acquisition of Financial Services Division	(25.00)	-
Proceeds from shares issued by subsidiary company to Minority interest	73.47	334.42
Proceeds of partly paid up preference shares	-	70.00
Share of Proceeds from Issue of Equity Shares (Net of Share issue expenses)	701.06	2,878.06
Redemption of Preference shares	-	(1,471.11)
Proceeds from Long Term Borrowings	10,318.38	3,565.05
Repayment of Long Term Borrowings	(3,240.24)	-
Proceeds from Short Term Borrowings (Net)	4,141.38	4,511.30
Dividends Paid by subsidiaries to Minority and Preference shareholders including Dividend Distribution Tax paid	(129.90)	(12.17)
Dividend Distribution Tax paid on Dividend Received from Subsidiaries	(22.82)	(5.19)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	11,816.33	9,870.36
NET INCREASE IN CASH AND EQUIVALENTS	157.55	178.54
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	732.95	55.30
Add: Cash and cash equivalents of a Subsidiaries on acquisition thereof	-	499.11
CASH AND CASH EQUIVALENTS (CLOSING BALANCE) (Refer Note 17)	890.50	732.95

Notes:

1 Net cash used in operating activities includes the following:-

Interest Received	4,565.00	3,123.83
Dividend Received	0.53	1.36
Interest paid on Borrowings	2,859.41	1,959.71

Significant Accounting Policies

The accompanying Notes are integral part of Financial Statements

1

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

ICAI Firm registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar

Partner

Mumbai, May 08, 2018

For and on behalf of the Board of Directors

Ajay Srinivasan
Chief Executive OfficerSailesh Daga
Company Secretary

Mumbai, May 08, 2018

Pinky Mehta
Chief Financial Officer

Sanrput Misra

Sushil Agarwal

S C Bhargava

Vijayalakshmi Iyer

P H Ravikumar

Directors

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

NOTE: 1

SIGNIFICANT ACCOUNTING POLICIES

I. CORPORATE INFORMATION AND BASIS OF PREPARATION

Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services 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 Systemically Important-Core Investment Company (“CIC-ND-SI”) registered with the RBI vide certificate no. B.01.00555 dated 16th October, 2015.

The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the provision of financial services comprising of lending both as a non-banking financial institution and as a housing finance institution, life and health insurance, general insurance and money broking, asset management and others.

Information on the Group’s structure is provided in the Annexure A to Note 1. Information on other related party relationships of the Group is provided in Note 32.

The consolidated financial statements of the Group as at and for the year ended 31st March, 2018, include financial information of entities engaged in both the insurance and non-insurance businesses. The basis of preparation of financial information of entities in these two broad categories differ on account of the applicable regulations and harmonisation is not practicable for reasons explained below:

Insurance business:

Financial information of entities in the insurance business included in the consolidated financial statements of the Group is based on the historical cost convention, unless otherwise stated, and on an accrual basis, in accordance with the accounting principles generally accepted in India, including provisions of the Insurance Act, 1938 (the “Insurance Act”) 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”), orders/circulars/directions issued by the Insurance Regulatory and Development Authority of India (the “IRDAI”) in this regard, the Accounting Standards specified under Section 133 of the Companies Act, 2013 to the extent applicable and various circulars issued by IRDAI and practices prevailing in the insurance industry in India.

Other businesses:

Financial information of entities in the non-insurance business included in the consolidated financial statements of the Group is based on the historical cost convention, applicable accounting standards specified under Section 133 of the Companies Act, 2013 read together with Companies (Accounting Standard) Rules 2006, as amended (“Accounting Standards”) and the guidelines issued by the National Housing Bank and Reserve Bank of India to the extent applicable.

Accounting policies applied have been consistent with those applied in the previous year except where different treatment is required as per new pronouncements made by the regulatory authorities. The management evaluates, all recently issued or revised accounting pronouncements, on an ongoing basis.

All assets and liabilities have been classified as current or non-current as per the Group’s normal operating cycle, and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as upto twelve months for the purpose of current/non-current classification of assets and liabilities.

II. USE OF ESTIMATES

The preparation of Consolidated Financial Statements in conformity with Generally Accepted Accounting Principles in India (Indian GAAP) requires the management to make judgments, estimates and assumptions that affect reported

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amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the date of the financial statements and the results of operations during the reporting period end. Although, these estimates are based on the management's best knowledge of current events and actions, uncertainty about these judgments, assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

III. PRINCIPLES OF CONSOLIDATION

The financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of Consolidated Financial Statements as laid down under the Accounting Standard (AS) – 21, "Consolidated Financial Statements". The Consolidated Financial Statements are prepared by applying uniform accounting policies in use at the Group.

The excess/deficit of cost to the Company of its investment over its portion of net worth in the consolidated entities at the respective dates, on which the investment in such entities was made, is recognised as Goodwill on consolidation/ Capital Reserve.

Minority Interest in the net assets of Subsidiaries consists of:

- i. The amount of equity attributable to the minorities at the date on which investment in Subsidiary is made.
- ii. The minorities' share of movements in equity since the date the parent –subsidiary relationship came into existence.

Entities acquired during the year have been consolidated from the respective dates of their acquisition.

The gain or loss on account of stake change of the Company in its subsidiaries is accounted through Surplus in Statement of Profit and Loss in Reserves and Surplus.

List of companies included in Consolidation are mentioned in Annexure A to Note 1

IV. TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation on tangible fixed assets is provided on Straight Line Method based on the useful lives as specified in the Schedule II of the Companies Act, 2013 or as estimated by the management. The Group has used the following useful life to provide depreciation on its fixed assets.

A) Assets where useful life differs from Schedule II:-

Sr. No.	Asset	Useful Life as Prescribed by Schedule II of the Companies Act, 2013	Estimated Useful Life
1.	Buildings	30 Years	60 Years
2.	Office Electronic Equipment	5 Years	4 Years
3.	Office Computers (end user devices desktop, laptops)	3 Years	3 Years to 5 Years
4.	Servers	6 Years	3 Years to 5 Years
5.	Vehicles	8-10 Years	4 Years to 5 Years
6.	Electrically Operated Vehicles	8 Years	5 Years
7.	Furniture & Fixtures and Other Office Equipment	10 Years	2 Years to 10 Years

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Useful life of assets different from the corresponding life specified in Schedule II has been estimated by management supported by technical assessments.

The estimated useful lives and residual values of the tangible fixed assets are reviewed at the end of each financial year.

B) Leasehold Assets:

Sr. No.	Particular	Useful Life
1.	Leasehold Improvements	Period of Lease

Tangible fixed assets, individually costing less than Rupees five thousand, are fully depreciated in the year of purchase.

Depreciation on the tangible fixed assets added/disposed off/discarded during the year is provided on pro-rata basis with reference to the month of addition/disposal/discarded.

Gains or losses arising from the retirement or disposal of Plant and equipments 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.

V. INTANGIBLE ASSETS AND AMORTISATION

Intangibles assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

Sr. No.	Assets	Estimate Useful Life
1.	Brands/Trademarks	5 to10 Years
2.	Computer Software	2 to 6 Years
3.	Investment Management Rights	Over period of 10 Years
4.	Non-Compete Fees	3 Years
5.	Exclusive Images	3 Years
6.	Goodwill on Consolidation	Not being Amortised (Tested for Impairment)

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.

VI. INTANGIBLE ASSETS UNDER DEVELOPMENT

Expenditure on development eligible for capitalisation are carried as Intangible asset under development where such assets are not yet ready for intended use.

VII. IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in the prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

VIII. BORROWING COST

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.

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IX. TRANSLATION OF FOREIGN CURRENCY ITEMS

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year.

In case of subsidiaries, the operation of which are considered as non-integral, all assets and liabilities are converted at the closing rate at the end of the year and items of income and expenditure have been translated at the weighted average rates, where such rates approximate the exchange rate at the date of transaction. Exchange gain/(loss) arising on conversion is recognised under Foreign Currency Translation Reserve.

X. INVESTMENTS

Investments other than Life Insurance Business

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Investments are recorded at cost on the date of purchase, which includes acquisition charges such as brokerage, stamp duty, taxes, etc. but excludes pre-acquisition interest i.e. (from the previous coupon date to the transaction settlement date), if any, on purchase. If an investment is acquired in exchange of another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are stated at lower of cost and net realisable value. Long term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.

Investments of Life Insurance Business

Investments are made in accordance with the Insurance Act, 1938, as amended by the Insurance Law (Amendment) Act, 2015, the IRDAI (Investment) Regulations, 2016, and various other circulars/notifications and amendments issued by the IRDAI in this context from time to time.

• Debt Securities-

- a) Investments of Shareholders' Fund and non-linked fund of Policyholders: All debt and money market securities, including Central and State Government Securities (Government Securities), are considered as 'held to maturity' and stated at amortised cost. The discount or premium which is the difference between the purchase price and the redemption amount of fixed income securities is amortised and recognised in Statement of Profit and Loss, on a straight line basis over the remaining period to maturity of these securities. Additional Tier 1 (BASEL III) bonds are fair valued using the CRISIL Bond Valuer.
- b) Policyholders' linked funds: Government Securities and State Development Loans (SDL) are valued at the CRISIL Gilt prices and SDL prices. All other debt securities are valued through CRISIL Bond Valuer. Money market instruments (including T Bills) are valued at historical cost, subject to amortisation of premium or discount which is the difference between the purchase price and the redemption amount on a straight line basis over the remaining period to maturity of these securities.

• Equity Shares/Preference Shares and Exchange Traded Funds-

Listed equity/preference shares, exchange traded funds are stated at fair value, using the last quoted closing prices on the National Stock Exchange (NSE), at the balance sheet date. If the equity shares are not traded on the NSE, then closing prices of the Bombay Stock Exchange (BSE) is considered. Equity/preference shares and exchange

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traded funds shares acquired through primary markets and awaiting listing are valued as per the valuation policy of the Subsidiary duly approved by its Investment Committee. Unlisted equity/preference shares are valued as per the valuation policy of the Subsidiary duly approved by its Investment Committee.

- **Mutual Funds-**

Mutual fund units are valued at previous day's Net Asset Value.

- **Social Venture Fund/Venture Capital Funds-**

Social Venture Fund/Venture Capital Funds are valued at last available NAV per unit published by independent valuation agency. If such NAV is not available, Social Venture Fund/Venture Capital Fund will be valued at cost.

- Diminution in the value of investments as at the balance sheet date, other than temporary, is recognised as an expense in the Statement of Profit and Loss.

- **Valuation of Derivative Instruments-**

Guaranteed products where the returns to the policy holders are fixed and exposed to the Group interest rate risk on account of investment from receipt of subsequent premiums and sum of interest and maturity from investment made out of premiums received.

Group has entered into Forward Interest - rate arrangements (FRA) to hedge interest rate risk on forecasted premium receivable at future date. As on the date of entering into the FRA, the Group fixes the yield on the investment in a sovereign bond that would take place at a future date.

All derivatives are initially recognised in the Balance Sheet at their fair value, which usually represents their cost. They are subsequently re-measured at their fair value, with the method of recognising movements in this value depending on whether they are designated as hedging instruments and, if so, the nature of the item being hedged. All derivatives are carried as assets when the fair values are positive and as liabilities when the fair values are negative.

For Cash Flow Hedges, hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The portion of fair value gain/loss on the FRA that is determined to be an effective hedge is recognised directly in Policyholders' Liabilities. The ineffective portion of the change in fair value of such instruments is recognised in the Statement of Profit and Loss in the period in which such change arises. If the hedging relationship ceases to be effective or it becomes probable that the expected forecasted transaction will no longer occur, hedge accounting is discontinued and accumulated gains or losses that were recognised directly in Policyholders' Liabilities are reclassified into Statement of Profit and Loss.

Derivatives are undertaken by the Group solely for the purpose of hedging interest rate risks on account of following:

- a. Reinvestment of maturity proceeds of existing fixed income investments;
- b. Investment of interest income receivable; and
- c. Expected policy premium income receivable on insurance contracts which are already underwritten.

Transfers of Investments from Shareholders' Funds to the Policyholders' Funds are affected at the lower of amortised cost or market value in respect of all debt securities including money market instruments and at the market value in case of other securities.

Inter-fund transfer of debt securities relating to Linked Policyholders' Funds is effected at last available market value as per the methodology specified in the Inter Fund transfer policy approved by the Investment committee. Inter fund transfer of equity are done during market hours at the prevailing market price

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XI. LOANS ASSETS OF NBFC AND HOUSING FINANCE SEGMENTS AND CREDIT LOSS ALLOWANCES

Loans are initially recorded at the disbursed principal amounts and are subsequently adjusted for recoveries and any unearned income. Loans are carried net of the allowances for credit losses.

A loan is recognised as non-performing (“NPA”) or as a “doubtful” or as a “loss” asset based on the period for which the repayment instalment or interest has remained in arrears as prescribed under the guidelines issued by the National Housing Bank and Reserve Bank of India to the extent applicable. Allowances for credit losses are made on an individual basis at rates prescribed under the National Housing Bank and Reserve Bank of India Directions unless, the management estimates that a higher individual allowance is required to reduce the carrying value of loan asset, including accrued interest, to its estimated realisable amount. The fair value of the underlying security is taken into consideration to estimate the realisable amount of the loan. When a loan is identified as a “Loss Asset” that is adversely affected by a potential threat of non-recoverability, the outstanding balance is fully written off or fully provided for.

XII. STOCK OF SECURITIES

Stocks of Securities held for trading are valued at lower of cost and net realisable value. Cost includes cost of purchase and other directly attributable cost towards purchase costs.

Net realisable value is the estimated fair value of securities as on the Balance Sheet date.

XIII. REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and can be reliably measured.

Revenue from services are recognised as they are rendered based on agreements/arrangements with the concerned parties and recognised net of Service Tax and Goods and Service Tax (GST).

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate except in case of NBFC and HFC business non-performing assets where it is recognised on receipt basis.

Dividend income on investments is accounted for when the right to receive the payment is established.

Revenue from services are recognised as they are rendered based on agreements/arrangements with the concerned parties and recognised net of Service Tax and Goods and Service Tax (GST).

If only one service is identified, the Group recognizes revenue when the service is performed. If an ongoing service is identified, as a part of the agreement the period over which revenue is recognized for that service generally determined by the terms of agreement with the customer. For practical purposes, where services are performed by an indeterminate number of acts over a specified period of time, revenue is recognized on a straight line basis over the specified period unless there is evidence that some other method better represents the stage of completion. When a specific act in much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

Management Advisory fees are recognised on accrual basis at specific rates, applied on the average daily net assets of each scheme. The fees charged are in accordance with the terms of Scheme Information Documents of respective schemes and are in line with the provisions of SEBI (Mutual Funds) Regulations, 1996, as amended from time to time. Advisory and portfolio management fees are accounted on an accrual basis as per contractual terms with clients.

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INSURANCE COMPANIES:

a) Life Insurance Business:

Premium is recognised as income when due from policyholders. For unit-linked businesses, premium income is recognised when the associated units are created. Premium on lapsed policies is recognised as income when such policies are re-instated. Premiums are net of Service Tax and GST on risk premium collected, if any.

In case of linked business, top-up premiums paid by policyholders are considered as single premium and are unutilised as prescribed by the IRDA Financial Statements Regulations. This premium is recognised when the associated units are created.

Income from linked policies, which includes asset management fees, policy administration charges, mortality charges and other charges, if any, are recovered from the linked funds in accordance with the terms and conditions of the policies and recognised when due.

Interest income on investments is recognised on accrual basis. Amortisation of discount/ premium relating to the debt securities (other than for linked business) and money market securities is recognised over the remaining maturity period on a straight-line basis.

The realised gain/loss on debt securities held for linked business and on sale of equity shares/mutual fund units is the difference between the net sale consideration and amortised cost weighted-average cost respectively.

Reinsurance premium ceded is accounted for at the time of recognition of the premium income in 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:

Premium including Reinsurance accepted (net of GST/ service tax) is recognised as income over the contract period or period of risk, as appropriate, after adjusting for unearned premium (unexpired risk). Reinstatement premium is recorded as and when such premiums are recovered. Any subsequent revisions to or cancellations of premiums are accounted for in the year in which they occur. Premium received in advance represents premium received prior to commencement of the risk. Such premium is recorded as a liability until risk coverage commences.

Interest income on investments is recognised on accrual basis. Accretion of discount and amortisation of premium relating to the debt securities and money market securities is recognised on effective interest rate method over the holding/ maturity period.

Reinsurance premium ceded is accounted in the year in which the risk commences and over the period of risk in accordance with the treaty arrangements with the reinsurers. Reinsurance premium ceded on unearned premium is carried forward to the period of risk and is set off against related unearned premium. Any subsequent revisions to or cancellations of premiums are accounted for in the year in which they occur.

XIV. BENEFITS PAID AND OTHER EXPENSES (INCLUDING CLAIMS) PERTAINING TO INSURANCE BUSINESS

In case of Life Insurance Business, 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. Reinsurance recoverable thereon is accounted for in the same period as the related claim. Repudiated claims, disputed before judicial authorities, are provided for based on the management's estimates of potential outflow of economic resources considering the facts and evidence available in respect of such claims.

In case of Health Insurance Business, claims incurred comprises 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

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reported (IBNR) and claims incurred but not enough reported (IBNER) and specific settlement costs comprising legal and investigation fees and other directly attributable expenses.

Provision is made for estimated value of outstanding claims at the Balance Sheet date net of reinsurance amounts recoverable. Such provision is made 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 (net of amounts receivable from reinsurers/coinsurers) 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 in compliance with guidelines issued by IRDAI vide circular No. 11/IRDA/ACTL/IBNR/2005-06 dated June 8, 2005 and applicable provisions of Guidance Note 21 issued by the Institute of Actuaries of India. The Appointed Actuary has used 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.

Acquisition costs are costs that vary with and are primarily related to acquisition of new and renewal insurance contracts. Acquisition costs mainly consists 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. Acquisition cost on premium received in advance are recognised as prepaid expense.

XV. SCHEME EXPENSES (ASSET MANAGEMENT BUSINESS)

Expenses relating to New Fund Offer are charged to the Statement of Profit and Loss. Expenses of schemes of Aditya Birla Sun Life Mutual Fund in excess of the stipulated limits as per SEBI (Mutual Fund) Regulations, 1996, and expenses incurred directly (inclusive of advertisement/brokerage of expenses) on behalf of the schemes of Aditya Birla Sun Life Mutual Fund are charged to the Statement of Profit and Loss in the year in which they are incurred. Trail Commission paid during the year for future periods on Equity Linked Saving Schemes (ELSS), Fixed Tenure Schemes, Close-ended Schemes and Systematic Investment Plans (SIPs) in the different schemes are treated as prepaid expenses, and expensed over three years in case of ELSS or duration of closed schemes or over the duration of the SIP unless another shorter period is specified, in which case it is expensed over a shorter period. Any other brokerage/commission is expensed in the year in which it is incurred. Brokerage paid in advance in respect of Portfolio Management Business is amortised over the contractual period.

XVI. FUND FOR FUTURE APPROPRIATION AND FUND FOR DISCONTINUED POLICIES (LIFE INSURANCE BUSINESS)

Amounts estimated by the Appointed Actuary as Funds for Future Appropriation in respect of lapsed Unit Linked Policies are set aside in the Balance Sheet, and are not available for distribution to Shareholders until expiry of the revival period. Premium Discontinuance Fund represents the fund value of all policies which are issued and discontinued after July 2010 and are set-aside in the Balance Sheet as per the provisions of the relevant regulations.

XVII. EMPLOYEE BENEFITS

a) Short-term obligations

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.

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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 "Trade Payables" or "Short Term Provisions" in the balance sheet if the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

b) Post-employment obligations

The Group operates various post-employment schemes, including both defined contribution and defined benefit plans.

i) 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 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, 2018 and 31st March, 2017). 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 Current Liabilities" or, as the case may be, within "Short-term Provisions" in the balance sheet.

ii) Defined benefit plan (gratuity obligation)

The liability or asset recognised in the balance sheet in respect of gratuity scheme is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of government bonds with terms that match, as closely as possible, the estimated future cash outflows. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss as a part of "Employee Benefits Expense". Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments (past service costs) are recognised immediately in the Statement of Profit and Loss as "Employee Benefits Expense". The liability so determined is presented within "Short Term Provisions" in the balance sheet as the Group will contribute this amount to the Gratuity Fund within the next twelve months. Gratuity claims by employees where the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, are classified as "Other Current Liabilities".

c) Other long-term employee benefit obligations

The expected costs of other long-term employee benefits such as long 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 benefit 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 "Trade Payables" or "Short-term Provisions" in the balance sheet if the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period,

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regardless of when the actual settlement is expected to occur. Otherwise these are classified within “Long-term Provisions”.

XVIII. SHARE BASED PAYMENTS

The Employee Option Plan is administered by the Group except in case of one subsidiary, wherein it is being administered by a Trust.

Share-based compensation benefits are provided to employees via Employee Stock Option Plan and Restricted Stock Units. Information relating to these schemes is set out in note 30 below. The intrinsic value of options granted (as of the date of grant), is recognised as an “Employee Benefits Expense” with a corresponding increase in equity (through a credit to the “Share Options Outstanding Account”). The total amount to be expensed is determined by reference to the intrinsic value of the options granted and is charged to the Statement of Profit and Loss over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the Statement of Profit and Loss, with a corresponding adjustment to equity.

Where existing stock options have been repriced, the change in the intrinsic value of the Option is adjusted against the “Employee Benefits Expenses” over the remaining vesting period. In the case of forfeiture of any of the outstanding stock options that have not vested, the amortised expense is reversed. Where a stock option remains unexercised, the corresponding amount credited to the Stock Options Outstanding Account is transferred to the General Reserve.

The proceeds received net of any directly attributable transaction costs are credited directly to equity.

XIX. TAXATION

Tax expense comprises of current and deferred tax.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income-tax Act, 1961, and tax laws prevailing in the respective tax jurisdictions the Group operates.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts, and there is an intention to settle the asset and the liability on a net basis.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Group writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

In case of unabsorbed losses and unabsorbed depreciation, deferred tax assets thereon are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profit. At each Balance Sheet date the Group reassesses unrecognised deferred tax assets.

Minimum Alternatives Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the companies in the Group will pay normal income tax during the specified period. In the year, in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the

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Guidance Note issued by The Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and the asset is shown as MAT Credit Entitlement. The companies in the Group review the same at each Balance Sheet date and write down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal Income Tax during the specified period.

XX. OPERATING LEASES

i. As a Lessee:

Leases where significant portion of risk and reward of ownership are retained by the Lessor are classified as Operating Leases, and lease rentals thereon are charged to the Statement of Profit and Loss on a straight line basis over the lease term.

ii. As a Lessor:

The Group has leased certain tangible assets and such leases, where the Group has substantially retained all the risks and rewards of ownership are classified as operating leases.

Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over lease term. Initial direct costs are recognised in the Statement of Profit and Loss.

XXI. FINANCE LEASE

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 Group has capitalised the leased items at lower of fair value and present value of the minimum lease payments at the inception of the lease and disclosed these 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. Finance charges are charged directly against income. Lease management fees, lease charges and other initial direct costs are capitalised.

XXII. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposits with original maturity period of three months or less and short-term highly liquid investments which are subject an insignificant risk of changes in value with an original maturity of three months or less.

XXIII. SEGMENT REPORTING

The Group's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group.

Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments which is primarily market based.

Unallocated items include general corporate income and expense items, which are not allocated to any business segment.

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XXIV. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby 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 cash flows from operating, investing and financing activities of the Group are segregated.

XXV. EARNINGS PER SHARE

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 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.

XXVI. CONTINGENT LIABILITIES AND PROVISIONS

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding employee benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are neither recognised nor disclosed in the financial statements.

XXVII. PROVISION FOR NON-PERFORMING ASSETS AND OTHER CONTINGENCIES

The Group's policy is to carry adequate amounts in the Provision for Non-Performing Assets Account and the Provision and Contingencies account to cover the amount outstanding in respect of all non-performing assets and standard assets respectively as also all other contingencies. All loans and other credit exposures where the interest and/or instalments are overdue for specified number of days and more are classified as non-performing assets in accordance with the prudential norms prescribed by the National Housing Bank, the Reserve Bank of India and the IRDA Regulations. The provision for non-performing assets is deducted from loans and advances. The provisioning policy of the Group covers the minimum provisioning required as per the NHB, the Reserve Bank of India and the IRDA Regulations.

XXVIII. STANDARD ASSET PROVISIONING (COLLECTIVE ALLOWANCES)

Provisions are established on a collective basis against loan assets classified as "Standard" to absorb credit losses on the aggregate exposures in each of the Group's loan portfolios based on the Reserve Bank of India and National Housing Bank Directions. A higher standard asset provision may be made based upon an analysis of past performance, level of allowance already in place and Management's judgement. This estimate includes consideration of economic and business conditions. The amount of the collective allowance for credit losses is the amount that is required to establish a balance in the Provision for Standard Assets Account that the Group management considers adequate, after consideration of the prescribed minimum under the above mentioned directions, to absorb credit related losses in its portfolio of loan items after individual allowances or write offs.

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Annexure 'A' to Note – 1 “Significant Accounting Policies”

Particulars	Country of Incorporation	Principal Business Activity	Proportion of Ownership Interest as on 31st March, 2018	Proportion of Ownership Interest as on 31st March, 2017
SUBSIDIARIES				
Aditya Birla PE Advisors Private Limited (ABPEAPL)	India	Private Equity Investment, Advisory & Management Services	100.00%	100.00%
Aditya Birla MyUniverse Limited (ABMUL)	India	Financial & IT enabled services	93.70%	93.70%
Aditya Birla Trustee Company Private Limited (ABTCPL)	India	Trustee of Private Equity Fund	100.00%	100.00%
ABCAP Trustee Company Private Limited (ABCTPL)	India		100.00%	100.00%
Aditya Birla Money Limited (ABML)	India	Equity Broking	74.03%	75.00%
Aditya Birla Commodities Broking Limited (ABCBL) (100% Subsidiary of ABML)	India	Commodities Broking	74.03%	75.00%
Aditya Birla Financial Shared Services Limited (ABFSSL)	India	Financial & IT enabled services	100.00%	100.00%
Aditya Birla Finance Limited (ABFL)	India	NBFC/ Fund Based Lending	100.00%	90.45%
Aditya Birla Housing Finance Limited (ABHFL)	India	Housing Finance	100.00%	100.00%
Aditya Birla Health Insurance Co. Limited (ABHICL)	India	Health Insurance	51.00%	51.00%
Aditya Birla Wellness Private Limited (ABWPL) (w.e.f. 23 rd June, 2016)	India	Incentivised Wellness business	51.00%	51.00%
Aditya Birla Sun Life Insurance Company Limited (ABSLI) (w.e.f. 23 rd March, 2017)	India	Life Insurance	51.00%	51.00%
Aditya Birla Sun Life Pension Management Limited (ABSPM) (100% Subsidiary of Birla Sun Life Insurance Company Limited (w.e.f. 23 rd March, 2017)	India	Management of Pension Fund under NPS Scheme	51.00%	51.00%
Aditya Birla Insurance Brokers Limited (ABIBL)	India	Composite Non-life Insurance Advisory & Broking	50.01%	50.01%
Aditya Birla Money Mart Limited (ABMML)	India	Advertisement and Printing	100.00%	100.00%
Aditya Birla Money Insurance Advisory Services Limited (ABMIASL) (100% Subsidiary of ABMML)	India	Life Insurance Advisory-Corporate Agent	100.00%	100.00%
Aditya Birla Sun Life Trustee Private Limited (ABSTPL)	India	Trustee of Aditya Birla Sun Life Mutual Fund	50.85%	50.85%
Aditya Birla Sun Life AMC Limited (ABSAMC)	India	Asset Management	51.00%	51.00%
Aditya Birla Sun Life AMC (Mauritius) Ltd. (100% Subsidiary of ABSAMC)	Mauritius	Asset Management	51.00%	51.00%
Aditya Birla Sun Life AMC Ltd., Dubai (100% Subsidiary of ABSAMC)	Dubai	Asset Management	51.00%	51.00%
Aditya Birla Sun Life AMC Pte. Ltd., Singapore (100% Subsidiary of ABSAMC)	Singapore	Asset Management	51.00%	51.00%
Aditya Birla ARC Limited (w.e.f. 10th March, 2017)	India	Asset Reconstruction Company	100.00%	Nil

Notes

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NOTE: 2A

SHARE CAPITAL

₹ crore

Particulars	As at 31st March, 2018	As at 31 st March, 2017
Authorised:		
4,000,000,000 (Previous Year 2,200,000,000) Equity shares of ₹ 10/- each	4,000.00	2,200.00
NIL (Previous Year 1,800,000,000) Preference Shares of ₹10/- each (Refer foot not 4 below)	-	1,800.00
	4,000.00	4,000.00
Issued, Subscribed & Paid-up		
EQUITY SHARE CAPITAL		
2,201,039,348 (Previous Year 1,232,240,000) Equity shares of ₹10/- each fully paid-up	2,201.04	1,232.24
	2,201.04	1,232.24

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the period

Sr. No.	Description	As at 31st March, 2018		As at 31st March, 2017	
		Equity Shares	Preference	Equity Shares	Preference
1	No of Shares Outstanding at the beginning of the year	1,232,240,000	-	796,010,000	1,807,610,000
2	Allotment of fully paid up shares during the year	968,799,348	-	402,580,000	-
	a) P I Opportunities Fund 1 (Refer Note No. 36 (iv))	48,400,000	-	-	-
	b) Pursuant to Composite Scheme of Arrangement (Refer Note No. 26)	920,266,951	-	-	-
	c) ABCL Incentive Plan 2017 (Refer Note No. 31)	132,397	-	-	-
	d) Rights issue of shares	-	-	402,580,000	-
3	Conversion of Preference Shares into Equity Shares during the year	-	-	33,650,000	(336,500,000)
4	Redemption of Preference Shares	-	-	-	(1,471,110,000)
5	No. of Shares Outstanding at the end of the year	2,201,039,348	-	1,232,240,000	-

b) Term/Right Attached to Equity Shares

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

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

c) 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:

Sr. No.	Description	As at 31st March, 2018		As at 31st March, 2017	
		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*	1,232,240,000	55.98%	-	-
2	Aditya Birla Nuvo Limited (with nominees)	-	-	1,232,240,000	100.00%

*Pursuant to the Composite Scheme of Arrangement (the "Scheme") amongst the erstwhile Aditya Birla Nuvo Limited (ABNL), Grasim Industries Limited (Grasim) and the Company 920,266,951 equity shares of ₹ 10 each were issued to Grasim as fully paid up in exchange of the assets of the Financial Services Business. The scheme has been described more elaborately in Note No. 26.

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d) Reclassification of Authorised Share Capital

- a) During the Current Year the Company had reclassified its Authorised Share Capital. The revised structure comprise of 4,000,000,000 Equity shares of ₹ 10 each.
- b) During the Previous Year the Company had reclassified its Authorised Share Capital. The revised structure comprise of 2,200,000,000 Equity shares of ₹ 10 each and 1,800,000,000 Preference Shares of ₹ 10 each.

e) Conversion of Preference Shares:

- a) During the Previous Year 56,500,000-0.01% Non Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each were due for conversion on the existing terms and condition. Accordingly, the Company had converted preference shares into 5,650,000 fully paid Equity Shares of ₹ 10 each at premium of ₹ 90 each.
- b) During the Previous Year the Company had made early conversion of its 280,000,000-0.01% Non Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each into 28,000,000 fully paid Equity Shares of ₹ 10 each at premium of ₹ 90 each.

f) Rights Issue of Equity Shares:

During the Previous Year the Company made,

- i) Rights issue of 20,000,000 Equity Shares of ₹ 10 each at a premium of ₹ 90 each.
- ii) Right issue of 382,580,000 Equity Shares of ₹ 10 each at a premium of ₹ 60 each.
- g) During the Previous Year the Company made early redemption of its 1,471,110,000-6% Non-Convertible Non-Cumulative Redeemable Preference Shares of ₹ 10 each held by erstwhile Aditya Birla Nuvo Limited. The same is approved by Board of Directors and accounted accordingly. The redemption is made as per existing terms and conditions.
- h) During the last five years no Bonus Shares were issued.
- i) 64,422,405 equity shares (Previous Year: Nil) are represented by Global Depository Receipts
- j) The shares reserved for issue under Employee Stock Option Plan (ESOP) of the Company (Refer Note No. 30 and 31)

NOTE: 2B

PREFERENCE SHARE ISSUED BY SUBSIDIARY COMPANIES

₹ crore

Particulars	As at	
	31st March, 2018	31st March, 2017
0.001% Compulsorily Convertible Preference Shares of ₹ 10/- each, fully paid-up of the Subsidiary Company	4.70	4.70
8% Cumulative redeemable preference shares of ₹ 10/- each, fully paid up of the Subsidiary Company	-	10.00
	4.70	14.70

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

NOTE: 3

RESERVES AND SURPLUS

₹ crore

Particulars	As at	
	31st March, 2018	31st March, 2017
1) Capital Reserve on consolidation		
Opening Balance as per last audited Financial Statements	48.41	64.72
Addition:		
Amount recognised by the Company on Composite Scheme of Arrangement (Refer Note No. 26)	801.35	-
Deduction:		
Adjustment on stake dilution of Subsidiary (Refer Note No. 26)	(801.35)	-
Adjustment on stake dilution of Aditya Birla Finance Limited	-	(16.31)
	48.41	48.41
2) Securities Premium Account		
Opening Balance as per last audited Financial Statements	3,544.63	766.30
Addition:		
Premium on allotment of Equity Shares (Refer Note No. 36 (iv))	655.34	2,475.48
Premium on conversion of preference shares to equity shares	-	302.85
Securities Premium on ESOP Exercised	0.34	-
Deduction:		
Share issue expenses	2.81	-
	4,197.50	3,544.63
3) Share Options Outstanding Account		
Opening Balance as per last audited Financial Statements		
Addition:		
Charge for the year	41.65	
Transferred on Scheme of Arrangement (Refer Note No. 26)	7.37	
Less:		
Transferred to Securities Premium on account of exercise of Options	0.34	
	48.68	-
4) Other Reserves		
i) General Reserve		
Opening Balance as per last audited Financial Statements	6.99	6.99
Addition:		
Transfer from Surplus in the Statement of Profit and Loss	2.50	-
	9.49	6.99
ii) Special Reserves (Refer note a)		
Special Reserve u/s Section 45-IC of the Reserve Bank of India Act, 1934		
Opening Balance as per last audited Financial Statements	326.57	209.47
Addition:		
Transfer from Surplus in the Statement of Profit and Loss	159.34	117.10
	485.91	326.57
Special Reserve u/s 29C of National Housing Bank Act, 1987		
Opening Balance	-	-
Addition:		
Transfer from Surplus in the Statement of Profit and Loss	0.80	-
	0.80	-
Reserve u/s 36(1)(viii) of the Income Tax Act, 1961		
Opening Balance	-	-
Addition:		
Transfer from Surplus in the Statement of Profit and Loss	5.72	-
	5.72	-
	492.43	326.57

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Particulars	₹ crore	
	As at 31st March, 2018	As at 31st March, 2017
iii) Capital Fund (Refer note b)	0.01	0.01
iv) Foreign Currency Translation Reserve		
Opening Balance as per last audited Financial Statements	1.65	2.09
Deduction:		
Deduction During the Year	(0.66)	0.44
	2.31	1.65
v) Credit/ Debit in Fair Value Change Account (Refer note c)		
Opening Balance as per last audited Financial Statements	0.03	-
Add: Change in fair value of investments in shareholders account of Life Insurance Business and Health Insurance Business	21.17	0.03
	21.20	0.03
Total Other Reserves	525.44	335.25
5) Surplus/(Deficit) in the Statement of Profit and Loss		
Opening Balance	1,434.96	871.61
Addition/(Deduction):		
Profit of the Year	824.25	530.00
Change in Stake in Subsidiaries (Refer Note No. 26)	(437.54)	155.64
Less: Appropriations		
Transfer to Special Reserves	165.86	117.10
Transfer to General Reserve	2.50	-
Dividend on Preference shares of Subsidiary Company	0.80	-
Corporate tax on Equity and Preference Shares of Subsidiary Companies	22.82	5.19
	1,629.69	1,434.96
	6,449.72	5,363.25

(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% 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.

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(b) Capital Fund

Capital fund comprises an amount received, on a non-repatriable basis from the Sponsor, as a contribution to the Aditya Birla Sun Life Mutual Fund ('the Fund') in accordance with the terms of the Trust Deed, together with accretion thereon. The amount is held by the Company in its fiduciary capacity as the trustee to the Fund and is intended to be utilised only for the purposes of settlement of claims, if any, from the unit holders of the mutual fund schemes launched by the Fund.

(c) Credit/ Debit in Fair Value Change Account

Unrealised gain/loss due to changes in fair value of listed equity shares, preference shares and mutual funds are taken to the Fair Value Change Account for Shareholders' Investments of Life Insurance Business and Health Insurance Business which is recorded directly in Equity in accordance with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors Report of Insurance Company) Regulation, 2002.

NOTE: 4A

LONG-TERM BORROWINGS

₹ crore

Particulars	As at 31st March, 2018	As at 31st March, 2017
SECURED		
Debentures	9,803.40	8,289.90
Term Loans from Banks	12,249.51	8,609.74
Term Loans from Others	12.79	5.79
Finance Lease Liabilities	1.16	3.07
	22,066.86	16,908.50
UNSECURED		
Debentures	1,899.00	1,399.00
Term Loans from Others	11.07	1.00
	1,910.07	1,400.00
	23,976.93	18,308.50

NOTE: 4B

SHORT-TERM BORROWINGS

₹ crore

Particulars	As at 31st March, 2018	As at 31st March, 2017
Term Loan from Banks and Loan from Banks Repayable on Demand	5,254.51	3,025.00
	5,254.51	3,025.00
UNSECURED		
Loan from Banks Repayable on Demand	78.11	277.36
Other Loans and Advances		
Commercial Papers*	10,694.69	8,538.50
Loans from Related Parties	-	7.23
	10,772.80	8,823.09
	16,027.31	11,848.09

*Commercial Papers are shown net of unamortised discounting charge of ₹ 140.31 Crore (Previous Year ₹ 96.50 Crore)

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

NOTE 4A and 4B

₹ crore

Sr. No.	Description	As at 31st March, 2018		As at 31st March, 2017	
		Current	Non Current	Current	Non Current
I)	Secured Long Term Borrowings				
	Debentures :				
	Debentures Secured by way of mortgage on the immovable property and first pari- passu charge on current assets of the respective subsidiary companies:				
	The repayment terms and rate of interest of debentures are as under-				
	Repayment Terms : Maturing after 3 years, Rate of Interest 7.26 % to 10.25 % p.a.	-	2,825.50	-	2,516.50
	Repayment Terms : Maturing between 1 to 3 years, Rate of Interest 7.28 % to 9.49% p.a.	100.00	6,977.90	-	5,773.40
	Repayment Terms : Maturing within 1 year, Rate of Interest 7.45 % to 9.63 % p.a.	1,886.50	-	2,004.00	-
		1,986.50	9,803.40	2,004.00	8,289.90
	Term loan from Banks :				
	The term loan from banks are secured by way of first pari passu charge on the receivables of the respective subsidiary companies				
	The repayment terms and rate of interest of term loans are as under-				
	Repayment Terms : Maturing after 3 years, Rate of Interest 7.57 % to 8.45 % p.a.	-	7,109.17	-	4,885.83
	Repayment Terms : Maturing between 1 to 3 years, Rate of Interest 7.35 % to 8.45 % p.a.	63.33	5,140.34	-	3,723.91
	Repayment Terms : Maturing within 1 year, Rate of Interest 7.40 % to 8.35 % p.a.	2,407.00	-	1,050.00	-
		2,470.33	12,249.51	1,050.00	8,609.74
	Term loan from Others :				
	Loan taken against IT hardware by the subsidiary company				
	Repayment Terms : Between 1 - 16 Quarterly Installments from 1st April 2018 till 1st January 2022 with interest ranging from 8.41% to 15.64% per annum	5.02	12.79	1.69	5.79
		5.02	12.79	1.69	5.79
	Financial Lease Liabilities:				
	Repayment Terms : Between 1 - 16 Quarterly Instalments from 1st April 2018 till 1st January 2022 with interest ranging from 8.41% to 15.64% per annum	2.06	1.16	2.01	3.07
		2.06	1.16	2.01	3.07
		4,463.91	22,066.86	3,057.70	16,908.50

Notes

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₹ crore

Sr. No.	Description	As at 31st March, 2018		As at 31st March, 2017	
		Current	Non Current	Current	Non Current
II)	Unsecured Long term Borrowing				
	Debentures:				
	Subordinate Debts - Debentures 8.25 % to 10.60 % p.a. (Redeemable from May, 2019 to May, 2027)	-	1,699.00	-	1,399.00
	Perpetual Debts 8.31% p.a. (Maturing in July, 2027)	-	200.00	-	-
		-	1,899.00	-	1,399.00
	Term loan from Others:				
	Loan taken from Hewlett Packard Financial Sales India Pvt. Ltd. against IT hardware of one of the subsidiary company				
	Repayment Terms : Between 1 - 16 Quarterly Instalments from 1st April 2018 till 1st January 2022 with interest ranging from 10.50% to 13.06% per annum	4.30	11.07	0.81	1.00
		4.30	11.07	0.81	1.00
		4.30	1,910.07	0.81	1,400.00
III)	Secured Short Term Borrowings				
	Cash Credit secured by way of first pari-passu charge on receivables of the respective subsidiary companies	2,563.96	-	1,667.56	-
	Working Capital Demand Loan secured by way of first pari-passu charge on receivables of the respective subsidiary companies - Rate of Interest 7.25% to 8.10 % p.a.	1,990.00	-	1,045.00	-
	Short-term term loan from banks are working capital facilities secured by way of first pari-passu charge on receivables of the Company - repayable on demand, rate of interest 7.85% to 8.00 % p.a.	600.00	-	160.00	-
	Overdraft on account of cheques issued but not presented as on balance sheet date backed by cash credit facilities which are secured by way of first pari-passu charge on receivables of the Company	100.55	-	152.44	-
		5,254.51	-	3,025.00	-

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

NOTE: 5

DEFERRED TAX LIABILITIES

₹ crore

Particulars	As at	
	31st March, 2018	31st March, 2017
Deferred Tax Liabilities on assets acquired from Grasim Industries Limited at fair Value:		
Equity Shares of Aditya Birla Finance Limited	99.65	-
Building	3.61	-
	103.26	-
DEFERRED TAX ASSETS		
Deferred Tax Assets from timing differences on account of:		
Depreciation	4.71	5.20
Expenditure/Provisions Allowable on Payment Basis	19.68	33.80
Provision for Bad and Doubtful Debts and Advances including Contingency	105.94	67.80
Provision for Standard Loan Assets of NBFC and Housing Finance Segments		
	130.33	106.80

Deferred Tax Assets in certain entities in the Group are recognised on brought forward losses and unabsorbed depreciation only to the extent of Deferred Tax Liabilities in those subsidiaries, the reversal of which is virtually certain.

NOTE: 6A

OTHER LONG-TERM LIABILITIES

₹ crore

Particulars	As at	
	31st March, 2018	31st March, 2017
Interest Accrued but Not Due on Borrowings	158.24	163.89
Other Payables		
Unamortised lease liability	9.49	11.13
Others	0.50	3.71
	168.23	178.73

NOTE: 6B

OTHER CURRENT LIABILITIES

₹ crore

Particulars	As at	
	31st March, 2018	31st March, 2017
Current Maturities of Long-term Borrowings (Refer Note No. 4A and 4B)	4,466.16	3,056.50
Current Maturities of Finance Lease Obligations (Refer Note No. 4A and 4B)	2.06	2.01
Interest Accrued but Not Due on Borrowings	753.27	580.88
Income Received in Advance	12.01	8.30
Other Payables		
Advance from Customers	205.46	181.19
Bank Overdraft	133.70	365.27
Payables for Capital Expenditure	8.89	7.30
Statutory Dues	116.49	43.71
Margin Money from Customers	1.29	2.27
Deposits	12.49	11.60
Due to Insurance Policyholders	465.63	410.99
Derivative Liability (Net)	3.17	-
Others	167.53	123.86
	6,348.15	4,793.88

Notes

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NOTE: 7A

LONG-TERM PROVISIONS

₹ crore

Particulars	As at	
	31st March, 2018	31st March, 2017
Provisions for Employee Benefits	46.00	83.66
Provision - Others :		
Contingency Provision on Standard Loan Assets of NBFC and Housing Finance Segments	155.76	105.76
Other Long-term Provisions#	0.14	0.15
	201.90	189.57

NOTE: 7B

SHORT-TERM PROVISIONS

₹ crore

Particulars	As at	
	31st March, 2018	31st March, 2017
Provisions for Employee Benefits	157.77	111.95
Provision - Others :		
Provision for Tax (Net of Advance Tax of ₹ 375.53 Crore (Previous Year ₹ 503.46 Crore))	49.52	3.81
Contingency Provision on Standard Loan Asset of NBFC & Housing Financing Segments	54.79	33.26
Other Short-term Provisions #	0.01	-
	262.09	149.02

Additional Disclosure as per Accounting Standard - 29 "Provisions, Contingent Liabilities and Contingent Assets"

Provision for Service Liability		
Opening Balance	0.15	0.18
Arising during the year	-	0.01
Utilised	-	(0.04)
Closing Balance	0.15	0.15
Long-term	0.14	0.15
Short-term	0.01	-
	0.15	0.15

Provision for service liability is recognised for the future services which are offered by one of the subsidiary to be provided to the Subscribers. It is recognised on the basis of cost to be incurred over the customer life cycle as estimated by Management.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

NOTE: 8A PROPERTY, PLANT AND EQUIPMENTS

₹ crore

Particulars	Freehold Land	Buildings	Leasehold Improvements	Plants & Equipments	Furniture & Fixtures	Office Equipment	Vehicles	TOTALS
Gross Block								
As at 1st April, 2016	0.15	2.88	27.73	21.10	14.39	79.37	7.89	153.51
Additions	-	-	7.45	6.96	2.83	29.37	10.84	57.45
Deletions	-	-	3.78	1.41	4.95	19.41	2.06	31.61
Foreign Exchange Translation Difference	-	-	(0.03)	-	(0.02)	(0.03)	-	(0.08)
Addition / (Deletion) on Stake change / Divestment / Amalgamations	-	-	36.33	2.67	15.20	106.17	2.65	163.02
As at 31st March, 2017	0.15	2.88	67.70	29.32	27.45	195.47	19.32	342.29
Additions	-	-	13.09	8.15	11.14	37.08	17.22	86.68
Deletions	-	-	1.42	9.20	1.89	7.75	1.64	21.90
Foreign Exchange Translation Difference	-	-	0.04	-	0.01	0.04	-	0.09
Addition / (Deletion) on Stake change / Divestment / Amalgamations	-	16.87	-	-	-	0.05	-	16.92
As at 31st March, 2018	0.15	19.75	79.41	28.27	36.71	224.89	34.90	424.08
Accumulated Depreciation								
As at 1st April, 2016		0.07	21.53	15.04	11.36	60.49	3.20	111.69
For the Year		0.05	4.60	2.95	2.24	13.95	2.62	26.41
Deletions		-	3.59	1.39	4.56	18.53	1.24	29.31
Foreign Exchange Translation Difference		-	(0.02)	-	(0.01)	(0.03)	-	(0.06)
Addition / (Deletion) on Stake Change / Divestment / Amalgamations		-	29.97	2.05	11.92	82.05	0.62	126.61
As at 31st March, 2017		0.12	52.49	18.65	20.95	137.93	5.20	235.34
For the Year		0.38	8.01	4.90	4.76	29.94	5.88	53.87
Deletions		-	1.44	9.17	1.81	7.69	0.72	20.83
Foreign Exchange Translation Difference		-	0.03	-	0.01	0.03	-	0.07
As at 31st March, 2018		0.50	59.09	14.38	23.91	160.21	10.36	268.45
Net Block as at 31st March, 2017	0.15	2.76	15.21	10.67	6.50	57.54	14.12	106.95
Net Block as at 31st March, 2018	0.15	19.25	20.32	13.89	12.80	64.68	24.54	155.63

A. Gross Block of Tangible Assets includes:

- (i) The Group is in the process of getting the lands registered in its name which is currently under dispute but management expects a favorable outcome in this matter.

B. Details of Tangible Assets capitalised under Finance Lease:

- (i) Addition to office Equipments includes ₹ Nil (Previous Year: ₹ 1.47 Crore) acquired under Finance lease
(ii) Net Block of office equipment includes ₹ 2.89 Crore (Previous Year ₹ 4.79 Crore) acquired under Finance lease

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

NOTE: 8B INTANGIBLE ASSETS

₹ crore

Particulars	Brands/ Trademarks	Computer Software	Investment Management Rights	Non- Compete Fees	Exclusive Images	Total
Gross Block						
As at 1st April, 2016	4.64	99.74	57.62	0.33	-	162.33
Additions	-	52.35	-	-	-	52.35
Deletions	3.67	3.75	-	-	-	7.42
Addition/(Deletion) on Stake Change/ Divestment/Amalgamations	3.67	159.23	-	-	-	162.90
As at 31st March, 2017	4.64	307.57	57.62	0.33		370.16
Additions	-	86.95	-	-	4.94	91.89
Deletions	-	2.87	-	-	-	2.87
As at 31st March, 2018	4.64	391.65	57.62	0.33	4.94	459.18
Accumulated Amortisation/Impairment						
As at 1st April, 2016	4.64	78.23	54.40	0.33	-	137.60
Amortisation for the Year	-	16.37	0.38	-	-	16.75
Deletions	3.67	2.93	-	-	-	6.60
Addition/(Deletion) on Stake Change/ Divestment/Amalgamations	3.67	127.95	-	-	-	131.62
As at 31st March, 2017	4.64	219.62	54.78	0.33		279.37
Amortisation for the Year	-	54.32	0.38	-	0.29	54.99
Impairment Loss During the Year	-	-	-	-	-	-
Deletions	-	2.81	-	-	-	2.81
Foreign Exchange Translation Difference	-	-	-	-	-	-
As at 31st March, 2018	4.64	271.13	55.16	0.33	0.29	331.55
Net Block as at 31st March, 2017	-	87.95	2.84	-	-	90.79
Net Block as at 31st March, 2018	-	120.52	2.46	-	4.65	127.63

All Intangibles are other than internally generated

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

NOTE: 9A INVESTMENTS OF LIFE INSURANCE BUSINESS: NON-CURRENT

₹ crore

Particulars	As at 31st March, 2018	As at 31st March, 2017
(i) Shareholders' Investments		
Quoted		
Investments in		
Government or Trust Securities	728.35	687.91
Equity Instrument	187.29	15.00
Debentures/Bonds	739.13	756.76
Unquoted		
Investments in		
Equity Instruments	0.60	1.25
Others	9.90	39.90
Sub-Total - (i)	1,665.27	1,500.82
(ii) Policyholders' Investments		
Quoted		
Investments in		
Equity Instruments	789.94	622.75
Preference Shares	0.21	0.26
Government or Trust Securities	5,256.97	4,042.47
Debentures and Bonds	3,054.39	2,827.38
Mutual Funds	-	0.98
Others (Infrastructure Investment Trust)	59.27	-
Unquoted		
Others (Fixed Deposits)	0.60	61.10
Venture Capital Funds	85.81	61.22
Social Capital Fund	31.82	-
Sub-Total - (ii)	9,279.01	7,616.16
Total - (i) + (ii)	10,944.28	9,116.98
Aggregate Market Value of Quoted Investments	10,993.36	9,376.24
Aggregate Book Value of Quoted Investments	10,815.54	8,953.51
Aggregate Book Value of Unquoted Investments	128.74	163.47

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

NOTE: 9B

INVESTMENTS OF LIFE INSURANCE BUSINESS: CURRENT

₹ crore

Particulars	As at	
	31st March, 2018	31st March, 2017
(i) Shareholders' Investments		
Quoted		
Investments in		
Government or Trust Securities	-	1.00
Debentures/Bonds	76.06	24.40
Mutual Funds	4.04	1.15
Unquoted		
Investments in		
Other		
Fixed Deposits	55.00	32.15
Collateralised Borrowing and Lending Obligation	0.94	0.82
Mutual Funds	0.09	2.85
Sub-Total - (i)	136.13	62.37
(ii) Policyholders' Investments		
Quoted		
Investments in		
Government or Trust Securities	55.54	19.95
Debentures/Bonds	199.72	47.59
Mutual Funds	429.32	265.52
Unquoted		
Investments in		
Fixed Deposits	65.51	12.92
Collateralised Borrowing and Lending Obligation	221.06	15.92
Commercial Paper	13.98	53.16
Certificate of Deposit	19.74	-
Sub-Total - (ii)	1,004.87	415.06
Total - (i) + (ii)	1,141.00	477.43
Aggregate Market Value of Quoted Investments	766.93	360.20
Aggregate Book Value of Quoted Investments	764.69	362.46
Aggregate Book Value of Unquoted Investments	376.31	114.97

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

NOTE: 10A

INVESTMENTS OF HEALTH INSURANCE BUSINESS: NON-CURRENT

₹ crore

Particulars	As at	
	31st March, 2018	31st March, 2017
Quoted		
Investments in		
Government or Trust Securities	85.11	84.70
Debentures/Bonds	117.27	102.43
	202.38	187.13
Aggregate Market Value of Quoted Investments	196.71	185.14
Aggregate Book Value of Quoted Investments	202.38	187.13

NOTE: 10B

INVESTMENTS OF HEALTH INSURANCE BUSINESS: CURRENT

₹ crore

Particulars	As at	
	31st March, 2018	31st March, 2017
Quoted		
Investments in		
Debentures/Bonds	-	5.04
Mutual Funds	1.75	19.94
Other	-	9.85
Unquoted		
Investments in		
Fixed Deposits	5.94	6.93
	7.69	41.76
Aggregate Market Value of Quoted Investments	7.70	41.80
Aggregate Book Value of Quoted Investments	1.75	34.83
Aggregate Book Value of Unquoted Investments	5.94	6.93

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

NOTE: 11A

OTHER INVESTMENTS : NON-CURRENT

₹ crore

Particulars	Face Value	Number	As at 31st March, 2018	Number	As at 31st March, 2017
Investment in					
Equity Instruments					
Unquoted					
Subsidiaries (Refer Annexure 'A' to Note : 1)					
Class A in India Advantage Fund Limited, Mauritius	\$ 10.00	90	β	90	β
Class B in India Advantage Fund Limited, Mauritius	\$ 10.00	40	β	40	β
International Opportunities Fund	\$ 0.01	1	β	1	β
Global Green Energy Fund	\$ 1	1	β	1	β
New Horizon Fund SPC	\$ 1	1	β	-	-
			β		β
Others					
Quoted					
HDFC Bank Limited	2.00	-	-	1,300	β
MOIL Limited	10.00	24,490	0.46	12,245	0.46
Unquoted					
Birla Management Centre Services Limited	10.00	2,000	β	2,000	β
MF Utilities India Private Limited	1.00	500,000	0.05	500,000	0.05
			0.51		0.51
Preference Shares					
Quoted					
7.50 % Non-Cumulative Non Convertible Redeemable Preference Shares in Vedanta Limited	10.00	21,332,924	21.29	-	-
Unquoted					
0.001 % Optionally Convertible Cumulative Redeemable Preference Shares in Share Microfin Limited	10.00	9,572,750	9.57	9,572,750	9.57
8.20 % Compulsory Convertible Cumulative Preference Shares in Tata Motors Finance Limited (formerly known as Sheba Properties Limited)	100.00	10,000,000	200.00	-	-
			230.86		9.57
Debentures and Bonds (Quoted)					
NHAI Bonds	1,000.00	11,126	1.11	11,126	1.11
			1.11		1.11
Mutual Funds (Quoted)			224.53		205.20
			224.53		205.20
Others					
Unquoted					
Aditya Birla Private Equity - Fund I			0.17		75.57
Aditya Birla Private Equity - Sunrise Fund			1.43		16.24
Class B Units of Aditya Birla Real Estate Fund			0.05		0.05
PMS Investment			5.00		5.00
Investment in Alternate Fund			82.50		59.62
Mutual Funds*			25.85		27.12
Less- Provision for diminution			(9.58)		(9.79)
			105.42		173.81
TOTAL NON-CURRENT INVESTMENT			562.43		390.2
Aggregate Market Value of Quoted Investments			259.33		228.85
Aggregate Book Value of Quoted Investments			247.39		206.77
Aggregate Book Value of Unquoted Investments			315.04		183.43
Aggregate amount of Provision for diminution			9.58		9.79
*Includes Earmarked towards Capital Fund			0.04		0.04

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

NOTE: 11B OTHER INVESTMENTS : CURRENT

₹ crore

Particulars	Face Value	Number	As at 31st March, 2018	Number	As at 31st March, 2017
Debentures and Commercial Papers (Unquoted)					
KKR Financial Services Private Limited	10,000,000	-	-	100	100
SD Corp Private Limited	10,000,000	50	50.00	1,947	194.70
Bank of Baroda	1,000,000	1,212	121.20	1,070	107.00
Allahabad Bank	1,000,000	-	-	50	50.00
ICICI Bank Limited	1,000,000	-	-	1,250	125.00
Axis Bank Limited	1,000,000	-	-	175	17.50
Hindalco Industries Limited	1,000,000	850	85.00	1,000	100.00
HPCL- MITTAL Pipelines Limited	1,000,000	2,000	200.00	1,000	100.00
Corporation Bank	1,000,000	250	24.87	-	-
Punjab And Sind Bank	1,000,000	686	68.60	-	-
Yes Bank	1,000,000	192	19.13	-	-
Punjab National Bank	1,000,000	285	27.56	-	-
State Bank of India	1,000,000	450	45.00	-	-
Classic Mall Development Limited	1,000,000	450	45.00	-	-
U.P. Power Corporation Ltd	1,000,000	260	25.93	-	-
Sunny View Estates Private Limited	1,000,000	1,600	160.00	-	-
			873.09		794.20
Mutual Funds					
- Quoted			185.97		50.00
- Unquoted			638.09		702.22
			824.06		752.22
TOTAL CURRENT INVESTMENT			1,697.15		1,546.42
Aggregate Market Value of Quoted Investments			210.12		59.32
Aggregate Book Value of Quoted Investments			185.97		50.00
Aggregate Book Value of Unquoted Investments			1,511.18		1,496.42

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

NOTE: 12A

Assets held to cover linked liabilities of Life Insurance Business

₹ crore

Particulars	As at	
	31st March, 2018	31st March, 2017
Non Current Investments		
Quoted		
Investment in		
Equity Instruments	9,573.62	9,984.78
Preference Shares	-	10.32
Government or trust securities	4,675.36	4,889.63
Debentures or bonds	6,396.91	6,757.18
Mutual Funds	-	243.97
	20,645.89	21,885.88
Un-Quoted		
Investment in		
Fixed deposits	85.89	142.98
Other current assets		
Interest accrued on investments	62.43	58.10
	148.32	201.08
Total	20,794.21	22,086.96

NOTE: 12B

Assets held to cover linked liabilities of Life Insurance Business

₹ crore

Particulars	As at	
	31st March, 2018	31st March, 2017
Current Investments		
Quoted		
Investment in		
Government or trust securities	565.04	614.20
Debentures or bonds	1,224.67	337.94
Mutual Funds	1,022.20	863.21
	2,811.91	1,815.35
Unquoted		
Others		
Fixed deposits	67.11	86.02
Collateralized Borrowing and Lending Obligation	241.63	153.30
Certificate of Deposit	164.66	138.22
Commercial Paper	131.73	135.51
Bank balances	1.07	0.49
Interest accrued on investments	439.67	387.25
Dividend receivable	-	1.79
Outstanding contract (Net receivable against security transactions)	75.92	82.83
	1,121.79	985.41
Total	3,933.70	2,800.76

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

NOTE: 13A

LONG-TERM LOANS AND ADVANCES

(Unsecured, Considered Good, except otherwise stated)

₹ crore

Particulars	As at 31st March, 2018	As at 31st March, 2017
Capital Advance		
Unsecured, Considered Good	3.07	7.86
Security Deposits		
Secured, Considered Good		
Unsecured, Considered Good	112.97	88.49
Unsecured, Considered Doubtful	0.19	0.19
Less: Provision for Doubtful	(0.19)	(0.19)
Other Loans and Advances		
Loans assets of NBFC and Housing Finance segments		
Secured, Considered Good	33,645.10	24,519.08
Unsecured, Considered Good	3,364.34	3,751.87
Others - Secured*	396.91	122.83
Less: Provision for amounts doubtful of recovery	(139.26)	(60.96)
Others - Unsecured*	32.73	48.29
Less: Provision for amounts doubtful of recovery	(17.84)	(48.29)
Loans against Insurance Policy (Secured, Considered Good)	74.22	52.26
VAT, Other Taxes Recoverable, Statutory Deposits and Dues from Government		
Unsecured, Considered Good	18.39	17.34
Unsecured, Considered Doubtful	1.59	0.88
Less: Provision for Doubtful	(1.59)	(0.88)
Advance Tax (Net of Provision of ₹ 1,073.33 Crore (Previous Year ₹ 718.48 Crore))	85.12	44.06
MAT Credit Entitlement	1.75	0.72
Prepaid Expenses	89.42	63.12
Advance for Expenses, Materials, Employees and Others	13.33	4.25
	37,680.25	28,610.91

* Represents non-performing assets classified as sub-standard and doubtful in accordance with norms for classification of assets as per RBI Prudential norms for Non-Banking Finance Companies.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

NOTE: 13B

SHORT-TERM LOANS AND ADVANCES

(Unsecured, Considered Good, except otherwise stated)

Particulars	₹ crore	
	As at 31st March, 2018	As at 31st March, 2017
Security Deposits		
Secured, Considered Good		
Unsecured, Considered Good	5.78	14.11
Unsecured, Considered Doubtful	0.09	0.09
Less: Provision for Doubtful	(0.09)	(0.09)
Other Loans and Advances		
Loans assets of NBFC and Housing Finance segments		
Secured, Considered Good	9,069.85	6,565.39
Unsecured, Considered Good	3,747.29	2,381.18
Inter-Corporate Deposits		
Unsecured, Considered Good	30.00	30.00
Loans against Insurance Policy (Secured, Considered Good)	0.08	1.46
VAT, Other Taxes Recoverable, Statutory Deposits and Dues from Government		
Unsecured, Considered Good	77.23	25.27
Prepaid Expenses	119.87	94.61
Advance for Expenses, Material, Employees and Others		
Unsecured, Considered Good	355.86	352.24
Unsecured, Considered Doubtful	15.48	7.64
Less: Provision for Doubtful	(15.48)	(7.64)
	13,405.96	9,464.26

NOTE: 14A

OTHER NON-CURRENT ASSETS

Particulars	₹ crore	
	As at 31st March, 2018	As at 31st March, 2017
Other Bank Balances		
Bank Deposits with more than twelve months maturity*	1.18	1.08
Interest Accrued on Loans and Advances, Investments and Fixed Deposits*	50.13	34.61
Others	6.71	6.55
	58.02	42.24
*Lien Marked in favor of Insurance Regulatory Development Authority of India (IRDAI)	1.23	1.18

NOTE: 14B

OTHER CURRENT ASSETS

Particulars	₹ crore	
	As at 31st March, 2018	As at 31st March, 2017
Interest Accrued on Loans and Advances, Investments and Fixed Deposits	926.35	679.59
Others	49.51	20.82
	977.76	700.41

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

NOTE: 15

STOCK OF SECURITIES

₹ crore

Particulars	As at	
	31st March, 2018	31st March, 2017
Opening	582.78	330.20
Purchases	8,783.51	11,199.46
Cost of Sales	(9,250.67)	(10,946.88)
Closing	115.62	582.78

NOTE: 16

TRADE RECEIVABLES

₹ crore

Particulars	As at	
	31st March, 2018	31st March, 2017
Due for period exceeding six months from the due date of payment :		
Secured, Considered Good	2.51	3.84
Unsecured, Considered Good	5.30	0.64
Unsecured, Considered Doubtful	10.42	7.94
Less: Provision for Doubtful	(10.42)	(7.94)
Others :		
Secured, Considered Good	137.86	143.44
Unsecured, Considered Good	279.01	222.01
Unsecured, Considered Doubtful	0.86	1.21
Less: Provision for Doubtful	(0.86)	(1.21)
	424.68	369.93

NOTE: 17

Cash and Cash Equivalent

₹ crore

Particulars	As at	
	31st March, 2018	31st March, 2017
Balances with Banks :		
Current Accounts	211.34	449.05
Deposit Accounts (with original maturity period of three months or less)	575.77	177.83
Cash on Hand	103.39	102.54
Cheques/Drafts on Hand	-	3.53
	(A) 890.50	732.95
Other Bank Balances		
Deposit Accounts (with original maturity period of more than three months)#	200.80	71.83
	(B) 200.80	71.83
	(A) + (B) 1,091.30	804.78
Less: Bank Deposits with maturity of more than twelve months from the Balance Sheet date (transferred to Other Non-Current Assets)	1.18	1.08
	1,090.12	803.70
# Includes deposits placed under lien towards bank guarantees for margins with exchange/banks.	199.62	70.65

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

NOTE: 18

REVENUE FROM OPERATIONS

₹ crore

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
A. SALE OF SERVICES		
Interest Income	4,680.93	3,478.43
Management and Advisory Fees	1,250.09	968.96
Life Insurance Premium	5,600.84	763.45
Health Insurance Premium	228.98	50.89
Syndication and Other Fee Income	304.25	187.43
Brokerage and Commission	434.07	261.75
Other Services	132.62	86.99
	12,631.78	5,797.90
B. OTHER OPERATING INCOME		
Investment Income on Life Insurance Policyholders' Fund	782.29	23.23
Miscellaneous Other Operating Income	13.69	1.88
	795.98	25.11
Total	13,427.76	5,823.01

NOTE: 19

OTHER INCOME

₹ crore

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Interest Income on Long-Term Investments	141.74	3.38
Interest Income-Others	4.61	7.73
Dividends Income on Current Investments	0.53	1.36
Net Gain on Sale of Current Investments	64.35	46.16
Other Non-Operating Income		
Profit on Sale of Fixed Assets (Net)	0.18	-
Others	1.36	4.06
	212.77	62.69

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

NOTE: 20

EMPLOYEE BENEFITS EXPENSE

₹ crore

Particulars	Year Ended	Year Ended
	31st March, 2018	31st March, 2017
Salaries and Wages	1,357.18	658.59
Contribution to Provident and Other Funds (Refer Note: 29)	59.53	33.29
Expense on Employee Stock Options Scheme (Refer Note:30)	41.65	-
Staff Welfare Expenses	41.09	25.40
	1,499.45	717.28

NOTE: 21

FINANCE COST

₹ crore

Particulars	Year Ended	Year Ended
	31st March, 2018	31st March, 2017
Interest Expenses on borrowings	3,014.24	2,295.19
Other Borrowing Costs	11.91	3.92
	3,026.15	2,299.11

NOTE: 22

DEPRECIATION AND AMORTISATION EXPENSES

₹ crore

Particulars	Year Ended	Year Ended
	31st March, 2018	31st March, 2017
Depreciation of Tangible Assets	53.87	26.42
Amortisation of Intangible Assets	54.99	16.75
	108.86	43.17

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

NOTE: 23

OTHER EXPENSES

₹ crore

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Rent	121.51	59.91
Repairs and Maintenance of:		
Buildings	2.93	0.54
Plant and Equipment	0.15	0.15
Others	65.06	30.55
Insurance	12.04	8.32
Rates and Taxes	50.23	19.90
Commission to Selling Agents	410.17	35.42
Brokerage and Discounts	460.44	377.59
Advertisement and Sales Promotion Expenses	268.15	136.96
Distribution Expenses	29.66	7.89
Legal and Profession Expenses	113.72	63.96
Bad Debts and Provision for Bad and Doubtful Debts and Advances including Contingency Provision for Standard Assets of NBFC and Housing Finance Segments	173.89	117.53
Printing and Stationery	18.24	7.31
Travelling and Conveyance	75.50	39.09
Communication Expenses	28.76	16.71
Provision for Long term Investments	0.21	-
Loss on Sale/Discard of Fixed Assets (Net)	-	0.01
Electricity Charges	25.05	9.49
Foreign Exchange Loss (Net)	0.56	0.30
Information Technology Expenses	105.40	35.54
Miscellaneous Expenses	160.07	62.46
	2,121.75	1,029.63

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

NOTE: 24

CONTINGENT LIABILITIES NOT PROVIDED FOR

A) Claims Against the Group not Acknowledged as debts

₹ crore

Nature of Statute	Brief description of contingent liability	As at	As at
		31st March, 2018	31st March, 2017
Service Tax, Finance Act, 1994/ Central Goods and Service Tax Act, 2017	Various cases pertaining to like disallowance of CENVAT credit of Service Tax and show cause-cum demand notices relating to service tax.	55.64	45.41
Sales Tax	Demands raised by the VAT/Sales Tax authorities of some states.	1.62	0.11
Income Tax Act, 1961	Various cases pertaining to demand in tax assessment for various years	45.20	15.33
Others Statutes	Claims pending in Consumer Redressal Forums, Lok Adalat, National Commission, Motor accidental claims tribunal, Arbitrator, in other Courts/authorities and other legal matter.	30.41	37.42
	Potential liability to company (net of re-insurance) in respect of case filed against the company's decision of Repudiation of death claims and customer complaints.	23.88	22.78
	Grand Total	156.75	121.05

B) Letter of comfort given by the Group on behalf of the clients.

182.76

133.11

C) Corporate guarantees given by Group on behalf of the clients.

25.35

32.81

D) Aditya Birla MyUniverse Limited, a subsidiary of the Company, has issued 0.001% Compulsorily Convertible Preference Shares (CCPS) aggregating to ₹ 60 Crore to International Finance Corporation (IFC) vide Shareholders Agreement dated 19th December, 2014 and Subscription Agreement dated 19th December, 2014 (SHA). Under the said SHA, the Company has granted to IFC an option to sell the shares to ABCL at fair valuation from the period beginning on the expiry of 60 months of the subscription by IFC upto a maximum of 120 months from the date of subscription by IFC, in the event ABCL or ABMU fails to provide an opportunity to IFC to exit from ABCL within 60 months from the date of subscription by IFC in the form of listing, secondary sale or acquisition etc. In the event ABMU fails to fulfil its obligation, the Company will be obligated to fulfil this obligation.

NOTE: 25

CAPITAL AND OTHER COMMITMENTS

₹ crore

Particulars	As at	As at
	31st March, 2018	31st March, 2017
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	88.62	81.21
b) Equity participation / investment in asset reconstruction business	-	2.00
c) Partly paid up Investments	157.98	-
d) Pursuant to the Shareholders' Agreement entered into with Sun Life of Canada by the Company, in respect of Aditya Birla Sun Life Insurance Company Limited (formerly Known as Birla Sun Life Insurance Company Limited), the Company has agreed to infuse shares/capital from time to time to meet the solvency requirement prescribed by the regulatory authority. Transfer of investment in Aditya Birla Sun Life Insurance Company Ltd is restricted by the terms contained in Shareholders' Agreements entered into by the Company.		

Notes

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NOTE: 26

COMPOSITE SCHEME OF ARRANGEMENT

The Composite Scheme of Arrangement (the "Scheme") amongst the erstwhile Aditya Birla Nuvo Limited ("ABNL"), Grasim Industries Limited ("Grasim") and Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited) ("ABCL"), was approved by the Hon'ble National Company Law Tribunal Bench at Ahmedabad on 1st June, 2017.

Pursuant to the Approved Scheme:

- 1 ABCL has become a subsidiary of Grasim with effect from 1st July, 2017.
- 2 The Board of Directors of Grasim and ABCL executed the demerger of the financial services business ("Demerged Undertaking") from Grasim (post its amalgamation with ABNL) into ABCL effective on 4th July, 2017 and accordingly the financial services business of amalgamated Grasim has been demerged into ABCL with effect from 4th July, 2017.
- 3 In accordance with the Scheme, the ABCL has:
 - recorded transferred assets and liabilities pertaining to Demerged Undertaking at the respective carrying values as appearing in the books of account of Grasim on the date of demerger;
 - issued 920,266,951 equity shares of ₹ 10 each, which have been issued and recorded at face value, to the shareholders' of Grasim as on record date;
 - difference between the value of assets and liabilities pertaining to Demerged Undertaking, after adjusting the amount credited to share capital, has been recognised as Capital reserve; and
 - Post demerger, Aditya Birla Finance Limited (ABFL), became a wholly owned subsidiary of the Company. The difference between carrying amount of minority interest and the value of investments in ABFL transferred from Grasim has been adjusted in reserves.

- 4 Following are the assets and liabilities of transferred business: ₹ crore

Particulars	₹ crore
Assets:	
Tangible Assets	16.67
Non-Current Investments (Minority stake in Aditya Birla Finance Limited, a subsidiary)	1,728.93
Current Investments	117.13
Loans and Advances	13.43
Other Current Assets	0.21
Total Assets (A)	1,876.37
Liabilities:	
Deferred Tax Liability	103.26
Short-term Borrowings	51.27
Employee Liabilities	0.22
Total Liabilities (B)	154.75
Net Assets Acquired (C) = (A) - (B)	1,721.62
Consideration Paid by Issue of 920,266,951 Equity Shares of ₹ 10 each (D)#	920.27
Capital Reserve Recognised by the Company (E) = (C) - (D)	801.35

The Company also paid a sum of ₹ 25 Crore towards stamp duty

- 5 As a result of the acquisition of a minority interest in a subsidiary, viz. Aditya Birla Finance Limited, the excess of the Consideration paid over the share of minority in the book value of assets in that entity was adjusted against Reserves and Surplus as under: ₹ crore

Particulars	₹ crore
Against Capital Reserve	801.35
Against Surplus in Statement of Profit and Loss	439.22
Total	1,240.57

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

- 6 Further, to fulfil the Company's commitments under the Scheme, the Board of Directors of the Company have approved the issuance of stock options and restricted stock units under the ABCL Incentive Scheme for Stock Options and Restricted Stock Units 2017 (the "ABCL Incentive Scheme") for granting of stock options and restricted stock options to the eligible grantees of Grasim Employee Stock Option Scheme 2006 and Grasim Employee Stock Option Scheme 2013 (the "Grasim Employee Benefit Schemes") in the same ratio as the ratio in which shares were issued to the shareholders of Grasim. Under the arrangement, the Company is obligated to issue equity shares not exceeding 1,718,237 at the face value of ₹ 10 each against 1,465,927 stock options and 252,310 restricted stock units granted by it to eligible employees of Grasim who held grants of stock options and restricted stock options of Grasim Employee Benefit Schemes. The stock options and restricted stock options thus granted under the ABCL Incentive Scheme would be deemed to be held by the eligible employees of Grasim for determining the minimum vesting period and the vesting conditions and dates for stock options and restricted share units under the ABCL Incentive Scheme would follow the same vesting conditions as applicable to the grantees of for stock options and restricted share units under the Grasim Employee Benefit Schemes. Accordingly, ₹ 7.37 Crore representing the pro-rata amount of the vested Employee Stock Options Reserve created by Grasim against the Grasim Employee Benefit Schemes has been transferred to the Company against which sum the Company will be entitled to an equivalent cash reimbursement. The balance pro-rata amount of Employee Stock Options Reserve would be transferred to the Company by Grasim upon vesting of the stock options and restricted stock options of Grasim Employee Benefit Schemes with a corresponding cash reimbursement.

NOTE: 27

DISCLOSURE PURSUANT TO ACCOUNTING STANDARD-20 – EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS

₹ crore

Particulars		Year Ended 31st March, 2018	Year Ended 31st March, 2017
Earnings Per Share (EPS) is calculated as under:			
Net Profit as per the Statement of Profit and Loss attributable to Owners		824.25	530.00
Less: Preference Dividend and Tax thereon		-	0.97
Net Profit for EPS	(A)	824.25	529.03
Weighted-Average Number of Equity Shares for calculation of Basic EPS	(B)	1,951,975,713	832,981,799
Basic EPS (₹)	(A/B)	4.22	6.35
Weighted-Average Number of Equity Shares Outstanding		1,951,975,713	832,981,799
Add: Dilutive Impact of Employee Share Based Payments		9,060,322	-
Weighted-Average Number of Equity Shares for calculation of Diluted EPS (Face Value of ₹ 10/- each)	(C)	1,961,036,035	832,981,799
Diluted EPS (₹)	(A/C)	4.20	6.35

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NOTE: 28

Disclosure pursuant to Accounting Standard-19 - Leases is as under:

Assets taken on Lease:

₹ crore

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
i) Operating Lease Payment recognised in the Statement of Profit and Loss:		
Minimum Lease Rent	121.51	59.91
	121.51	59.91

ii) The Group has taken certain Office Premises, Leasehold Improvements, Furniture and Fixtures, Information Technology and Office Equipment, on non-cancellable/cancellable operating leases.

iii) The future minimum rental payable in respect of non-cancellable operating leases are as follows:

₹ crore

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Not later than one year	80.02	49.68
Later than one year and not later than five years	206.54	61.68
Later than five years	68.04	38.20
	354.60	149.56

iv) The details of finance lease payments payable and their Present Value of the Group as at the Balance Sheet Date :

₹ crore

Charges Payable	Total Lease Value	Present Value	Interest
a) Not later than one year	2.35	2.06	0.29
	(2.55)	(2.01)	(0.54)
b) Later than one year and not later than five years	1.23	1.16	0.07
	(3.41)	(3.07)	(0.34)
Total	3.58	3.22	0.36
	(5.96)	(5.08)	(0.88)

Figures in brackets represent corresponding amount of Previous Year.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

NOTE: 29

RETIREMENT BENEFITS

Disclosure in respect of Employee Benefits pursuant to Accounting Standard-15 (Revised)

a) The details of the Group'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 benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In case of some employees, the Group's scheme is more favorable as compared to the obligation under Payment of Gratuity Act, 1972. A small part of the gratuity plan, which is not material, is unfunded and managed within the Group.

Particulars	₹ crore	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Amounts recognised in the Balance Sheet in respect of Gratuity		
Present Value of the funded Defined Benefit Obligations at the end of the year	90.91	74.96
Fair Value of Plan Assets	88.89	65.67
Net Liability/(Asset)	2.02	9.29
Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity		
Current Service Cost	14.76	9.59
Interest on Defined Benefit Obligations	5.74	4.52
Expected Return on Plan Assets	(5.44)	(4.29)
Net Actuarial (Gain)/Loss recognised during the year	(3.63)	7.87
Past Service Cost	-	-
Net Gratuity Cost	11.43	17.69
Actual Return on Plan Assets:		
Expected Return on Plan Assets	5.44	4.29
Actuarial Gain/(Loss) on Plan Assets	(0.55)	2.38
Actual Return on Plan Assets	4.89	6.67
Reconciliation of Present Value of the Obligations and the Fair Value of the Plan Assets:		
Change in Present Value of the Obligations:		
Opening Defined Benefit Obligations	74.96	31.86
Current Service Cost	14.76	9.59
Interest Cost	5.74	4.52
Actuarial (Gain)/Loss	(4.18)	10.25
Liability on Stake Change/Divestment/Amalgamation of Subsidiaries/Joint Ventures	0.21	28.56
Liabilities Assumed in respect of employees transferred from Group Companies	-	-
Opening liability transferred from Unfunded to Funded	3.10	-
Past Service Costs	-	-
Benefits Paid	(3.68)	(9.82)
Closing Defined Benefit Obligations	90.91	74.96

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

₹ crore

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Change in Fair Value of the Plan Assets:		
Opening Fair Value of the Plan Assets	65.67	23.90
Expected Return on the Plan Assets	5.44	4.29
Actuarial Gain/(Loss)	(0.55)	2.38
Asset on Stake Change/Divestment/Amalgamation of Subsidiaries/Joint Ventures	0.17	25.27
Contributions by the Employer	21.84	19.66
Benefits Paid	(3.68)	(9.83)
Closing Fair Value of the Plan Assets	88.89	65.67
Investment Details of the Plan Assets		
Government of India Securities	3%	3%
Corporate Bonds	11%	0%
Special Deposit Scheme	0%	1%
Insurer Managed Fund*	72%	90%
Others	14%	7%
Total	100%	100%

* included in the Fair Value of the Plan Assets, investment in Group's own financial instruments (funds of Aditya Birla Sun Life Insurance Company Limited) (Formerly known as Birla Sun Life Insurance Company Limited) 69.02 50.07

There are no amount included in the Fair Value of the Plan Assets for Property occupied by or other assets used by the Group.

₹ crore

Experience Adjustment	31st March, 2018	31st March, 2017	31st March, 2016	31st March, 2015	31st March, 2014
Defined Benefit Obligations	90.91	74.96	31.86	21.79	12.56
Plan Assets	88.89	65.67	23.90	19.08	12.33
Surplus/(Deficit)	(2.02)	(9.29)	(7.96)	(2.71)	(0.23)
Experience Adjustment on Plan Liabilities	6.04	5.11	5.40	0.61	0.10
Experience Adjustment on Plan Assets	(0.55)	2.38	(0.31)	0.88	(0.09)

Expected rate of return on assets is based on the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.

Estimated amount of contribution expected to be paid to the Gratuity Fund during the annual period after the Balance Sheet date is ₹ 14.89 Crore (31st March, 2017 ₹ 14.94 Crore).

₹ crore

Particulars	At at 31st March, 2018	As at 31st March, 2017
Principal Actuarial Assumptions at the Balance Sheet Date		
Discount Rate	7.00% - 8.00%	6.50% - 7.95%
Estimated Rate of Return on the Plan Assets	7.00% - 8.00%	6.50% - 7.95%

The Estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Notes

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b) The details of the Group's Defined Benefit Plans in respect of Gratuity (unfunded by the Group): ₹ crore

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Amounts recognised in the Balance Sheet in respect of Gratuity		
Present Value of the unfunded Defined Benefit Obligation at the end of the year	0.89	4.17
Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity		
Current Service Cost	0.21	0.89
Interest on Defined Benefit Obligations	0.07	0.18
Net Actuarial (Gain)/Loss recognised during the year	(0.16)	0.55
Past Service Cost	-	0.06
Net Gratuity Cost	0.12	1.68
Reconciliation of Present Value of the Obligation:		
Opening Defined Benefit Obligation	4.17	2.40
Past Service Cost	-	0.06
Current Service Cost	0.21	0.89
Interest Cost	0.07	0.18
Actuarial (Gain)/Loss	(0.16)	0.55
Liability in respect of Employees transferred from funded plan	(3.10)	-
Liability on Stake Change/Divestment/Amalgamation of Subsidiaries/Joint Ventures	-	-
Benefits Paid	(0.30)	0.09
Closing Defined Benefit Obligation	0.89	4.17

Experience Adjustment	31st March, 2018	31st March, 2017	31st March, 2016	31st March, 2015	31st March, 2014
Defined Benefit Obligation	0.89	4.17	2.40	0.99	0.60
Experience adjustment on Plan Liabilities	-	-	-	0.19	0.01

Particulars	At at 31st March, 2018	As at 31st March, 2017
Principal Actuarial Assumptions at the balance sheet date		
Discount rate	6.80% - 7.80%	6.70% - 7.70%

The Estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

c) Defined Contribution Plans ₹ crore

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Amount recognised as an expense and included in the Note : as "Contribution to Provident and Other Funds"	26.92	12.82
Contribution to the Group-Owned Employees' Provident Fund Trust	21.18	2.78

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

NOTE: 30

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 for the grant of stock options to employees of the Group (whether in India or abroad) that meet the eligibility criteria. Each option comprises one underlying Equity Share.

The intrinsic value of the ESOP i.e. the difference between the fair value of the shares underlying the ESOP granted on the date of grant of option and the exercise price of the option is expensed over the vesting period.

Features	LTIP 1		LTIP 2		LTIP 3	
	RSU	ESOP	RSU	ESOP	RSU	ESOP
Plan Period	2017-2019	2017-2021	2017-2018	2017-2018	2017-2018	2017-2022
Quantum of Grant	4,343,750	11,557,872	1,398,886	1,398,886	1,398,886	12,504,992
Method of Accounting	Intrinsic	Intrinsic	Intrinsic	Intrinsic	Intrinsic	Intrinsic
Vesting Period	100% (2 Years)	25% p.a. (4 Years)	100% (2 Years)	100% (2 Years)	100% (2 Years)	20% p.a. (5 Years)
Vesting Condition(s)	Continued employment	75% of the consolidated Profit Before Tax achievement against annual performance target	Continued employment	Continued employment	Continued employment	75% of the consolidated Profit Before Tax achievement against annual performance target
Exercise Period	5 Years from Date of Vesting	5 Years from Date of Vesting	5 Years from Date of Vesting	5 Years from Date of Vesting	5 Years from Date of Vesting	5 Years from Date of Vesting
Grant Date	11.08.2017	11.08.2017	11.08.2017	11.08.2017	11.08.2017	11.08.2017
Grant / Exercise Price (₹ Per Share)	10.00	115.00	10.00	10.00	10.00	115.00
Market Price on the date of Grant of Original Option (₹ Per Share)	139.00	139.00	139.00	139.00	139.00	139.00

Details of Activity in the Plan:

Features	LTIP 1		LTIP 2		LTIP 3	
	RSU	ESOP	RSU	ESOP	RSU	ESOP
Options/RSU's Outstanding at beginning of the year	-	-	-	-	-	-
Granted during the year	4,343,750	11,557,872	1,398,886	1,398,886	1,398,886	12,504,992
Exercised during the year	-	-	-	-	-	-
Lapsed during the year	339,000	112,133	-	-	-	-
Options/RSU's Outstanding at the end of the year	4,004,750	11,445,739	1,398,886	1,398,886	1,398,886	12,504,992
Options/RSU's unvested at the end of year	4,004,750	11,445,739	1,398,886	1,398,886	1,398,886	12,504,992
Options/RSU's exercisable at the end of the year	-	-	-	-	-	-

The ESOP compensation cost is amortised on a straight line basis over the total vesting period of the options. Accordingly, ₹ 41.65 Crore has been charged to the current year Statement of Profit and Loss (Previous Year ₹ Nil).

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Fair Valuation:

The fair value of the options used to compute proforma net profit and earnings per share have 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 under:

Features	LTIP 1	LTIP 2	LTIP 3	
	RSU	ESOP	RSU	ESOP
Risk Free Interest Rate (%)	6.5%	6.5% to 6.8%	6.5%	6.5% to 7.0%
Option Life (Years)	4.50	3.5 to 6.5	4.50	3.5 to 7.5
Historical Volatility	38.5%	37.0% to 38.5%	38.5%	37.0% to 38.5%
Expected Volatility*	-	-	-	-
Expected Dividend Yield (%)	0%	0%	0%	0%
Weighted Average Fair Value per Option (₹)	131.55	70.36	131.58	73.16

OF THE SUBSIDIARY COMPANIES

(B) Aditya Birla Money Limited

Stock options granted under ABML – Employee Stock Option Scheme – 2014

ABML 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 09th September, 2014. The Scheme provides that the total number of options granted thereunder will be 2,770,000. Each option, on exercise, is convertible into one equity share of the ABML 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 & Remuneration Committee) on the recognized stock exchanges on which the shares of the ABML are listed with the highest trading volume.

Summary of Stock Options granted under ABML ESOP Scheme – 2014 is as under

Particulars	As at 31st March 2018
Options granted on 02nd December, 2014	2,509,341
Options outstanding as on 01st April, 2017	1,445,845
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 recognized stock exchange)
Options forfeited/lapsed during the year	24,176
Options exercised during the year	722,138
Options outstanding as on 31st March, 2018	699,531

Summary of Stock Options granted under ABML ESOP Scheme – 2014 is as under

Particulars	As at 31st March 2017
Options granted on 02nd December, 2014	2,509,341
Options outstanding as on 01st April, 2016	1,979,120
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 recognized stock exchange)
Options forfeited/lapsed during the year	533,275
Options exercised during the year	Nil
Options outstanding as on 31st March, 2017	1,445,845

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The vesting period in respect of the options granted under ABML ESOP Scheme – 2014 is as follows:

Sr. No	Vesting Dates	% 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:

Particulars	
Volatility	54.26%
Risk free rate	8.13%
Expected life	5.00
Dividend yield	0%
Vesting Schedule	25% of the grant
Weighted Average Fair Value per Option (₹) Fair Value	19.28

(C) Aditya Birla Myuniverse Limited (Formerly known as Aditya Birla Customer Services Limited)

Aditya Birla Myuniverse Limited had formulated the ABMU Employee Stock Option Scheme – 2015 (ABMU ESOP Scheme – 2015) with the approval of the shareholders at the Annual General Meeting dated 07th July, 2015. The Scheme provides that the total number of options granted there under will be 1,134,853 equity shares. Each option, on exercise, is convertible into one equity share of the ABMU having face value of ₹ 10 each. Subsequently, the Nomination and Remuneration Committee of the Board of Directors on 04th September, 2015 has granted 900,618 stock options to its eligible employees under the ABMU ESOP Scheme – 2015 at an exercise price of ₹ 89/-. The Exercise Price was based on the Fair value method arrived at as per valuation report issued by Independent Valuer.

Summary of Options granted under ABCSL ESOP Scheme is as under

Particulars	As at 31st March 2018
Options outstanding as on 01st April, 2017	532,287
Number of options granted during the year	-
Method of accounting	Intrinsic Value
Vesting Plan	Bullet vesting on 31st March, 2018
Exercise period	Within 2 years from the date of vesting of respective options
Grant date	04th September, 2015
Grant / Exercise price (₹ / share)	89/-
Market price as on the date of the grant	NA
Options forfeited / lapsed / not opted for during the year	532,287
Options exercised during the year	Nil
Options outstanding as on 31st March, 2018	Nil

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Particulars	As at 31st March 2017
Options outstanding as on 01st April, 2016	798,884
Number of options granted during the year	-
Method of accounting	Intrinsic Value
Vesting Plan	Bullet vesting on 31st March, 2018
Exercise period	Within 2 years from the date of vesting of respective options
Grant date	04th September, 2015
Grant / Exercise price (₹ / share)	89/-
Market price as on the date of the grant	NA
Options forfeited / lapsed / not opted for during the year	266,597
Options exercised during the year	Nil
Options outstanding as on 31st March, 2017	532,287

The ESOPs granted under the ABCSL ESOP Scheme 2015 to the eligible employee have lapsed on 31st March, 2018 on account of non-achievement of vesting criteria. The tenure of ABCSL ESOP scheme 2015 has also expired on 31st March, 2018. The facts of lapse of ESOPs on account of non-achievement of vesting condition and expiry of ESOP scheme 2015 were noted by Nomination and Remuneration Committee and Board of Directors in their respective meetings held on 24th April, 2018.

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

Particulars	
Volatility	0%
Risk free rate	7.83%
Expected life	6 Years
Dividend yield (%)	0%
Vesting Schedule	100%
Weighted Average Fair Value per Option (₹) Fair Value	₹ 20.74

- (D) Had the compensation cost for the stock options granted under ESOS been recognised based on fair value in accordance with Black - Scholes Merton Formula, the proforma amount of net profit and earnings per share of the Company would have been as under:

Particulars	₹ crore	
	2017-18	2016-17
Net Profit	824.25	530.00
Add: Compensation cost as per Intrinsic Value	41.65	-
Less: Compensation cost as per Fair Value	74.98	0.81
Adjusted Net Income	790.91	529.19
Weighted average number of Basic Equity Shares	1,951,975,713	832,981,799
Weighted average number of Diluted Equity Shares	1,961,036,035	832,981,799
Face value of the Equity Share (₹)	10.00	10.00
Reported Earning Per Share (EPS)		
- Basic EPS (₹)	4.22	6.35
- Diluted EPS (₹)	4.20	6.35
Proforma Earning Per Share (EPS)		
- Basic EPS (₹)	4.05	6.35
- Diluted EPS (₹)	4.03	6.35

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

NOTE: 31

(A) 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 their meeting held on 15th January, 2018, granted 1,465,927 ESOPs and 252,310 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 (formerly known as Aditya Birla Financial Services Limited) - see note 26. Out of the above, the Company; has granted 195,040 ESOPs and 45,060 RSUs under this Scheme to a Director of the Company. 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 Scheme 2006 and 2013

Particulars	ABCL Incentive Scheme	
	Options	RSU's
Plan Period	As per Grasim Employee Benefit Scheme 2006 and 2013	
Quantum of Grant	1,465,927	252,310
Method of Accounting	Intrinsic	Intrinsic
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 annual performance target.	
Exercise Period	5 years from date of Vesting	5 years from date of Vesting
Grant Date	15.01.2018	15.01.2018
Grant / Exercise Price (₹ Per Share)	10.00	10.00

Details of Activity in the Plan:

Particulars	ABCL Incentive Scheme	
	Options	RSU's
Options Outstanding at beginning of the year	-	-
Granted during the year	1,465,927	252,310
Exercised during the year	98,476	33,921
Lapsed during the year	12,861	-
Options Outstanding at the end of the year	1,354,590	218,388
Options unvested at the end of year	168,433	59,770
Options exercisable at the end of the year	1,186,157	158,618

Since the above grants were part of the acquisition of financial services business as part of Scheme of Arrangement amongst Aditya Birla Nuvo Limited (ABNL), Grasim Industries Limited (Grasim) and Aditya Birla Capital Limited (ABCL) as per Note 26, and these being issued to Grasim and ABNL ESOP and RSU holders there would be no impact on earning per share arising from differences between intrinsic value and fair value of Options.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

NOTE: 32

DISCLOSURE IN RESPECT OF RELATED PARTIES PURSUANT TO ACCOUNTING STANDARD-18

1 List of Related Parties

Holding Company

Grasim Industries Limited (w.e.f. 1st July, 2017)

Aditya Birla Nuvo Limited (Upto 30th June, 2017)

Fellow Subsidiary

Aditya Birla Sun Life Insurance Company Limited (Formerly Known as Birla Sun Life Insurance Company Limited) (Upto 22nd Mar,2017)

Aditya Birla Idea Payment Bank Limited

ABNL Investment Limited

Key Management Personnel

Mr. Ajay Srinivasan

Mrs. Pinky Mehta (Whole Time Director from 1st July, 2017 to 26th October, 2017)

2 During the year, following transactions were carried out with the related parties:

₹ crore

Transaction/Nature of Relationship	Holding company	Fellow Subsidiary	Key Management personnel	Grand Total
Interest Income				
Aditya Birla Nuvo Limited	1.07	-	-	1.07
	-	-	-	-
Grasim Industries Limited	3.26	-	-	3.26
	-	-	-	-
TOTAL	4.33	-	-	4.33
	-	-	-	-
Revenue from Operation				
Aditya Birla Sun Life Insurance Company Limited	-	-	-	-
	-	(2.93)	-	(2.93)
Aditya Birla Idea Payment Bank Limited	-	0.87	-	0.87
	-	-	-	-
TOTAL	-	0.87	-	0.87
	-	(2.93)	-	(2.93)
Interest Paid				
Aditya Birla Nuvo Limited	0.22	-	-	0.22
	(0.80)	-	-	(0.80)
Grasim Industries Limited	β	-	-	β
	-	-	-	-
TOTAL	0.22	-	-	0.22
	(0.80)	-	-	(0.80)
Dividend Paid				
Aditya Birla Nuvo Limited	-	-	-	-
	(0.80)	-	-	(0.80)
TOTAL	-	-	-	-
	(0.80)	-	-	(0.80)
Payment for Reimbursement of Revenue / Capital Expenditure				
Aditya Birla Nuvo Limited	3.77	-	-	3.77
	(0.05)	-	-	(0.05)
Grasim Industries Limited	0.31	-	-	0.31
	-	-	-	-
Aditya Birla Sun Life Insurance Company Limited	-	-	-	-
	-	(3.80)	-	(3.80)
Aditya Birla Idea Payment Bank Limited	-	-	-	-
	-	(1.24)	-	(1.24)
TOTAL	4.08	-	-	4.08
	(0.05)	(5.04)	-	(5.09)

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

₹ crore

Transaction/Nature of Relationship	Holding company	Fellow Subsidiary	Key Management personnel	Grand Total
Receipts against Reimbursement of Expenses				
Aditya Birla Nuvo Limited	-	0.01	-	0.01
	-	-	-	-
Aditya Birla Sun Life Insurance Company Limited	-	-	-	-
	-	(45.46)	-	(45.46)
TOTAL	-	0.01	-	0.01
	-	(45.46)	-	(45.46)
Transfer/Purchase of Fixed Assets				
Aditya Birla Sun Life Insurance Company Limited	-	-	-	-
	-	(0.10)	-	(0.10)
Grasim Industries Limited	0.09	-	-	0.09
	-	-	-	-
TOTAL	0.09	-	-	0.09
	-	(0.10)	-	(0.10)
Interest Expenses on NCD				
Aditya Birla Sun Life Insurance Company Limited	-	-	-	-
	-	(11.04)	-	(11.04)
TOTAL	-	-	-	-
	-	(11.04)	-	(11.04)
Interest Expenses on ICD				
Aditya Birla Nuvo Limited	-	-	-	-
	(4.22)	-	-	(4.22)
TOTAL	-	-	-	-
	(4.22)	-	-	(4.22)
Loans / Deposit Taken				
Aditya Birla Nuvo Limited	0.04	-	-	0.04
	(63.76)	-	-	(63.76)
Grasim Industries Limited	0.62	-	-	0.62
	-	-	-	-
TOTAL	0.66	-	-	0.66
	(63.76)	-	-	(63.76)
Deposit Repaid				
Aditya Birla Nuvo Limited	0.04	-	-	0.04
	-	-	-	-
TOTAL	0.04	-	-	0.04
	-	-	-	-
Advances Taken for Expenses				
Aditya Birla Sun Life Insurance Company Limited	-	-	-	-
	-	(9.73)	-	(9.73)
TOTAL	-	-	-	-
	-	(9.73)	-	(9.73)
Managerial Remuneration Paid*				
Mr. Ajay Srinivasan	-	-	37.07	37.07
	-	-	(24.35)	(24.35)
Mrs. Pinky Mehta	-	-	0.54	0.54
	-	-	-	-
TOTAL	-	-	37.61	37.61
	-	-	(24.35)	(24.35)

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

₹ crore

Transaction/Nature of Relationship	Holding company	Fellow Subsidiary	Key Management personnel	Grand Total
Loans taken Repaid (including Inter-Corporate Deposits)				
Aditya Birla Nuvo Limited	- (63.27)	-	-	- (63.27)
TOTAL	- (63.27)	-	-	- (63.27)
Issue of Equity Shares				
Aditya Birla Nuvo Limited	- (2,877.98)	-	-	- (2,877.98)
ABNL Investment Limited	-	- (0.08)	-	- (0.08)
TOTAL	- (2,877.98)	- (0.08)	-	- (2,878.06)
Conversion of Preference Shares to Equity Shares				
Aditya Birla Nuvo Limited	- (336.50)	-	-	- (336.50)
TOTAL	- (336.50)	-	-	- (336.50)
Issue of Preference Shares				
Aditya Birla Nuvo Limited	- (70.00)	-	-	- (70.00)
TOTAL	- (70.00)	-	-	- (70.00)
Redemption of Preference Shares				
Aditya Birla Nuvo Limited	- (1,471.11)	-	-	- (1,471.11)
TOTAL	- (1,471.11)	-	-	- (1,471.11)
Outstanding balances as on 31st March 2018:				
Amount Receivable	7.56 -	- (0.21)	-	7.56 (0.21)
Amount Payable	0.02 (3.97)	-	-	0.02 (3.97)
ICD Balance	- (3.24)	-	-	- (3.24)
NCD Balance (Including Interest Accrued)	50.69 (52.03)	-	-	50.69 (52.03)
TOTAL	58.28 (59.24)	- (0.21)	-	58.28 (59.45)

- Figures in brackets represent corresponding amount of Previous Year.
- No amount, in respect of the related parties have been written off/back, is provided for during the year.
- Related parties relationships have been identified by the management and relied upon by the auditors.
- Refer note no. 26 for demerger related transaction with Grasim Industries Limited.
- * Expenses towards LTIP, 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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

NOTE: 33

A) STATEMENT OF DERIVATIVES AND UNHEDGED FOREIGN CURRENCY EXPOSURE

a) Forward rate Agreement

₹ crore

Sr. No.	Particulars	At at	
		31st March, 2018	31st March, 2017
i)	Total notional principal amount of forward rate agreement undertaken during the year (instrument-wise)		
	7.73% Gsec 19-12-2034	200.00	-
	8.30% Gsec 31-12-2042	86.98	-
	8.32% Gsec 02-08-2032	152.37	-
ii)	Total notional principal amount of forward rate agreement outstanding as on end of the year (instrument-wise)		
	7.73% Gsec 19-12-2034	200.00	-
	8.30% Gsec 31-12-2042	86.98	-
	8.32% Gsec 02-08-2032	152.37	-
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 counter party failed to fulfil their obligation under agreements	-	-

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:

₹ crore

Sr. No.	Hedging Instrument	As at	
		31st March, 2018	31st March, 2017
i)	7.73% Gsec 19-12-2034	0.73	-
ii)	8.30% Gsec 31-12-2042	(2.38)	-
iii)	8.32% Gsec 02-08-2032	(1.51)	-

c) Movement in Hedge Reserve

₹ crore

Sr. No.	Hedge Reserve Account	Year Ended 31st March, 2018		Year Ended 31st March, 2017	
		Realised	Unrealised	Realised	Unrealised
i)	Balance at the beginning of the Year	-	-	-	-
ii)	Add: Changes in the fair value during the Year	-	(5.28)	-	-
iii)	Less: Amounts reclassified to Revenue /Profit & Loss Account	-	-	-	-
iv)	Balance at the end of the Year	-	(5.28)	-	-

d) Counter Party wise Details

Sr. No.	Particulars	As at	
		31st March, 2018	31st March, 2017
i)	Name of the Counter Party	J. P. Morgan	Not Applicable
ii)	Hedge Designation	Cash flow hedge	Not Applicable
iii)	Likely impact of one percentage change in interest rate		
	a) Underlying being hedged	Sovereign Bonds	Not Applicable
	b) Derivative	Forward Rate Agreement	Not Applicable

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

B) FOREIGN CURRENCY EXPOSURE

The year ended foreign currency exposures that have not been hedged by a derivative instrument or others are as under :

Particulars	Currency	31st March, 2018		31st March, 2017	
		Foreign currency	₹ Crores	Foreign currency	₹ Crores
Trade Payables	CAD	643,000	3.33	546,000	2.66
	SGD	100,000	0.47	101,000	0.48
	DRIHAM	1,012,000	1.78	8,000	0.01
	USD	404,000	2.80	16,000	0.10
	POUND	2,000	0.02	-	-
	GBP	2,000	0.02	-	-
Trade Receivables	Bangladeshi Taka	529,579	0.04	-	-
	British Pound	994	0.01	368	0.00
	EURO	14,870	0.12	6,703	0.05
	Kuwaiti Dinar	779	0.02	582	0.01
	Mozambique New Metical	6,605	β	6,605	β
	Omani Rial	2	β	2	β
	Philippines Piso	56,445	0.01	146	β
	Sri Lankan Rupees	6,539,006	0.27	3,310,499	0.14
	Tanzanian Shilingi	1,197,871	β	24,576	β
	Thai Baht	-	-	566,613	0.11
	Turkish Lira	141,581	0.23	122,420	0.22
	United Arab Emirates Dirham	142,555	0.25	1,399	β
	USD Dollar	27,035	0.18	9,581	0.06
	Vietnamese Dong	-	-	6,236,540	β

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

NOTE: 34 SEGMENT DISCLOSURES

Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17), taking into account the organisational structure as well as differential risk and returns of these segments.

The Group has considered business segment as the primary 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
Money Broking	Equity and Commodity Broking
Health Insurance	Health Insurance and ancilliary services
Other Financial Services	Private Equity, Wealth Management and General Insurance Advisory

The Group considers secondary segment based on revenues within India as Domestic Revenues and outside India as Export Revenues. Assets are segregated based on their geographical location.

Information about Primary Business Segments

₹ crore

Segment Revenue	For the year ended 31st March, 2018			For the year ended 31st March, 2017		
	External	Inter-Segment	Total	External	Inter-Segment	Total
NBFC	4,460.21	19.80	4,480.01	3,424.69	12.19	3,424.68
Housing Finance	615.12	-	615.12	314.70	-	314.70
Life Insurance Business	6,374.96	-	6,374.96	787.52	-	787.52
Asset Management	1,249.09	-	1,249.09	968.44	-	968.44
General Insurance Broking	252.71	8.27	260.98	119.12	1.97	121.09
Money Broking	159.85	2.30	162.15	129.95	1.22	131.17
Health Insurance	237.17	8.20	245.37	64.43	0.27	64.70
Other Financial Services	192.15	7.13	85.78	59.86	3.80	30.16
Total Segment Revenue	13,541.26	45.70	13,473.46	5,868.70	19.45	5,842.46
Less: Inter Segment Revenue			45.70			19.45
Total Segment Revenue from Operations (Net)			13,427.76			5,823.01

₹ crore

Segment Result (PBT)	For the year ended 31st March, 2018	For the year ended 31st March, 2017
NBFC	1,114.36	837.02
Housing Finance	23.72	(15.52)
Life Insurance	165.58	39.55
Asset Management	492.80	337.04
General Insurance Broking	40.39	38.52
Money Broking	12.78	8.08
Health Insurance	(195.29)	(89.19)
Other Financial Services	(100.73)	(89.76)
Profit Before Tax	1,553.61	1,065.74

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

Transfer prices between segments are on an arm's length basis in a manner similar to transactions with third parties.

Information about Primary Business Segments

₹ crore

Other Information	Carrying Amount of Segment Assets (including Goodwill) as on		Carrying Amount of Segment Liabilities as on	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Financial Services				
NBFC	43,963.93	35,271.40	37,676.96	30,318.45
Housing Finance	8,208.23	4,176.16	7,483.29	3,814.77
Life Insurance	38,924.77	36,292.47	36,610.66	34,182.45
Asset Management	1,309.26	1,165.06	294.58	258.16
General Insurance Broking	144.02	90.44	91.14	33.31
Money Broking	724.85	476.48	479.77	243.82
Health Insurance	365.91	344.13	245.10	172.82
Other Financial Services	332.74	305.46	909.36	683.62
Total Segment	93,973.71	78,121.60	83,790.86	69,707.40
Inter-Segment Eliminations	(121.92)	(131.91)	(121.92)	(131.91)
Unallocated Corporate Assets/Liabilities	217.21	151.61	152.77	3.81
Total Assets/Liabilities	94,069.00	78,141.30	83,821.71	69,579.30

₹ crore

Other Information	Cost incurred to Acquire Segment Property, Plant and Equipment (including Capital Work In Progress and Capital Advance) for the Year Ended		Depreciation / Amortisation for the Year Ended	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Financial Services				
NBFC	38.54	24.22	19.90	14.69
Housing Finance	9.12	3.24	4.71	3.00
Life Insurance	36.54	1.77	43.36	1.04
Asset Management	16.02	12.96	10.03	7.83
General Insurance Broking	3.73	8.26	3.85	2.98
Money Broking	1.31	4.05	2.18	3.16
Health Insurance	38.42	33.65	11.43	4.03
Other Financial Services	33.76	33.97	13.40	6.44
Total Segment	177.44	122.12	108.86	43.17

Notes

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₹ crore

Bad Debts and Provision for Bad and Doubtful Debts and Advances including Contingency Provision for Standard Assets of NBFC and Housing Finance Segments	For the year ended 31st March, 2018	For the year ended 31st March, 2017
NBFC	144.50	98.91
Housing Finance	22.89	13.52
Life Insurance	0.78	-
Asset Management	-	-
General Insurance Broking	1.17	1.08
Money Broking	3.48	3.29
Health Insurance	-	-
Other Financial Services	1.07	0.73
Total	173.89	117.53

Information about Secondary Business Segments

₹ crore

Particulars	For the Year Ended	
	31st March, 2018	31st March, 2017
Revenue by Geographical Market		
In India	13,386.85	5,791.13
Outside India	40.91	31.88
Total	13,427.76	5,823.01
Carrying Amount of Segment Assets		
In India	94,027.15	78,108.33
Outside India	41.85	32.97
Total	94,069.00	78,141.30
Cost incurred to acquire Segment Fixed Assets		
In India	177.40	122.02
Outside India	0.04	0.10
Total	177.44	122.12

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

NOTE: 35

ADDITIONAL INFORMATION PERSUANT TO SCHEDULE III OF COMPANIES ACT, 2013 FOR CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

₹ crore

Name of the Entity	Net Assets as on 31st March, 2018*		Net Assets as on 31st March, 2017*		Share in Profit or Loss for the year ended 31st March, 2018		Share in Profit or Loss for the year ended 31st March, 2017	
	% of Consolidated Net Assets	Amount	% of Consolidated Net Assets	Amount	% of Consolidated Profit and Loss	Amount	% of Consolidated Profit and Loss	Amount
HOLDING COMPANY								
Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)	82.58	7,144.09	70	4,610.90	7.46	61.49	0.80	4.24
SUBSIDIARY COMPANIES								
Aditya Birla PE Advisors Private Limited (Formerly known as Aditya Birla Capital Advisors Private Limited)	0.32	27.85	0.52	33.98	(0.74)	(6.13)	0.57	3.02
Aditya Birla MyUniverse Limited (Formerly known as Aditya Birla Customer Services Limited)	(1.17)	(100.90)	(0.89)	(58.68)	(5.12)	(42.22)	(10.89)	(57.71)
Aditya Birla Trustee Company Private Limited	-	0.31	-	0.29	-	0.03	-	0.02
Aditya Birla Money Limited	0.64	55.35	0.66	43.31	1.16	9.57	1.16	6.15
Aditya Birla Commodities Broking Limited	0.06	4.88	0.07	4.38	0.06	0.50	0.21	1.13
Aditya Birla Financial Shared Services Limited	0.01	0.67	0.01	0.39	0.03	0.28	0.05	0.26
Aditya Birla Finance Limited	73.07	6,321.24	75.68	4,991.33	88.67	730.83	110.43	585.25
Aditya Birla Insurance Brokers Limited	0.72	62.59	0.90	59.18	3.15	25.94	4.67	24.77
Aditya Birla Money Mart Limited	(0.05)	(4.67)	(0.06)	(3.82)	(0.10)	(0.85)	(0.14)	(0.72)
Aditya Birla Money Insurance Advisory Services Limited	(0.02)	(1.83)	(0.06)	(4.18)	0.05	0.37	(0.04)	(0.20)
Aditya Birla Housing Finance Limited	8.67	750.06	5.57	367.48	3.95	32.58	(2.92)	(15.50)
Aditya Birla Sun Life AMC Limited (Formerly known as Birla Sun Life Asset Management Co. Ltd)	12.40	1,072.60	15.03	991.08	39.07	322.00	41.72	221.10
Aditya Birla Sun Life Trustee Company Private Limited (Formerly known as Birla Sun Life Trustee Company Private Limited)	0.01	0.59	0.01	0.55	-	0.03	0.01	0.04
Aditya Birla Health Insurance Co. Limited	1.03	89.40	2.21	145.63	(22.96)	(189.22)	(16.35)	(86.67)
ABCAP Trustee Company Private Limited	-	β	-	β	-	β	-	(0.01)
Aditya Birla Wellness Private Limited	0.19	16.31	0.16	10.48	(0.74)	(6.07)	(0.48)	(2.52)
Aditya Birla Sun Life Insurance Company Limited (Formerly known as Birla Sun Life Insurance Company Limited)	23.27	2,013.00	27.36	1,804.66	20.24	166.83	7.46	39.55
Aditya Birla Sun Life Pension Management Limited (Formerly known as Birla Sun Life Pension Management Limited)	0.30	25.81	0.41	27.07	(0.15)	(1.26)	-	-
Aditya Birla ARC Limited	1.24	106.91	-	-	(0.13)	(1.09)	-	-

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

₹ crore

Name of the Entity	Net Assets as on 31st March, 2018*		Net Assets as on 31st March, 2017*		Share in Profit or Loss for the year ended 31st March, 2018		Share in Profit or Loss for the year ended 31st March, 2017	
	% of Consolidated Net Assets	Amount	% of Consolidated Net Assets	Amount	% of Consolidated Profit and Loss	Amount	% of Consolidated Profit and Loss	Amount
FOREIGN SUBSIDIARY COMPANIES								
Aditya Birla Sun Life AMC Pte. Ltd., Singapore	0.24	21.07	0.21	13.91	0.72	5.91	0.31	1.64
Aditya Birla Sun Life AMC Ltd., Dubai	0.06	4.82	0.07	4.59	0.03	0.22	(0.09)	(0.49)
Aditya Birla Sun Life AMC (Mauritius) Ltd.	0.10	8.42	0.09	6.22	0.73	6.02	0.95	5.04
Minority Interest	(18.40)	(1,591.81)	(29.59)	(1,951.80)	(21.77)	(179.48)	(30.41)	(161.15)
Consolidation Eliminations and Adjustments		(7,376.02)		(4,501.47)		(112.03)		(37.24)
TOTAL ATTRIBUTABLE TO OWNERS		8,650.76		6,595.49		824.25		530.00

Notes:

*Net Assets = Total Assets - Total liabilities

Aditya Birla Sun Life AMC Limited (ABSAMC) and Aditya Birla Sun Life AMC Pte Limited, Singapore have made investments in

1. India Advantage Fund Limited
2. International Opportunities Fund
3. Global Clean Energy Fund SPC (GCEF).
4. New Horizon Fund

These funds are made up of multiple segregated portfolios which issue redeemable participating units. The investors in such redeemable participating units are entitled to a share in the net profits (or losses) and the net assets of each such segregated portfolio. Aditya Birla Sun Life AMC Pte Limited owns 100% of the management shares which do not entitle it to any economic benefits in the form of a share in the net assets or a share in the net profits other than a remuneration in the form of a management fee based on a pre-defined formula. Accordingly, the revenues of the Group in the form of management fee have been incorporated in the consolidated financial statements of the Group. Other income, expenses, assets and liabilities of these funds, in which the Group is entitled to no share, do not form a part of these consolidated financial statements.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2018

NOTE: 36

OTHER SIGNIFICANT NOTES

- (i) The Group's pending litigations comprise of claims by or against the Group primarily by the employees / customers / suppliers, etc. and proceedings pending with tax and other government authorities. The Group has reviewed its pending litigations and proceedings and has adequately provided for where Provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. In respect of litigations, where the management assessment of a financial outflow is probable, the Group has made adequate provisions in the financial statements and appropriate disclosure for contingent liabilities is given in note no 24.
- ii) The figures for the previous year ended 31st March, 2017 are subjected to audit by the previous Auditors vide their report dated 26th June, 2017.
- iii) Aditya Birla Sun Life Insurance Company Limited has become a subsidiary of the Company with effect from 23rd March 2017. As a result of this, the figures for the previous year ended 31st March, 2017 are not comparable to that extent.
- iv) During the current year, the Company has issued and allotted 48,400,000 Equity Shares of ₹ 10 each at a premium of ₹ 135.40 per share which were subscribed by P I Opportunities Fund - 1 (AIF). (Refer Note No. 2A)
- v) Figures of ₹ 50,000 or less have been denoted by '₹'.
- vi) Previous Year's figures have been regrouped/rearranged, wherever necessary.

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

ICAI Firm registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar

Partner

Mumbai, May 08, 2018

For and on behalf of the Board of Directors

Ajay Srinivasan

Chief Executive Officer

Sailesh Daga

Company Secretary

Mumbai, May 08, 2018

Pinky Mehta

Chief Financial Officer

Sanrupt Misra

Sushil Agarwal

S C Bhargava

Vijayalakshmi Iyer

P H Ravikumar

Directors

ADITYA BIRLA CAPITAL LIMITED & ITS SUBSIDIARIES*

<p>Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)</p> <ul style="list-style-type: none"> • Aditya Birla Sun Life Insurance Company Limited (Formerly known as Birla Sun Life Insurance Company Limited) <ul style="list-style-type: none"> ◆ Aditya Birla Sun Life Pension Management Limited (Formerly known as Birla Sun Life Pension Management Limited) • Aditya Birla PE Advisors Private Limited (Formerly known as Aditya Birla Capital Advisors Private Limited) • Aditya Birla MyUniverse Limited (Formerly known as Aditya Birla Customer Services Limited) • Aditya Birla Finance Limited • Aditya Birla Financial Shared Services Limited • Aditya Birla Housing Finance Limited • Aditya Birla Insurance Brokers Limited • Aditya Birla Money Limited <ul style="list-style-type: none"> ◆ Aditya Birla Commodities Broking Limited • Aditya Birla Trustee Company Private Limited • Aditya Birla Money Mart Limited <ul style="list-style-type: none"> ◆ Aditya Birla Money Insurance Advisory Services Limited • Aditya Birla Sun Life AMC Limited (Formerly known as Birla Sun Life Asset Management Company Limited) <ul style="list-style-type: none"> ◆ Aditya Birla Sun Life Asset Management Company Limited, Dubai ◆ Aditya Birla Sun Life AMC (Mauritius) Limited (Formerly known as Birla Sun Life AMC (Mauritius) Limited) ◆ Aditya Birla Sun Life Asset Management Company Pte. Ltd., Singapore <ul style="list-style-type: none"> ◆ International Opportunities Fund SPC ◆ Global Clean Energy Fund SPC ◆ New Horizon Fund SPC ◆ India Advantage Fund Limited • Aditya Birla Sun Life Trustee Private Limited (Formerly known as Birla Sun Life Trustee Company Private Limited) • Aditya Birla Health Insurance Co. Limited • Aditya Birla Wellness Private Limited • ABCAP Trustee Company Private Limited • Aditya Birla ARC Limited 	<p>: Core Investment Company</p> <p>: Life Insurance</p> <p>: Management of Pension Fund under NPS Scheme</p> <p>: Private Equity Investment, Advisory & Management Services</p> <p>: Financial & IT enabled services</p> <p>: NBFC/ Fund Based Lending</p> <p>: Support Services</p> <p>: Housing Finance</p> <p>: Composite Insurance Advisory & Broking</p> <p>: Stock Broking, Depository services, Portfolio Management Services, Research Analyst, Insurance Repository services and Mutual Fund distribution</p> <p>: Commodities Broking</p> <p>: Trustee of Private Equity Fund</p> <p>: Publication of Research Magazine</p> <p>: Life Insurance Advisory- Corporate Agent</p> <p>: Asset Management</p> <p>: Arranging deals in investments and advising on financial products</p> <p style="margin-left: 100px;">} : Asset Management</p> <p>: Trustee of Aditya Birla Sun Life Mutual Fund</p> <p>: Health Insurance</p> <p>: Providing and servicing incentivized wellness and related programs</p> <p>: Account Aggregator</p> <p>: Asset Reconstruction</p>
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*As on 8th May, 2018



**ADITYA BIRLA
CAPITAL**

Aditya Birla Capital Limited
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