

**OUR VALUES
INSPIRE US TO HELP
YOU LIVE THE LIFE
YOU DESIRE.**



ADITYA BIRLA CAPITAL LIMITED



**ADITYA BIRLA
CAPITAL**

PROTECTING INVESTING FINANCING ADVISING



MR. ADITYA VIKRAM BIRLA

We live by his values.

Integrity, Commitment, Passion, Seamlessness and Speed.

CHAIRMAN'S LETTER TO SHAREHOLDERS



KUMAR MANGALAM BIRLA
Chairman, Aditya Birla Group

Dear Shareholders,

COVID-19 and the associated lockdowns across countries have triggered a once-in-a-century crisis for the society and the economy in 2020. January now seems like a month of a bygone era – such has been the enormity of change. This is a defining period in human and business history: one that will test the resilience of individuals, societies, corporations and nations.

Given the fog of uncertainty all around, it is hard to be prescient in these times. But there is little doubt on one reality: companies with quality leadership, sound business fundamentals and a track record of winning in turbulent times, will emerge as champions in the new global order.

GLOBAL ECONOMY

It has been several months since the pandemic engulfed the world and yet there is a lot of uncertainty with respect to the extent of the economic contraction due to this crisis, and the subsequent pace of recovery.

This year will see an economic contraction, but the '2020 recession' is turning out very different from the past recessions. It has been too sudden – almost off the cliff; its spread has been all-encompassing – affecting almost every economy and sector; and the plunge in economic activity levels and employment has been unprecedented.

On the positive side, this recession is likely to be one of the shortest, assuming no second wave of the pandemic recurs. As present lockdowns around the world get lifted, and businesses reopen, economic activity is likely to bounce back fairly quickly. Around US\$9-trillion stimulus from different governments globally will help to support this recovery, along with the monetary actions by central banks. These policies will also help to restrict the second-order effects like defaults and bankruptcies.

Some scars of the crisis will remain in the form of subdued consumer and business confidence. Some sectors like airlines and hospitality will take time to recover fully. And some supply chain disruption effects will linger. The International Monetary Fund (IMF) and other agencies are predicting that it could take about five to six quarters for global GDP to inch back to pre-crisis levels, and the global economic trajectory thereafter will be below the pre-COVID trajectory for the next few years.

As the world emerges from the current crisis, the next few years are likely to be marked by the lack of buoyancy in growth, subdued commodity prices and inflation, a cautious trend in project investments, heightened risks of de-globalisation and political uncertainty; and increased dependence of financial systems on ultra-loose monetary policy conditions. We will

also have to watch out for potential post-COVID changes in consumer behaviour (such as more virtual engagements) and of operating models of organisations (such as work-from-home norms, diversification of supply chain risks, more use of e-commerce).

INDIAN ECONOMY

COVID-19 struck India at a time when the underlying economic conditions were subdued on account of heightened global uncertainty and stress in the domestic financial system.

Against this backdrop, a stringent national lockdown to slow the spread of the pandemic started in the last week of FY 20 and remained active to varying degrees in different geographies through most of the Q1 FY 21. It is estimated that ~80% of India's GDP originates from districts which were classified under the red and orange zones during the lockdown, where economic activity remained severely constrained. Correspondingly, India's GDP is likely to contract in FY 21, which would be the first such instance in over four decades. The contraction is estimated to be particularly severe during Q1.

Responding to this challenge, both the Reserve Bank of India (RBI) and the Government of India announced several policy measures to provide relief to the affected sections of the economy, to reduce the possibility of business failures and to support the process of recovery. The government has already initiated some remarkable reforms in agriculture, mining and public sector enterprises. Such pragmatic policies along with the ambitious National Infrastructure Pipeline programme that the government had announced in December 2019 will support India's medium-term growth rebound. In the interim, however, the Indian economy, like the global economy will need to navigate through some difficult quarters.

ABG IN PERSPECTIVE

Over a longer historical arc, the Aditya Birla Group has witnessed dramatic disruptions across periods, businesses, and geographies. And yet, we have come out stronger. A wide range of insights and experiences accumulated over diverse situations, allows the Group to fortify its businesses from both the immediate and the lingering effects of economic pain, caused by the pandemic.

In these turbulent and dynamic times, the Group's near-term focus is to hold the ship steady and to see it through the turbulence – by emphasising on conservation of cash, the safety of its teams and assets, and strengthening its business relationships. The Aditya Birla Group is also closely examining the evolving changes in the business environment and their implications, to position itself well for leveraging the opportunities through and after the economic revival.

As the events began to unfold worldwide in the last quarter of the financial year, we anchored to our core strengths – our people, our processes, and our agility. In line with the Group's

core philosophy of employee care and wellbeing, swift action was taken to shut down our offices, manufacturing units, retail outlets and branches – where necessary; and recalibrate operations where feasible. Overnight, everyone switched to a new paradigm of work from home and adopted digital technology seamlessly. This is not an easy transition for large, diverse global organisations. But it was made possible due to the adaptability and commitment of our employees, discipline of the leadership, strong processes, and past investments in digital technologies. Our culture of learning hugely supported this quick switch over. A multi-generational workforce was an added advantage; as the younger digital-native employees played a reverse mentor role in guiding the older employees to become digitally savvy; the older employees enabled others to stay calm, focused and productive in difficult times. Continuous listening to employees through pulse surveys and guiding them to make the most of the situation led to a productive and winning mindset. A pulse survey conducted with ABGites showed an assuring trend – 86% were confident about delivering their Q1 goals of the new financial year.

Faced with an unprecedented nationwide lockdown, our group businesses proactively created 'Business Continuity Plans' working through different scenarios. Our teams engaged deeply and meaningfully with customers and value chain partners to support them better in these extraordinary times.

Over the last few months, business models have been reassessed, to identify strategic and tactical opportunities to improve effectiveness, prune avoidable costs as well as prepare for the new normal. New opportunities are continuously being ideated and explored. For example, Aditya Birla Fashion and Retail has made an emphatic foray into masks, our chemicals business is producing disinfectants, and the fibre business is manufacturing antibacterial fibre.

The pandemic has also accelerated our shift to digitalisation across businesses. A new wave of digital energy is being unleashed with a clear focus on getting closer to our customers.

Our Group businesses are also leaving no stone unturned in redefining workplace hygiene. Every business has implemented new standards of safe working with guidelines for social distancing and zero-touch interactions. Similar protocols have been created for safe and superior customer engagements. We believe that things will continue to be dynamic and uncertain in the coming months. Even as we open offices and factories with protocols to put employee safety at the forefront and enhance productivity, we will continue to leverage our strength of adaptability and agility.

A crisis of such magnitude is a great reminder of our responsibility to give back to society. True to its legacy, ABG has curated a multi-pronged approach to help our communities fight COVID-19, with a commitment of over ₹500 Crore towards COVID relief measures. This entailed a contribution of ₹400 Crore to the Prime Minister's Citizen Assistance and

Relief in Emergency Situations (PM-CARES) Fund. In addition, we have also leveraged the capabilities of our apparel business to commence the production of one million triple-layer surgical masks and 1,00,000 coverall garments. Several hundred thousand food packets, provisions and disinfectants have been distributed to the needy across the country. Given the depth of our presence in India, we have also earmarked over 300 beds for COVID-19 patients at our network of hospitals in our units.

This unflinching support to our employees, communities and other stakeholders is core to our DNA and will enable our long-term, sustainable growth.

YOUR COMPANY'S PERFORMANCE

I am pleased to share that Aditya Birla Capital (ABC) has delivered solid performance across its business segments, despite various macro-economic challenges during the last year. Your Company through its subsidiaries continued its consistent profit delivery through its diversified business model.

Aditya Birla Capital is one of the largest non-bank financial services player in India. It ranks among the top fund managers in the country with over ₹3,00,000 Crore of assets under management across asset management, life insurance and health insurance. The overall lending book (NBFC and Housing Finance) stood at just under ₹60,000 Crore and the gross premium (across Life and Health Insurance) grew to ₹8,882 Crore. The Company's retailisation strategy helped it to grow its active customer base to ~ 20 Million through 850+ branches and 2,00,000+ channel partners and several bank partners. Your Company has robust risk management frameworks and continues to focus on quality growth, while creating value across its businesses.

Your Company's consolidated revenue grew 9% year-on-year to ₹18,028 Crore. The consolidated profit after tax (after minority interest) reflected a growth of 6% year-on-year to ₹920 Crore. The Company raised ₹2,100 Crore of equity capital in FY 20 through a preferential allotment to the Promoter/Promoter group and marquee investors.

I would particularly highlight the way all businesses of your Company embraced the digital path to be able to 100% work from home and counter the impact of the disruptions caused

by COVID-19. The performance of your Company during the last financial year and in the two and a half months of lockdown viz. the second half of March, April and May, has demonstrated that with its digital assets, it can onboard customers and distributors, provide service and effect collections digitally.

The performance reflects the strong execution by teams across each business of your Company and a relentless focus to generate value for our stakeholders.

The financial services sector is pivotal to the India growth story as well as the Group's overall strategy. Your Company has a vision to be a leader and role model in the financial services sector and has made significant progress towards it. Going forward, your Company will focus on leveraging synergies of a unified financial services platform and the Aditya Birla Group, to reach out to more customers and increase penetration of its financial services solutions.

CONCLUSION

FY 20 is not just another year. Never has the transition between two financial years been as tumultuous for the global economy. The pandemic is no doubt, a sobering reminder of how the world can change in unforeseeable ways.

As COVID-19 gets quelled and the global economy reawakens, endurance will pave the way for renewal – for individuals and corporations alike. When we emerge from the pandemic, I have no doubt that the world will recognise and celebrate corporations that are exemplars of good governance and sustainable growth. You can count on your Company as being one of them.

Yours sincerely,



KUMAR MANGALAM BIRLA
Chairman

~20 MILLION
ACTIVE CUSTOMER
BASE THROUGH
850+ BRANCHES AND
2,00,000+ CHANNEL
PARTNERS AND SEVERAL
BANK PARTNERS

CHIEF EXECUTIVE'S LETTER TO SHAREHOLDERS



AJAY SRINIVASAN

Chief Executive, Aditya Birla Capital

Dear Shareholders,

The year FY 20 was a year of twists and turns, full of volatility and surprises. India's GDP grew by 5.2% in Q1, 4.4% in Q2 and 4.1% in Q3. So India was already slowing by the time we reached Q4. The Nifty on the other hand made a lifetime high in January 2020. In Q4, India's economy expanded by 3.1 per cent and dragged the full year FY 20 GDP growth to 4.2 per cent, the weakest since the financial crisis hit more than a decade back. The Nifty corrected in Q4 to levels we last saw in 2016. The event no one could have imagined or predicted was the Coronavirus which surfaced in December 2019 in China and became a global pandemic, playing havoc with lives and economies the world over.

With business operations across the world coming to a near standstill as a result of lockdowns, it forced organizations to relook at strategies and best practices and find a way forward in the emerging new normal, protecting employee lives while ensuring business continuity.

ABCL PERFORMANCE

During the year, Aditya Birla Capital through its subsidiaries delivered growth in spite of the pandemic and the covid related provisions we took in our lending businesses. While this last financial year will be remembered more for the way it ended, it didn't start out so badly. In Q1, our PAT grew by 27% year-on-year with strong growth across all our businesses. In Q2, our PAT was up 37% but we started seeing headwinds in our mutual fund and lending businesses in terms of credit quality, our AUM and Book growth. In Q3, our PAT was still up by 17% though our lending book started to fall and we got even more concerned about overall credit quality. We were going well till mid-March when the lockdown impacted the crucial last two weeks of the year.

In spite of that, our aggregate revenue at ABC for FY 20 grew 9% year on year to over ₹18,000 Crore.

Our Lending book in FY 20 across our NBFC and HFC businesses stood at just under ₹60,000 Crore, more than several mid-sized banks; in a tough market, we raised ₹15,000 Crore of long term money last year, with our "AAA" rating being re-affirmed.

Our Gross insurance premium across our health and life insurance businesses grew to ₹8,882 Crore, making us a significant insurer in the country. Furthermore, our health insurance business had the distinction of being the fastest growing Stand Alone Health Insurer in the industry.

Our Average AUM across our life insurance and asset management businesses stood at over ₹3,00,000 Crore in FY 20, making us one of the largest fund managers in this country.

Our PAT at ABC grew by 6% year on year to ₹920 Crore. This is after taking fairly significant COVID related provisions, in the absence of which we would have grown by 15% year-on-year.

The hard work and determination of our employees, the support and trust of our customers, partners and shareholders and our diversified business model helped us navigate the uncertainty and volatility that we experienced throughout the year.

The Company raised ₹2,100 Crore of equity capital in September 2019 through a preferential allotment to the Promoter/Promoter group and marquee investors. As a result, ABCL is a zero debt company with liquidity to fund growth.

ABCL PURPOSE

Our purpose at ABC is to help people live fulfilling lives. We are in the business of helping people with their health and wealth needs which we know is top of mind for every human being now. People are concerned about their life and their health and our protection products help them achieve peace of mind. People are concerned about where to invest their monies and our investing solutions help them allocate their monies in the best way possible. People are concerned about their finances to achieve their goals and we have the financing options to help them do that. What's more, we are able to provide good advice to our customers to be able to make the right choices. This crisis in that sense is an opportunity for us.

We have also done our bit to impact the community around us. We believe in supporting underserved communities as part of our organisational DNA and we see our role as being the custodian of societal trust. Our CSR work, under the banner, Money for Good, is focused around four themes: Healthcare, Education, Women Empowerment & Sustainable Livelihoods and helping create future Sports champions. During the last year, we have contributed to bettering the lives of over 2.25 Lakhs people, across 12 states, through 36 NGOs.

BEYOND NUMBERS

ABC has a clear purpose, a well-defined strategy, strong values and robust performance. Our diversified business model and the synergy across our platform provides us with the ability to withstand fluctuations and adds value to all our stakeholders. The pandemic has already disrupted businesses and more will possibly follow. As we enter a new year that throws new challenges, the factors that will augment the brand heritage we enjoy will be nimbleness, technology, customer centricity, quality focus, synergies and ,of course, our people.

BEING QUICK AND NIMBLE

ABC was able to operate and grow even during the lockdown because we were prepared with our plans much before the nation-wide lockdown was announced. Back in mid-March, we were one of the first organizations to transition to work from home. That helped us to keep our employees and their families safe, while continuing to provide services to our clients. The speed with which we were able to test our systems to work from home and then move to a complete work from home environment was fast and it is that pace and nimbleness that will be required in a world where the fast, agile and nimble will have an advantage over the slow and the tardy.

FOCUS ON DIGITALISATION

Digitalisation was a trend that was already visible but the changes brought by the pandemic have accelerated the move towards it. We had already embraced the digitalisation path and that enabled us during the lockdown to onboard customers and distributors digitally, provide service electronically and effect collections and renewals online. This move to digitalisation helped us tremendously during the lockdown. Our continued push to adopt technology including new technologies like voice and face recognition will enable us to gain efficiencies even as we improve the experience of our customers and distributors. We are also driving automation across the board with almost 200 Robotic Process Automation initiatives completed by March 2020. Technology is going to be key going forward and we are committed to investing behind it. One of our exciting initiatives last year was launching a program called Bizlabs which focused on identifying fintechs which can partner with us in different areas.

CUSTOMER CENTRICITY

We realise that we are in business only because of the trust and faith our customers have in us. Our focus therefore remains in ensuring we continue to acquire customers, retain customers and increase the products per customer. During the year, we continued to acquire customers across the platform to

'DIGITAL FIRST'

ATTITUDE HELPED US TO
MAKE RAPID STRIDES IN
THE DIGITAL LANDSCAPE
CREATING SUPERIOR
EXPERIENCE FOR OUR
CUSTOMERS

get to 20 million active customers. We have set up several programs to retain customers in all our businesses and are using analytics to improve products per customer. We have mapped all our customer journeys and are ensuring we reduce turnaround times and make the process as efficient as possible for our customers.

QUALITY FOCUS

Growth without quality is not sustainable. For us therefore, it has always been a focus to ensure we grow with a strong focus on quality. This covers not just our processes and systems where we leverage our learning from our Group to improve the quality and scalability of our processes but also covers our focus on risk management. This can be seen in our diversification which reduces concentration risks, our reduced ticket size in our lending book, our diligence in underwriting, our focus on operational risk and cyber risks and our success in building adequate liquidity buffers in a volatile market.

SYNERGIES

Our aim is to make the whole more than the sum of its parts. Driving synergy across the platform is key for this. One way this occurs is by transporting best in class practices from one business to the other with speed. Our newer businesses like health insurance and asset reconstruction have enjoyed the advantages of this. Our businesses also enjoy the benefits of cost synergy and the ability to leverage the broader eco systems within Aditya Birla Capital and the Aditya Birla Group.

OUR PEOPLE

It is our people who are the cornerstone of our continued success. In FY 20, our workforce grew to just over 21,000 across businesses. Deepening our talent pool, ensuring succession pipelines, upskilling our people through training and strengthening diversity and inclusion are key areas of our focus. 70% of our employees are millennials, we have 26% of our workforce as women and we have embraced differently abled people as an integral part of the ABC family.

LOOKING FORWARD

If the history of the last century is anything to go by, every crisis be it a world war, the Great Depression or the Global Financial crisis was followed by a period of strong growth and considerable innovation. We expect the same this time around as well even though at the time of writing it is not possible to forecast when we will emerge from the current pandemic. We need to be prepared for both the growth and the changes that will follow and be equipped to capitalize on the opportunities that emerge.

GRATITUDE

I would like to extend my gratitude for the support and guidance the management team and I enjoy from our Chairman and the Board. I would like to thank all our regulators, esteemed partners, customers and shareholders for continuing to put their faith in us. Finally, I would like to thank all my colleagues and their families, more so during these unprecedented times, working with unstinted dedication and passion, even while juggling the demands of working from home.

ABC has always believed in balanced and sustainable growth and is well placed to continue the momentum built over the years.

Yours sincerely,



AJAY SRINIVASAN

Chief Executive, Aditya Birla Capital

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View our Annual Report 2019-20 online

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

INTRODUCTION

We at Aditya Birla Capital live by our core values and our cultural anchors. They are the very fabric of our organisation. Our people, our processes, our vision and our outcomes are all guided by them.

In good times, our core values and cultural anchors guide us to choose our opportunities prudently and embrace our successes with humility. In tough times, they embolden us to stay the course, and inspire us to give our best, together as a team. On a daily basis and in the long run, our values and culture define every aspect of our organisation. They drive us to excellence by:

Guiding every employee to make the right decisions

Motivating our teams to bring out the best in us

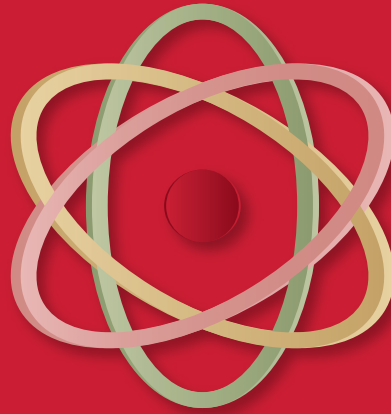
Attracting and retaining the best talent

Helping attract customers who share the same values

Enabling us to deliver the highest standard in customer satisfaction

Motivating us to drive business growth with stability and responsibility





Our Core Values of **COMMITMENT, PASSION, INTEGRITY, SEAMLESSNESS AND SPEED** enable us to create greater and sustainable value for our shareholders.

Our Cultural Anchors enable us to help every individual to live the life they have imagined for themselves, by ensuring we **FOCUS ON RESULTS** that are borne out of an environment that nurtures **INNOVATION & ENTREPRENEURSHIP** with **ACCOUNTABILITY, RESPECT** and **OPENNESS**.

OUR CORE VALUES

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

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

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

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

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



EACH OF OUR CULTURAL ANCHORS OF FAIR ARE BORN OUT OF OUR CORE VALUES

F**OCUS ON RESULTS** means being clear about the outcomes being sought from everyone and achieving these with **Speed** in a timely manner with accuracy and quality. Focus on results brings in a sense of purpose to meet agreed deadlines and to not get distracted by anything that comes in the way of delivery. The focus on results will ensure we are a performing organisation that will be the desired place for good talent to work in.

A**CCOUNTABILITY WITH DISCIPLINE** together echoes our value of **Commitment**. Accountability is about taking responsibility for things you are responsible for and knowing the organisation is counting on you to deliver that. Discipline is manifested in many ways including adherence to commitments. Accountability with discipline will lead to a sense of empowerment.

I**NNOVATION & ENTREPRENEURSHIP** are qualities you can only have if you have **Passion**. Innovation means the ability to think of issues differently so that we find better solutions to our problems. Entrepreneurship is a feeling of ownership. A feeling that you are Aditya Birla Capital and Aditya Birla Capital is you.

R**ESPECT AND OPENNESS** are manifestations for **Integrity** and **Seamlessness**. When leaders respect the ideas and opinions of others with an open mind, it leads to working without any hidden agenda and seamlessly across the man-made silos. Openness is a method to ensure the voice of every person is heard and respect ensures it is acted upon.

OUR VALUES AND OUR CULTURE ENABLE US TO PARTNER PEOPLE AND HELP THEM LIVE THE LIFE THEY DESIRE.

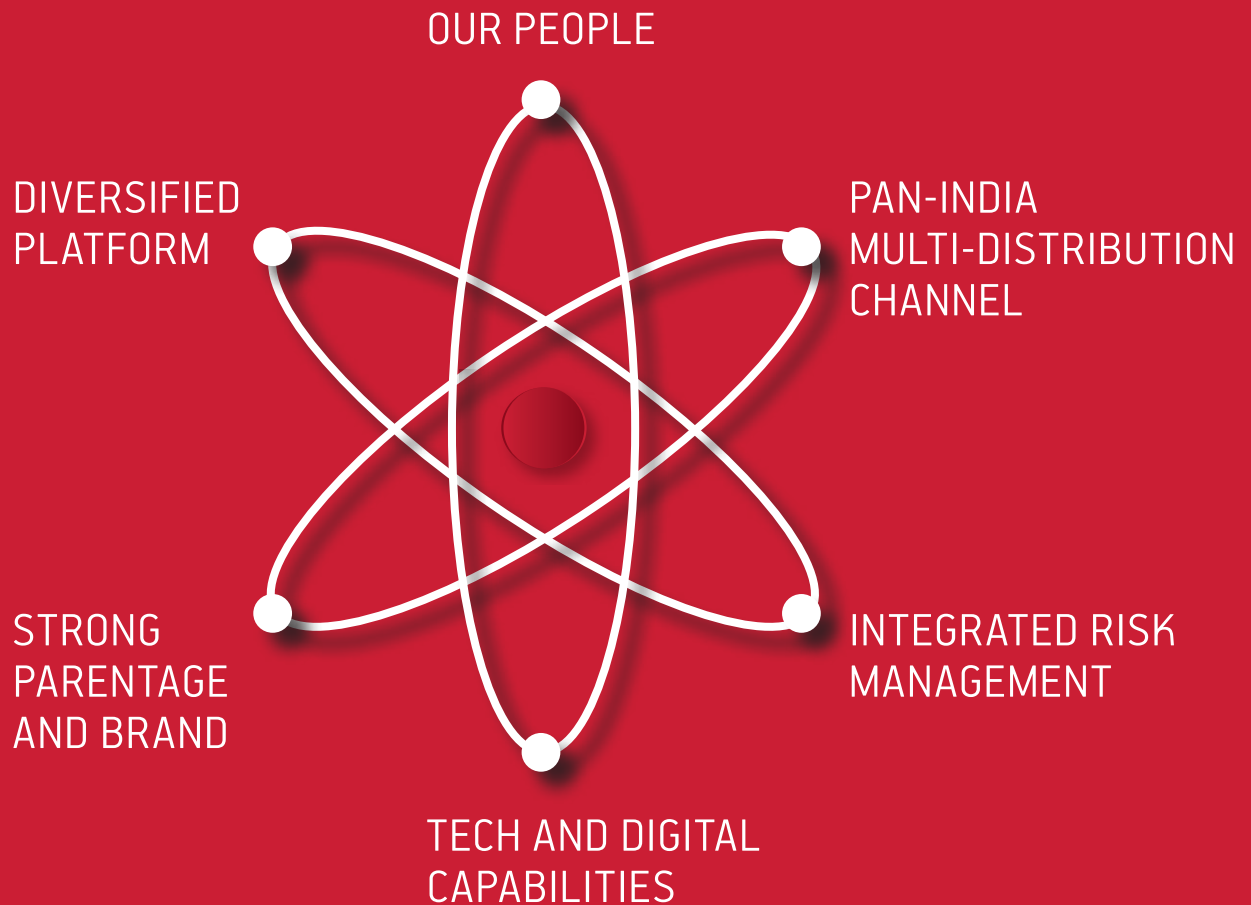
**Our PROTECTING Solutions enable people
to secure everything that they value.**

**Our INVESTING Solutions enable people
to live a life they truly aspire to.**

**Our FINANCING Solutions enable people
to fulfil their needs and ambitions,
without having to wait.**

CAPABILITIES THAT DRIVE US FORWARD

We derive our strengths from:



We are always seeking better ways of operating, embracing new technologies, processes and approaches that will continue to drive us forward.

DIVERSIFIED PLATFORM

We offer a wide spectrum of financial services to capitalise on multiple opportunities across the lending, insurance, asset management and other categories. Our diversity comprises offerings, customer segments, channels and geographies, which are key enablers to our future growth. This provides us a natural hedge against downturns in any particular business segment, geography or asset class.

STRONG PARENTAGE AND BRAND

We believe that a brand is endeared by customers for its provenance, its proven track record that enhances its trustworthiness, the strength of its balance sheet and the experience that it offers. Strong parentage and brand heritage provide us a distinctive competitive advantage. We are part of the US\$48.3 billion corporation, the Aditya Birla Group, anchored by a formidable force of 1,20,000+ people, belonging to 42 nationalities. Our Group is built on a strong foundation of stakeholder value creation.

OUR PEOPLE

Our people are our greatest strengths and they push the levers of our progress through a volatile operating environment and changing regulatory landscape. Over the years, we have delivered consistent growth and built market-leading businesses that are part of ABC today. At the end of the day, our people remain our biggest brand ambassadors. We try to upskill our people with regular need-based training programmes and other career-focused interventions.

INTEGRATED RISK MANAGEMENT

We have a differentiated approach to managing risks across our platform with robust governance mechanisms in place, that not only manage risks at each of the segment levels but also at an overall financial services platform level. We manage our systemic risks by integrating deep sector expertise across our segmented lines of business and maintaining constant oversight.

We have put in place a robust Internal Risk Rating system, as an integral part of our credit risk framework. This is effective to assess credit worthiness of borrowers and in our risk-based pricing decisions.

PAN-INDIA MULTI-DISTRIBUTION CHANNEL

Our multi-channel approach to distribution in our businesses enables us to reach diverse customer segments. Our network provides us the flexibility to adapt to changes and mitigate the risk of over-reliance on any single channel. Our online initiatives complement our physical distribution infrastructure, driving efficiency and enhancing our customer choice and experience. Our distribution presence is being built in smaller 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 penetration in India.

RISK MANAGEMENT FRAMEWORK



At Aditya Birla Capital, we have adopted best-in-class risk management practices in order to ensure that our fast-paced growth is accompanied by building of a sustainable platform. Our risk management approach is aimed at achieving the following:

ENABLE GROUP-LEVEL OVERSIGHT AND MONITORING

PROVIDE AN INTEGRATED VIEW OF RISK

FACILITATE BETTER STRATEGIC DECISION- MAKING

ENHANCED APPLICATION OF DATA BASED ANALYTICS AND AUTOMATION FOR RULE-BASED RISK CONTROLS FOR PROBLEM-SOLVING AND RISK GOVERNANCE

Our risk management approach is classified under the following buckets:

SOURCING AND UNDERWRITING

Underwriting	Committee-based approach with focus on rigorous credit appraisal and cash flows for corporate, projects and structured finance
Product Programme Based	<ul style="list-style-type: none"> • Small and Medium Enterprises (SMEs), Retail and Digital lending using robust programmes, systems and analytics • Enhanced use of behavioural scorecards and data analytics for customer selection

EXPOSURE MANAGEMENT

Group level exposure management	<ul style="list-style-type: none"> • Aggregate exposure limit set for borrower and group, monitored continuously • Exposure concentration across borrowers and groups are managed through defined exposure risk appetite and risk tiering
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EVENT-BASED AND REGULAR STRESS TESTING

Scenario and event-based stress testing of portfolio	Sector developments and event-based impact review through financial stress modelling
Liquidity management	Continuous oversight on ALM and liquidity through diversification and liquidity management

CONTINUOUS MONITORING TO ENSURE ASSET QUALITY

Lifecycle monitoring of exposures	Automation of identified triggers for key exposures
Early warning triggers	<ul style="list-style-type: none"> • Alert mechanism to identify signs of incipient stress • Adoption of AI-based early warning system in lending business for enhancing portfolio monitoring approach and data based triggers

INFORMATION SECURITY AND CYBER RISKS

Continue to adopt best practices	<ul style="list-style-type: none"> • Standardised manner to mitigate these risks is adopted and it continues to be closely monitored at the Group level with a quick response team in place • Strengthening the data protection environment to enable work from home and mitigate new cyber threats arising from remote working scenario
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LEGAL AND COMPLIANCE RISKS

Continue to adopt best practices	Zero-tolerance approach to non-compliance across every subsidiary
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OPERATIONAL RISKS

Proactive approach	<ul style="list-style-type: none"> • Early identification of operational risks and building an effective control framework to minimise frauds and operational losses • Data-driven approach to proactively identify operational risks. Drive automation in processes and build automated controls in new systems being implemented
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— Dimension — Approach

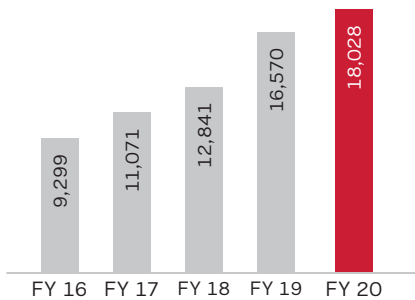
KEY PERFORMANCE INDICATORS

5 Year CAGR

Consolidated

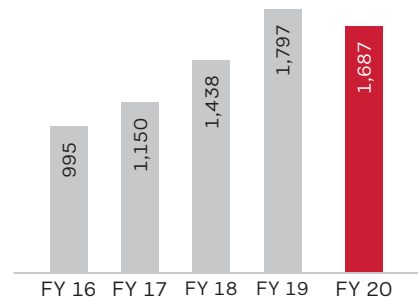
REVENUE¹
(₹ in Crore)

18,028 | 18% ↑



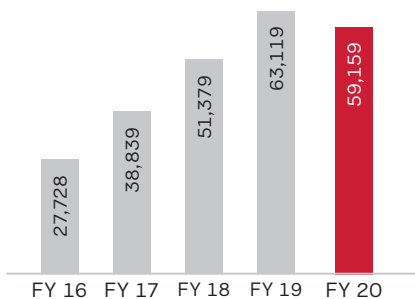
AGGREGATE PROFIT BEFORE TAX
(₹ in Crore)

1,687 | 14% ↑



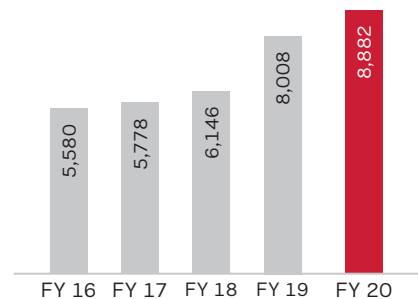
LENDING BOOK
(₹ in Crore)

59,159 | 21% ↑



GROSS PREMIUM
(₹ in Crore)

8,882 | 12% ↑

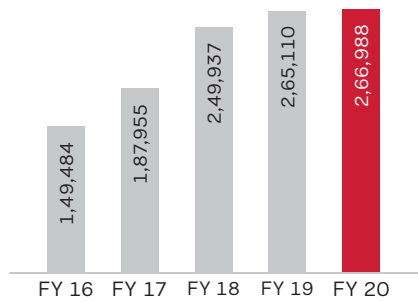


¹ Consolidated segment revenue; for Ind AS statutory reporting purpose, asset management and wellness business are not consolidated and included under equity accounting. The financials are prepared as per Indian GAAP for the period upto FY 17. Aditya Capital Limited has adopted Ind AS effective from 1st April, 2018. The financials for FY 18, FY 19 and FY 20 are Ind AS compliant.

AVERAGE ASSETS UNDER MANAGEMENT (AAUM)¹

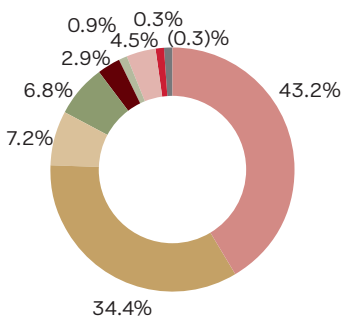
(₹ in Crore)

2,66,988 | 16% ↑

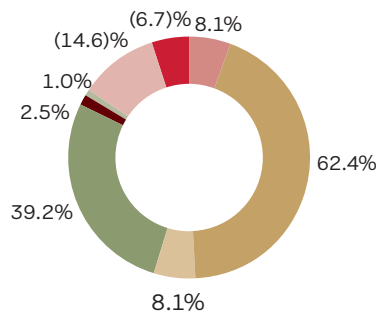


SEGMENT REVENUE AND PROFIT BEFORE TAX (PBT) MIX (%)

Segment Revenue Mix




Segment PBT Mix



- Life Insurance
- NBFC
- Housing Finance
- Asset Management
- General Insurance Broking
- Stock and Securities Broking
- Health Insurance
- Other Financial Services
- Inter-Segment Elimination

¹ Annual average assets under management of asset management business

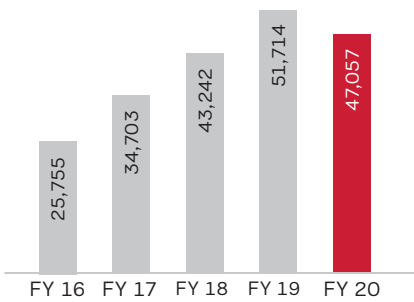
KEY PERFORMANCE INDICATORS

 5 Year CAGR

Aditya Birla Finance

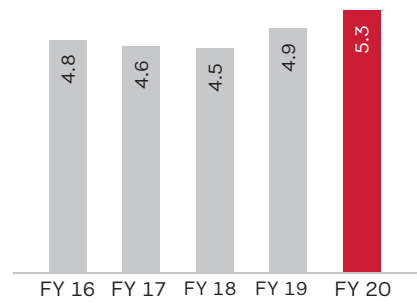
LENDING BOOK
(₹ in Crore)

47,057 | 16% ↑



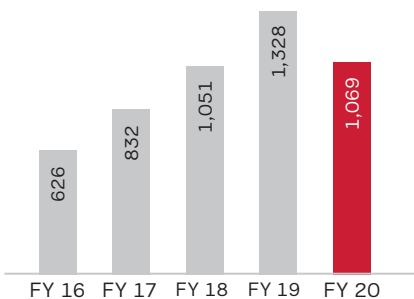
NET INTEREST MARGIN¹
(%)

5.3



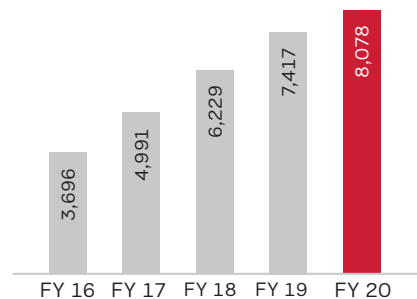
PROFIT BEFORE TAX
(₹ in Crore)

1,069 | 14% ↑



NET WORTH
(₹ in Crore)

8,078 | 22% ↑



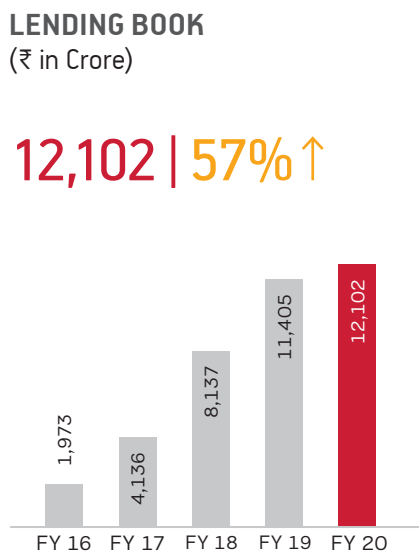
¹ Net Interest Margin including fees

Aditya Birla Housing Finance

LENDING BOOK

(₹ in Crore)

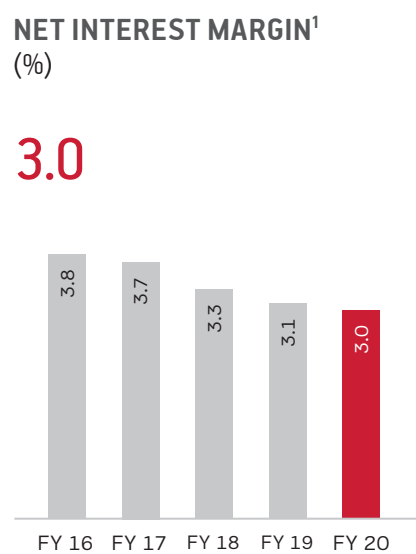
12,102 | 57% ↑



NET INTEREST MARGIN¹

(%)

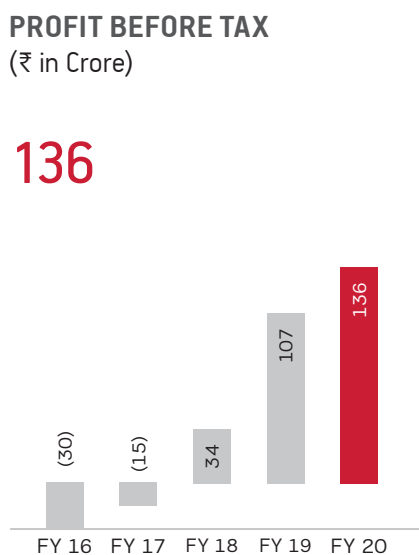
3.0



PROFIT BEFORE TAX

(₹ in Crore)

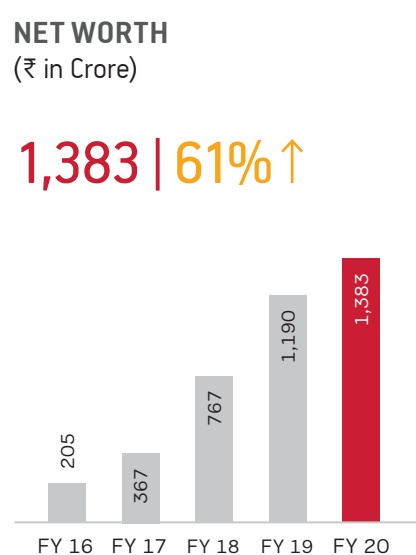
136



NET WORTH

(₹ in Crore)

1,383 | 61% ↑



¹ Net Interest Margin including fees

KEY PERFORMANCE INDICATORS

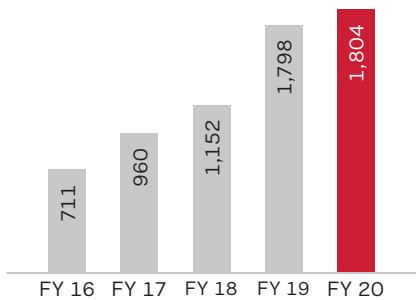
5 Year CAGR

Aditya Birla Sun Life Insurance

INDIVIDUAL FIRST YEAR PREMIUM

(₹ in Crore)

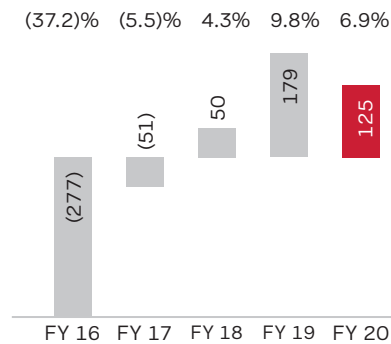
1,804 | 26% ↑



NET VNB¹

(₹ in Crore)

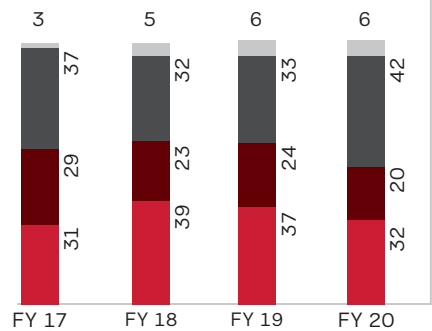
125



PRODUCT MIX¹

(%)

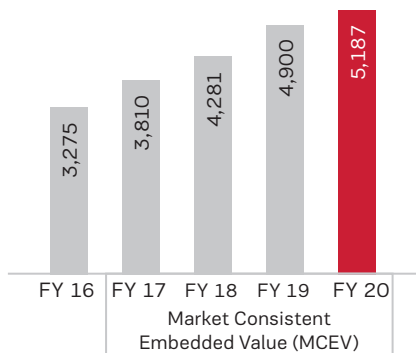
Protection Non Par Par ULIP



EMBEDDED VALUE

(₹ in Crore)

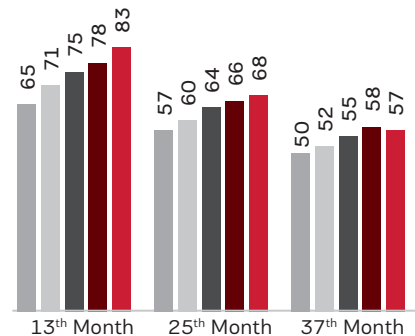
5,187



PERSISTENCY RATIOS²

(%)

FY 16 FY 17 FY 18 FY 19 FY 20



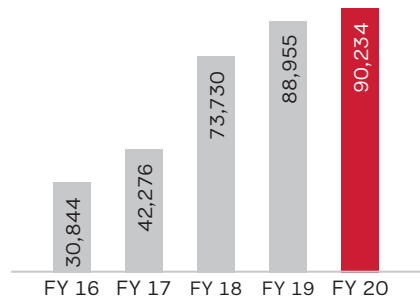
¹ Based on individual business basis management estimates

² Parameters are pertaining to Individual Business

Aditya Birla Sun Life AMC

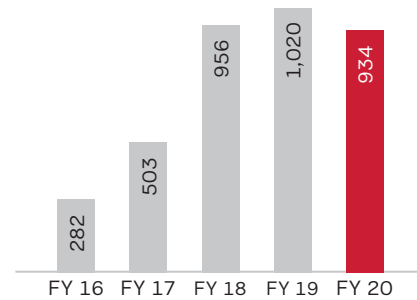
DOMESTIC EQUITY AAUM¹ (₹ in Crore)

90,234 | 35% ↑



SIP BOOK (₹ in Crore)

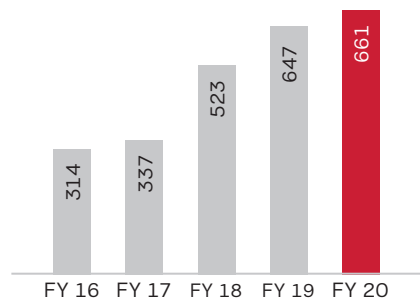
934 | 35% ↑



PROFIT BEFORE TAX (₹ in Crore)

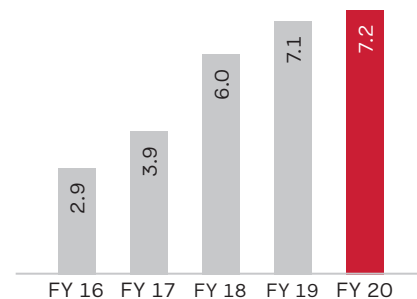
661 | 20% ↑

24 bps 19 bps 23 bps 26 bps 26 bps



INVESTOR FOLIOS (Million)

7.2 | 25% ↑



Profit Before Tax/AAUM¹ (bps)

¹ Annual Average Assets Under Management

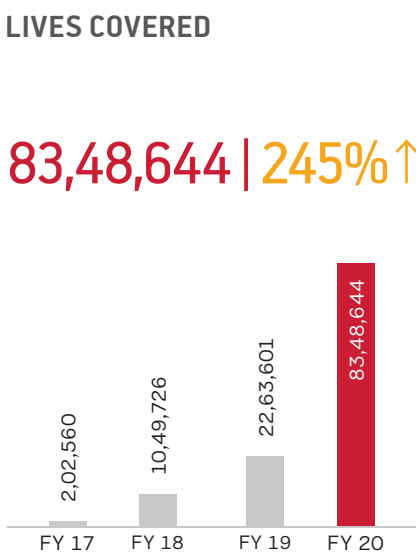
KEY PERFORMANCE INDICATORS

5 Year CAGR

Aditya Birla Health Insurance

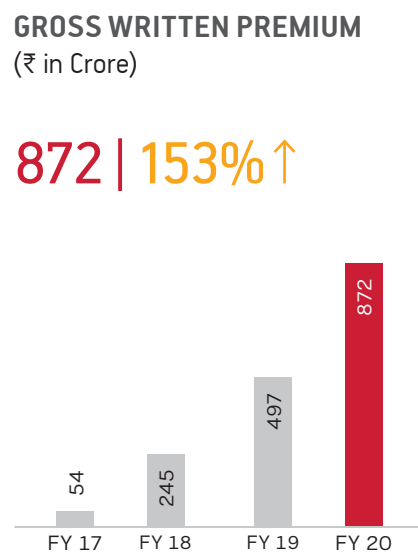
LIVES COVERED

83,48,644 | 245% ↑



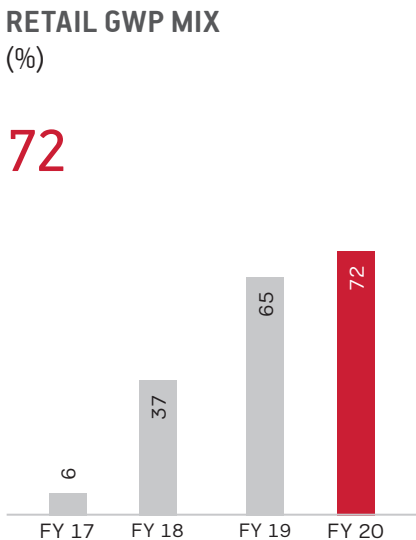
GROSS WRITTEN PREMIUM (₹ in Crore)

872 | 153% ↑



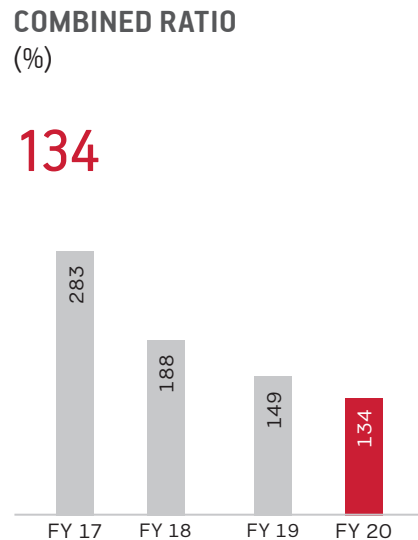
RETAIL GWP MIX (%)

72



COMBINED RATIO (%)

134



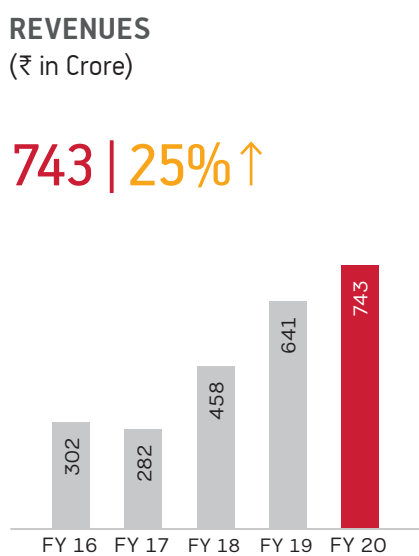
Note: Aditya Birla Health Insurance launched operations in November 2016

Other businesses aggregate¹

REVENUES

(₹ in Crore)

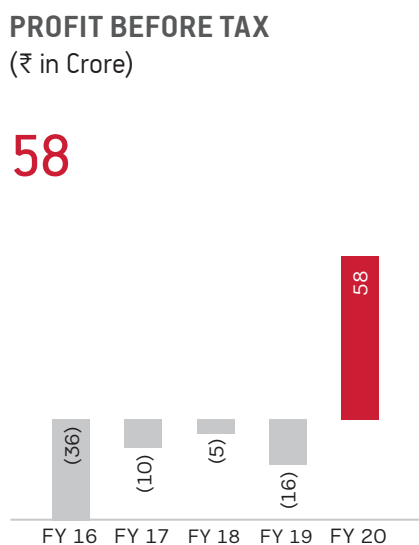
743 | 25% ↑



PROFIT BEFORE TAX

(₹ in Crore)

58



¹ Includes General Insurance Broking, Stock and Securities Broking, Private Equity, Online Personal Finance and ARC business

MEASURES UNDERTAKEN DURING LOCKDOWN



Although the COVID-19 outbreak impacted our operations, we coordinated with agility with all cross-functional teams to operate effectively and address operational challenges during the lockdown.

EMPLOYEE HEALTH AND SAFETY

- Identified Flu Prevention Managers across all regions to monitor and report on employee health
- Undertook regular communication around awareness and best practices with employees
- Implemented several learning and development initiatives during the lockdown to upskill employees

24x7

DOCTOR-ON-CALL AND HEALTH PARTNER SERVICES ONBOARDED

5+ LAKH HOURS

COVERING 64% (PREVIOUS YEAR: 16%) EMPLOYEES THROUGH DIGITAL LEARNING

BUSINESS CONTINUITY

- Undertook thorough tests of all systems, contact centres to ensure seamless remote working in early March
- Implemented 100% work from home a week before imposition of the lockdown
- This preparation enabled us to continue to function and serve our customers even as we were able to keep our employees safe

85%

BRANCHES OPERATIONAL AS ON 30TH MAY, 2020

CUSTOMER AND DISTRIBUTOR ENGAGEMENT

- Undertook hyper-personalised digital engagement with existing and prospective customers
- Stepped up online services to provide pre-approved digital products and simplified telesales journeys for selling to existing customers
- Engaged with distributors continuously

₹7.4 CRORE

LIFE INSURANCE FIRST YEAR PREMIUM PRE-APPROVED SUM ASSURED (PASA) OFFERS IN MAY 2020

100%

ADVISORS FOR LIFE INSURANCE AND MUTUAL FUND BUSINESS ONBOARDED ON DIGITAL PLATFORMS

TECHNOLOGY READINESS

- Enhanced bandwidth of key systems and ensured access to all users securely
- Increased coverage of self-serve digital channels (web portals, apps, chatbot and WhatsApp)
- Implemented Artificial Intelligence voice (AI-Voice) bot calling
- Smooth running of 200+ robots in mid and back-office processes

94%

OF SERVICES OFFERED DIGITALLY (61% LAST YEAR)

WHATSAPP

CHANNEL NOW HAS >3 MILLION CUSTOMERS AND 180+ SERVICES LIVE

DIGITALISATION

We are crafting better customer experience by providing an end-to-end digital journey.

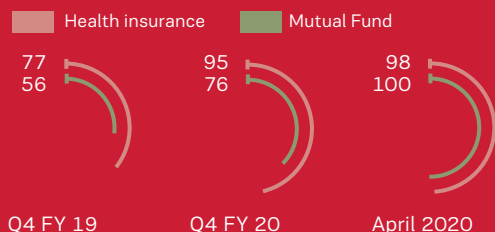
ONBOARDING CUSTOMERS AND ADVISORS

Our digital assets

- **Direct digital onboarding/purchase:** Leveraging biometrics and KYC technologies
- **Advisor-assisted digital onboarding:** Paperless purchases done by customers through mobile apps and tabs
- **Onboarding advisors digitally:** Implemented 'office in a box' digital solution to meet advisors' needs across the entire lifecycle

Outcomes

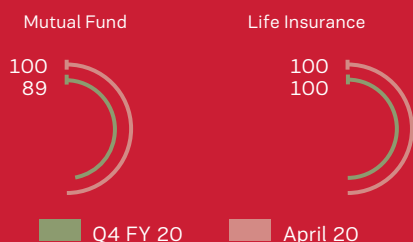
Customers onboarded digitally (%)



Percentage of policies sourced through tablets/mobile apps by advisors in the Life Insurance Business



Advisors onboarded on digital solutions (%)



SERVICING CUSTOMERS

Our digital assets

- **Websites/mobile apps:** Expansion of digital self-service channels for all customer requests and transactions
- **Chatbot:** Serving over 2 Lakh customer service requests/queries per month
- **WhatsApp:** Integration of WhatsApp and Chatbot to provide conversational experience for 200+ services

Outcomes

Best-in-class services, at customers' convenience (Lakh)

Particulars	Q4 FY 19	Q4 FY 20	April 2020
Registered customers on WhatsApp services across ABC	6	23	34
Customer initiated interactions on WhatsApp across ABC	0.7	3.3	4.6

Policy renewal through digital channel



Robotics Process Automation (RPA)

Robots enable scalability, productivity and agility in processes and reduce human dependence.

200+
RPA INITIATIVES IMPLEMENTED

Digitalisation: The next phase

01

PARTNER INTEGRATION

- Building a technology platform for faster integration and go to market with ecosystem partners
- Fintech partnerships (Bizlabs) – working with 30+ Fintechs to address business challenges

03

INTEGRATED AUDIO + VIDEO + CHAT + CO- BROWSING TECHNOLOGY

- To provide remote advisory by sales/ partners for touchless pre-sales and purchase experience.

05

MULTILINGUAL DIGITAL ASSETS (WEBSITE/CHATBOTS)

- To improve reach across new customer segments and geographies

02

LEVERAGING VOICE TECHNOLOGIES

- Developing self-service voice channel to service queries and requests for customer convenience
- Leverage voice technology for telesales, customer retention and cross-sell

04

BUILD CROSS-SELL OFFER FACTORY

- Next best action/offers for customers using natural language processing and machine learning

06

ANALYTICS AND AUTOMATION IN RISK, FRAUD AND PERSISTENCY

- Audit command language for automating the audit processes
- Risk based customer segmentation with early warning system
- Customer Retention analytics for proactive campaigns

SIMPLIFYING MONEY FOR EVERY INDIVIDUAL

Aditya Birla Capital's purpose is to enable every individual to live the life they have imagined for themselves, by partnering them in all their money needs, throughout their life.

Through all our communication touch points, be it television, digital or on-ground, our endeavour is to engage with people to (i) assist them in indentifying their life goals (ii) help them understand the role of money to meet those life goals (iii) advise them regarding right money solutions that will enable them to fulfil their goals (iv) partner them through all their life stages, with relevant money solutions.

HELPING PEOPLE UNDERSTAND THE ROLE OF MONEY TO MEET THEIR LIFE GOALS



PARTNERING CUSTOMERS THROUGHOUT THEIR LIFE



SERVING CUSTOMERS 24X7



ENABLING PEOPLE TO PLAN THEIR MONEY



ADVISING PEOPLE REGARDING THE RIGHT MONEY SOLUTIONS FOR THEIR UNIQUE NEEDS



BUSINESS-WISE PERFORMANCE REVIEW AND STRATEGIC PRIORITIES

Aditya Birla Finance (ABFL)

- Rebalancing the portfolio along stated strategy led to margin improvement and mix change with focus on new disbursement in select segments
- Net Interest Margin (NIM) expanded year-on-year by 38 bps to 5.29% with retail and SME mix now at 50%
- Building granularity across segments with ticket sizes reducing across customer/product segments
- Pre Provision Operating Profit (PPOP) grew 16% year-on-year to ₹1,776 Crore
- Raised long-term borrowing of ~ ₹11,700 Crore in FY 20
- AAA rating re-affirmed by ICRA and India Ratings
- Secured loan book forms over 80% of overall book with primary focus on cash flow based underwriting
- Gross stage 3 (Excl. IL&FS) at 3.15% of overall book with provisioning coverage at 33.3%
- Well matched asset liability mix (ALM) with adequate liquidity for FY 21 under stress scenario as well

WAY FORWARD IN FY 21

- New disbursement opening up with caution
- Continued focus on cross-sell and leveraging synergies cross Aditya Birla Capital and Aditya Birla Group
- Branch expansion in tier III-IV markets in H2FY 21, post assessment of macro-economic scenario
- Building cost efficiencies with scale and opex rationalisation
- Maintain adequate liquidity and well-matched ALM profile
- Automated and analytics-driven collections; dedicated focus on settlements/recoveries across products

Aditya Birla Housing Finance (ABHFL)

- Lending book grew at 2 year CAGR of 22% to ₹12,102 Crore with retail mix at 95%
- Maintained NIM at 3.04%, despite construction finance mix reducing year-on-year
- Cost to Income ratio improved to 46% vis-à-vis 61% in the previous year aided by scale and operating efficiencies
- Pre-provision operating profit grew 64% year-on-year to ₹206 Crore
- Profit after tax grew 38% year-on-year to ₹103 Crore even after creating COVID provisions

WAY FORWARD IN FY 21

- Start business operation with caution and focus on risk adjusted returns
- Focus on upsell/cross-sell; curating pre-approved offers for customers through analytics
- Strong focus on collections with AI-Voice bots and analytics-based risk segmentation
- Focus on increasing digital onboarding and customer services
- Leveraging technology to save cost of acquisition, control on opex

Aditya Birla Sun Life AMC (ABSLAMC)

- AAUM stood at ₹2,66,988 Crore with 5 year CAGR at 19% in line with industry growth
- Domestic equity AAUM at 36% of overall domestic AAUM
- Continued focus on expanding our retail base, investor folios have grown at 25% CAGR over the last 5 years to reach 7.2 Million folios, ahead of the industry's CAGR of 17%
- Profit after tax grew 10% year-on-year to ₹494 Crore

WAY FORWARD IN FY 21

- Continue to expand footprint in B-30 cities through branch expansion, tie-ups with large ecosystem and digital partnership
- Enhance customer engagement activities to make service a differentiator
- Increase active Independent Financial Advisors' (IFAs)

Aditya Birla Sun Life Insurance (ABSLI)

- Life insurance business delivered on its stated strategy of value accreting growth with improvement in quality
- Individual First Year Premium (FYP) at ₹1,702 Crore, with year-on-year growth impacted due to the nationwide lockdown in the last two weeks of March 2020; grew 10% year-on-year till February 2020
- Consistent improvement in quality with our 13th month persistency at 83%, from 78% in previous year
- Renewal Premium grew 21% year-on-year to ₹4,353 Crore

WAY FORWARD IN FY 21

- Balanced channel and product mix
- Acquire new distribution partners while strengthening existing ones

Aditya Birla Health Insurance (ABHICL)

- Gross written premium at ₹872 Crore grew 76% year-on-year, much ahead of industry growth of 27% for standalone health insurers
- Covering 8.3 Million lives out of which 5.2 Million lives covered through micro and byte-sized products
- Continues to build profitable scale with significant improvement in combined ratio at 134% vis-à-vis 149% in the previous year, on track for break even in FY 22
- Built one of the largest third-party distribution capacities with nine banca partners, with access to over 14,000 branches

WAY FORWARD IN FY 21

- Focus on driving productivity in existing capacities, in addition to creating new capacities
- Differentiated value proposition to our customers
- Continue to invest in service and health management

AWARDS AND ACCOLADES



WON THE FICCI CSR AWARD FOR OUR PROJECT 'SAKSHAM' WHICH IS BASED ON A HOLISTIC INCLUSIVE MODEL FOR DIFFERENTLY ABLED CHILDREN AND YOUNGSTERS

AWARD FOR PRODUCTIVITY AT THE 'NEW CODE OF WORK' AWARDS ORGANISED BY PEOPLESTRONG AND WHEEBOX

PROJECT TEAMS FROM NBFC, HOUSING AND HEALTH INSURANCE WON SIX GOLD AWARDS AT THE INTERNATIONAL CONVENTION ON QUALITY CIRCLE IN SEPTEMBER 2019

SERVICE EXCELLENCE

- Subsidiaries of ABC bagged two awards at Qualtech in 2019. 'WhatsApp Enterprise Solutions for Business' won in the Innovation category
- ABSLI and ABHFL won two Economic Times BFSI (ETBFSI) Excellence Award 2019 for service and operational excellence
- Project teams from ABFL, ABHFL and ABHICL won six Gold Awards at the International Convention on Quality Circle in September 2019
- ABHFL won Award for Robotics Process Automation project at Symbiosis Centre for Management's Lean & Six Sigma Excellence Awards - 2019

CSR

- Won the FICCI CSR Award for our project 'Saksham' which is based on a holistic inclusive model for differently abled children and youngsters
- The CSR Journal Excellence Award was bestowed on ABC under the category Promotion of Sports

MARKETING

- ABC's marketing team won Gold for Best Social Media Brand in India in Financial Services at the esteemed Sammys 2019
- ABHFL's Mood Board campaign won a Bronze for the Best Use of Direct Email at the 2019 DMA ASIA ECHO Awards
- **ABHI's #JumpForHealth won:**
 - Two awards at EMVIE 2019 for Best Use of Influencer Marketing and Best Case Study Presentation
 - Gold at SMARTIES 2019 India Awards under the Mobile Social Category
 - Recognised as the Best Crowd Sourced (User Generated) Content and Best Content Marketing on Social Media Platform at the E4M Indian Content Marketing Awards 2019
- ABSLAMC bagged Bronze at Maddies 2019 in the Gender Equity category for its campaign WoMoneyKiBaat, creating financial awareness amongst women

HUMAN RESOURCES

- ABC secured 12th rank at the coveted Association for Talent Development (ATD) '2019 BEST Award' for excellence in Learning & Talent Development Practices
- Won the award for Productivity at the 'New Code of Work' Awards organised by PeopleStrong and Wheebox

ADITYA BIRLA FINANCE LIMITED

Won The Asset Triple A Treasury, Trade, Supply Chain and Risk Management Awards 2019 in the category Best Payments and Collections Solution

ADITYA BIRLA HOUSING FINANCE LIMITED

Outlook Money Awards 2019

- Gold in the category Home Loan Provider of the Year (Affordable)
- Silver in the category Home Loan Provider of the Year (Overall)

ADITYA BIRLA SUN LIFE INSURANCE LIMITED

- Golden Peacock Award for Excellence in Corporate Governance 2019 instituted by Institute of Directors, Delhi (IOD)
- The Confederation of Indian Industry (CII) bestowed the company with Silver and a Bronze for two of its projects - 'Enriching Customer Experience by the Customer Service Team' and 'UAT Automation by Team BSG' low cost automation, digitisation and robotics

ADITYA BIRLA HEALTH INSURANCE CO. LIMITED

- Recognised as the Health Insurer of the Year at ET Now Business Leader of the Year Awards
- Received an award for its Health Insurance Products and Service Innovation at the Patient Experience Conclave & Awards (Pexa) 2019, New Delhi

ADITYA BIRLA SUN LIFE AMC LIMITED

- Won the Best Fund House for Investor Education at the Asia Asset Management Best of the Best Awards 2020
- Won the following awards in the 2019 Thomson Reuters Lipper Awards - MENA Markets
 - **Best Fund over 5 years, Bond Indian Rupee; Fund:** ABSL Dynamic Bond-Retail-Growth
 - **Best Fund over 10 years, Bond Indian Rupee; Fund:** ABSL Dynamic Bond-Retail-Growth
 - **Best Fund over 3 years, Equity India; Fund:** ABSL India GenNext Fund-Growth
 - **Best Fund over 5 years, Equity Sector Financials; Fund:** ABSL Banking & Financial Services - Growth

NURTURING TALENT



Our employees are the cornerstones of our success and we are committed to provide them with a nurturing and balanced work environment. We consistently invest in upskilling our people to differentiate our teams from our peers in the rapidly evolving financial services sector. Our human-resource initiatives are focused on driving focused outcomes, accountability & discipline, innovation & entrepreneurship and respect & openness so as to align with the values of the Aditya Birla Group. Our employees are provided with ample opportunities to perform and grow both professionally as well as personally.

21,000+
EMPLOYEE STRENGTH

70%
MILLENNIAL EMPLOYEES

26%
WOMEN EMPLOYEES

Upskilling our people and enhancing their capabilities, putting in place strong succession plans and rewarding excellence are the core pillars of our people practices. Rethinking existing practices to make employees fit for purpose and improving systems and processes to make them more efficient are a way of life at Aditya Birla Capital.

FY 20 witnessed rapid and unprecedented changes in the socio-economic scenario and business environment. We transformed our ways of working and people processes with agility to meet the demands of the new scenario and ensure uninterrupted service to our customers.

Prominent initiatives implemented during the year include:

- Onboarded talent in functions of digital and technology
- Strengthened digital talent in middle management through an intake of 35 management trainees from premier business schools across the country
- Infused young tech talent from the best engineering colleges in the country

SET UP A DIGITAL TECHNOLOGY CENTRE DEDICATED TO DEVELOPING AND SCALING UP DIGITAL ASSETS ACROSS OUR BUSINESSES

EMPLOYEE ENGAGEMENT AND WELLNESS

- Our top leadership engages with employees across levels through various forums, enabling free flow of communication
- We were early to let all our employees to work from home to ensure their safety and security in the pandemic-induced lockdown
- Launched several initiatives to keep employees and their families connected, engaged and stress free through various digital platforms during the nationwide lockdown
- With various initiatives like ABC annual health check up, Doctor on call, Desk Yoga, Online fitness sessions, Build your immunity etc., at ABC we always keep the employee health and wellness as our key priority

LEARNING

- Our sales academy focused on upskilling young professionals to build their career in sales with us
- Leadership competencies were enhanced through various capability building programmes throughout the year
- Launched our AI-enabled learning app encouraging 'learning on-the-go' and 'peer-learning'. The app also gives employees easy access to personalised content that meets their individual requirements
- Transition to work from home towards the end of last quarter bolstered digital learning and employees were covered by various programmes through digital sessions
- Boosting digital skills resulted in quick adoption of digital tools by our people
- We also engaged with customers and distributors digitally, aiding the continuity of business during lockdown

WE HAVE 1,000+ E-LEARNING COURSES AND 1,500+ VIDEO-BASED MODULES

TALENT DEVELOPMENT

- We continued to develop a robust pool of high potential leaders for the future
- Our talent development programmes are curated to develop leaders across all levels

OVER 500 EMPLOYEES MOVED INTO NEW, LARGER ROLES IN THE LAST TWO YEARS

350+ EMPLOYEES FROM OUR TALENT POOL IN MIDDLE MANAGEMENT AND ABOVE PARTICIPATED IN DEVELOPMENT INITIATIVES

COMMUNITY EMPOWERMENT IS OUR PRIORITY

As a Group, we strongly believe in supporting and caring for underserved communities as part of our organisational DNA. We see our role as being the custodian of societal trust. This entails going beyond business priorities and working for underserved communities and ushering in a meaningful difference to their lives. Community empowerment is also integral to our broader sustainability agenda. At Aditya Birla Capital, we imbibe the Group culture, its ethos and values in every facet of our CSR programme.

OUR GROUP'S CSR 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

Our CSR initiatives are based on the following four pillars:

- Embedding our social vision in our overarching business plan
- Fine-tuning our razor-sharp strategy for execution, factoring milestones, targets, performance management and accountability
- Getting our CSR work audited by reputed, third-party agencies to ascertain performance on the ground
- Collaborating with government agencies as part of their various development schemes, which foster inclusive growth

Above all, the invaluable contribution by our strong committed implementation team, partner NGOs and leadership team gives us the edge.

During the year, our CSR footprint expanded to 12 states from 10 states. Our initiatives in the areas of healthcare, education, women empowerment and sustainable livelihoods and sports have benefited close to 2.25 Lakh people across the country.



HEALTHCARE

- Over 50,000 expecting mothers and mothers of children below two years have participated in our comprehensive mother and child healthcare programmes. This comprises ante-natal, post-natal, immunisation, anaemia control programmes and more) in Tamil Nadu, Odisha, Chhattisgarh, Maharashtra and Rajasthan.
- Supported treatment of 1,766 cancer afflicted patients from economically constrained backgrounds.
- Over 5,000 elderly with vision impairment were screened in rural medical camps, of these 971 senior citizens underwent cataract surgery and have regained normal vision.
- Our 'Hospital on Wheels Project' in Uttar Pradesh (Prayagraj) provided high-quality healthcare services like ENT, Dental, Oral cancer counselling and prevention, Epilepsy and orthopaedic corrective surgeries, Plastic surgery to over 9,300 patients.
- We have helped revive three government Primary Health Centres (PHC) and 10 Sub Centres benefited more than 1,19,467 patients in Rajasthan.

5,000
SENIOR CITIZENS
SUFFERING FROM
VISION IMPAIRMENT
SCREENED AT OUR
RURAL MEDICAL CAMPS

1,19,467
PATIENTS IN RAJASTHAN
WERE HELPED
THROUGH THE PRIMARY
HEALTHCARE CENTRES



EDUCATION

- Set up Inclusive Child Resource Centres focused to support Children with Disability (CwD) in Bhubaneswar, Odisha, enabling 362 children to continue their education.
- Project 'Knowledge on Wheel' at Mumbai, provided mobile science labs to 52 government schools, benefiting over 5,300 students.
- Under our project 'Childhood to Livelihood', 1,014 students from Standard 6th to 10th in Maharashtra were given various life-skill training, problem-solving, communication training, remedial education.
- Helped improve digital infrastructure and learning environment in 40 schools in Uttar Pradesh, benefiting over 20,200 students.

168
ORPHANS IN ODISHA
HELPED THROUGH THE
'ADOPT A HOME' PROJECT

1,014
STUDENTS IMPACTED
THROUGH THE
'CHILDHOOD TO
LIVELIHOOD' PROJECT

COMMUNITY EMPOWERMENT IS OUR PRIORITY



• WOMEN EMPOWERMENT AND SUSTAINABLE LIVELIHOOD

- Our 118 Self-Help Groups (SHGs) empowered 2,162 households and brought them under the ambit of formalised banking.
- Trained 17,413 rural women in Karnataka in financial literacy, focused on household budget planning, bank account opening and so on.
- In Madhya Pradesh, we worked with 3,204 small and marginal women farmers to achieve food security for one year and increase their income through improved agricultural techniques.
- Over 600 farmers supported through crop intensity techniques to attain improved agricultural productivity.
- Initiated a water harvesting project in Rajasthan's drought-prone areas with water recharge potential 3.5 Billion litres.
- With our support, 40 distressed widows in Nagpur district of Vidarbha region, benefited to construct new houses.

3,204
SMALL/MARGINAL
WOMEN FARMERS HAVE
BEEN INCENTIVISED
THROUGH FARM
PRODUCTIVITY TRAINING

3.5 Billion litres
OF WATER HARVESTING
INITIATED IN DROUGHT
PRONE AREAS IN
RAJASTHAN

SPORTS

- Our partnership with GoSports Foundation to improve the performance of athletes has produced 25 national and international level athletes.

ENGAGING EMPLOYEES IN CSR ACTIVITY

- We encourage our employees to partner with various NGOs across geographies for the socio-economic development of the underprivileged under our campaign 'ABC 4 Good'.

Partnering communities to combat the pandemic

At the Aditya Birla Group, we have reached out to the COVID-afflicted in myriad ways. Our initiatives include:



- Contribution of ₹400 Crore to the PM-CARES Fund
- Giving a grant of ₹50 Crore to FICCI-Aditya Birla CSR Centre for Excellence for COVID relief measures
- Setting up a 100-bed COVID-19 facility at Seven Hills Hospital in Mumbai, in partnership with BMC
- Providing over 200 beds for COVID-19 patients across Ujjain, Pune, Hazaribagh, Rayagada, Solapur and Kharach.
- Allocating ₹50 Crore towards the supply of 1 Million N-95 masks, 2,80,000 Personal Protective Equipment (PPE), as well as ventilators.
- Undertaking production of 1 Million triple-layer surgical masks and 1 Lakh coverall garments with the support of the Ministry of Textiles, Government of India.
- Aditya Birla Capital employees come together to contribute 86 Lacs voluntarily to the PM Care Fund and standing together to support the fight against COVID-19.
- Involving community and SHGs in home production of lakhs of masks across several locations.
- Conducting awareness camps across 200 locations and door-to-door campaign to reinforce prevention message as well as social distancing.
- Sanitised 1,000 villages/urban slums and distributed 10,00,000 meals pan India.
- Over 26,000 colleagues contributed to help migrant workers recharge mobiles.

BOARD OF DIRECTORS



MR. KUMAR MANGALAM BIRLA
Chairman and Non-Executive Director



DR. SANRUPT MISRA
Non-Executive Director
N C S R



MR. S C BHARGAVA
Independent Director
N C R P



MR. SUSHIL AGARWAL
Non-Executive Director

A N S AL



MR. ARUN ADHIKARI
Independent Director

N C R



MR. P H RAVIKUMAR
Independent Director

A C AL I



MRS. VIJAYALAKSHMI IYER
Independent Director

A S AL P I

COMMITTEES

- A** Audit
- N** Nomination, Remuneration and Compensation
- C** Corporate Social Responsibility
- S** Stakeholders' Relationship

- AL** Asset-Liability Management
- R** Risk Management
- P** Pit Regulations
- I** IT Strategy

LEADERSHIP TEAM



MR. AJAY SRINIVASAN
Chief Executive
Aditya Birla Capital Limited



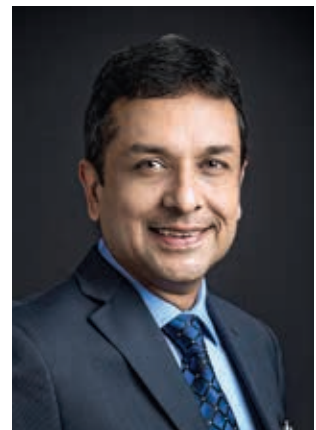
MR. KAMLESH RAO
Managing Director and CEO,
Aditya Birla Sun Life
Insurance Company Limited



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



MRS. PINKY MEHTA
Chief Financial Officer
Aditya Birla Capital Limited



MR. MUKESH MALIK
Chief Operating Officer
Aditya Birla Capital Limited



MR. TUSHAR SHAH
Chief Executive Officer-
Infrastructure & Structured
Finance
Aditya Birla Finance Limited



**MR. A.
BALASUBRAMANIAN**
Managing Director and
Chief Executive Officer
Aditya Birla Sun Life
AMC Limited



MR. MAYANK BATHWAL
Chief Executive Officer
Aditya Birla Health
Insurance Co. Limited



DR. SANDEEP DADIA
Chief Executive Officer and
Principal Officer,
Aditya Birla Insurance
Brokers Limited



MR. SUBHRO BHADURI
Chief Human Resources
Officer
Aditya Birla Capital Limited



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



MR. AJAY KAKAR
Chief Marketing Officer
Aditya Birla Capital Limited



**MR. PRAMO
SELVARATNAM**
President, Strategy and
Business Development
Aditya Birla Capital Limited

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

ASSET-LIABILITY MANAGEMENT

Mrs. Vijayalakshmi Iyer
Mr. P H Ravikumar
Mr. Sushil Agarwal
Mr. Ajay Srinivasan
Mr. A. Dhananjaya
Mrs. Pinky Mehta

RISK MANAGEMENT

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

PIT REGULATIONS

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

IT STRATEGY

Mr. P H Ravikumar
Mrs. Vijayalakshmi Iyer
Mr. Ajay Srinivasan
Mr. A Dhananjaya
Mrs. Pinky Mehta
Mr. Mukesh Malik
Mr. Subhro Bhaduri
Mr. Sailesh Kumar Daga
Mr. Makesh Chandramohan

KEY MANAGERIAL PERSONNEL

Mr. Ajay Srinivasan
Chief Executive Officer

Mrs. Pinky Mehta
Chief Financial Officer

Mr. Sailesh Kumar 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. Ajay Kakar
Chief Marketing Officer

Mr. Pramo Selvaratnam
President, Strategy and Business
Development

STATUTORY AUDITORS

Deloitte Haskins & Sells LLP
Chartered Accountants

SECRETARIAL AUDITORS

Makarand M. Joshi & Co.
Company Secretaries

INTERNAL AUDITORS

Price Waterhouse & Co.
Bangalore LLP
Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies Private Limited
Unit: Aditya Birla Capital Ltd.
Selenium Building, Tower B,
Plot No. 31-32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad - 500 032
Tel: +91 40 6716 1611
Toll Free no: 1800-572-4001
E-mail Id: adityacapital@kfintech.com

REGISTERED OFFICE

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CIN: L67120GJ2007PLC058890
E: abc.secretarial@adityabirlacapital.com
W: www.adityabirlacapital.com

CORPORATE OFFICE

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Tower-1, 18th Floor,
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841, Senapati Bapat Marg,
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F: +91 22 4356 7111

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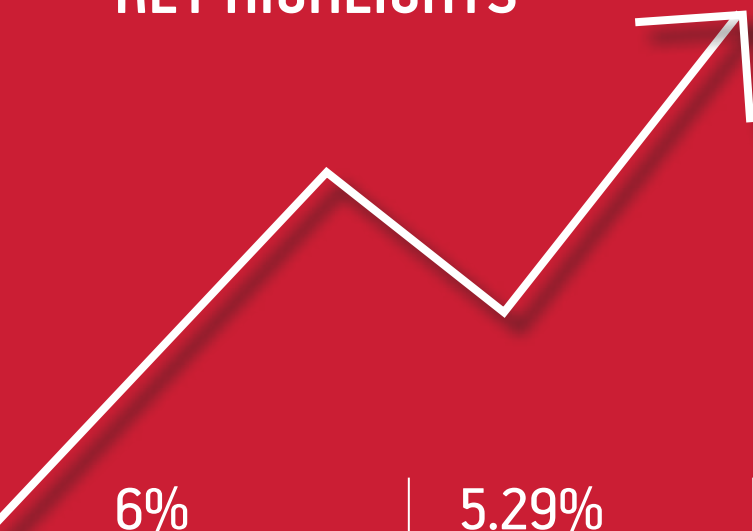
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125 Shareholder information

132 Business responsibility report

MANAGEMENT DISCUSSION AND ANALYSIS

FY 20: KEY HIGHLIGHTS



₹2,100 Crore

OF EQUITY CAPITAL
RAISED IN SEPTEMBER
2019 THROUGH
PREFERENTIAL
ALLOTMENT TO
PROMOTER/ PROMOTER
GROUP AND
MARQUEE INVESTOR

~20 Million

TOTAL ACTIVE
CUSTOMER BASE

6%

YEAR-ON-YEAR GROWTH
IN CONSOLIDATED ABCL
FY 20 PAT, CONSISTENT
PROFIT DELIVERY FROM
DIVERSIFICATION;
PAT (EX-COVID
PROVISION) GREW BY
15% YEAR-ON-YEAR

5.29%

NBFC NIM¹ EXPANDED
YEAR-ON-YEAR BY 38
BPS; LED BY IMPROVING
RETAIL AND SME
MIX, NOW AT 50%;
PRE PROVISIONING
OPERATING PROFIT GREW
16% YEAR-ON-YEAR

55%

YEAR-ON-YEAR GROWTH
IN HFC PAT (EX-COVID
PROVISION) , ROE² AT
9.8% (PY: 7.0%); RETAIL
MIX AT 95%

**₹15,000+
Crore**

LT FUNDS RAISED BY
LENDING BUSINESSES
IN FY 20; AAA RATING
REAFFIRMED

10%

YEAR-ON-YEAR GROWTH
IN AMC PAT MAINTAINING
EQUITY MIX AT 36% WITH
PBT TO AAUM³ AT 26 BPS

₹5,188 Crore

LIFE INSURANCE
EMBEDDED VALUE,
RETURN ON EMBEDDED
VALUE AT 13.2%

76%

YEAR-ON-YEAR GROWTH
IN GROSS WRITTEN
PREMIUM OF HEALTH
INSURANCE TO ~ ₹872
CRORE; RETAIL MIX AT
72%; FASTEST GROWING
HEALTH INSURANCE
COMPANY

**~₹2,800
Crore**

AUM FOR ARC WHICH
TURNS PROFITABLE
IN FIRST YEAR OF
OPERATION

¹ Including fee income

² Based on monthly compounding of annualised earnings

³ Includes domestic AAUM of Asset Management Business

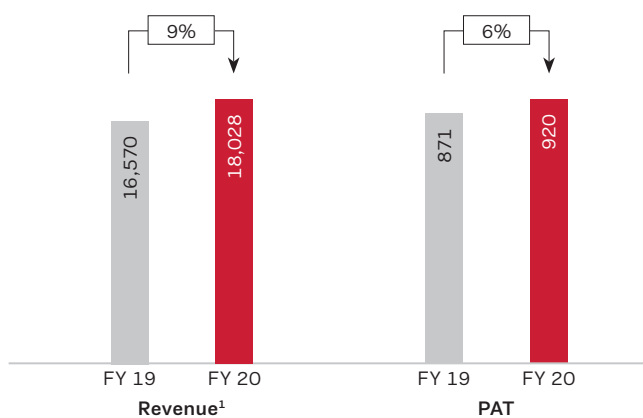
OVERVIEW

Aditya Birla Capital Limited is the holding company of the financial services businesses of the Aditya Birla Group. Your Company through its subsidiaries has a significant presence spanning multiple sectors, including NBFC, asset management, life insurance, health insurance, housing finance, private equity, general insurance broking, wealth management, broking, ARC and pension fund management.

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

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

KEY FINANCIALS – FY 20 CONSOLIDATED



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

- Consolidated revenue, grew 9%, year-on-year from ₹16,570 Crore to ₹18,028 Crore
- Net profit (after minority interest) grew by 6% year-on-year to ₹920 Crore from ₹871 Crore

- Overall lending book (NBFC and Housing Finance) stood at ₹59,159 Crore
- Gross premium (including health and life insurance) grew 11% year-on-year to ₹8,882 Crore
- Active customer base grew to ~20 Million
- Raised long-term borrowing of over ₹15,000 Crore for lending business during the year

OUR RESPONSE TO THE LOCKDOWN

We are living in unprecedented times with the global pandemic bringing India to a lockdown for the first time in our known history. All our businesses were fully prepared for the complete shutdown with our Business Continuity Plans, much ahead of the nationwide lockdown.

Back in mid-March 2020, we were one of the early organisations that transitioned to 100% work from home (WFH), after having tested all systems. We moved first and moved fast and that gave us the ability to seamlessly transition to working from home. Keeping the safety of our employees in mind, we started shutting down our offices much before the national lockdown was announced. Our response to lockdown can be categorised into 4 pillars as follows:

- The first pillar was to ensure our employee safety and engagement with them throughout the lockdown. We provided all the necessary medical support to our employees and used the opportunity to drive digital learning aggressively.
- The second one was ensuring business continuity through the lockdown. We were early to move to 100% WFH scenario. That groundwork prepared us to deal with the lockdown seamlessly. We have also been one of the earlier players to restart operations, with almost 90% of our branches opening up as of the first week of June 2020.
- The third was to engage our customers and distributors, along with the launch of our pre-approved products and using our customer connect to drive the service-to-sale model.
- The fourth pillar was our tech readiness because this was the most critical enabler and foundation of our online operations that allowed us to move most of our services to a digital platform and continue to operate and serve customers and distributors through its lockdown.

MANAGEMENT DISCUSSION AND ANALYSIS

Employee health and safety

- Identified Flu Prevention Managers across all regions to monitor and report on employee health
- Branch operating plan with stringent hygiene and safety protocols
- Regular employee communication and engagement to ensure connect
- Big push to employee learning and development during lockdown

24x7 Doctor-on-call + health partner services onboarded

Over 5 Lakh hours covering 64% (Previous year: 16%) employees of digital learning

Business Continuity

- One of the early companies to go 100% WFH a week before lockdown
- All systems were tested for remote working which allowed us to operate fully during lockdown
- Contact centers were also tested to WFH

Complete test for 100% WFH conducted a week before lockdown

85% branches operational as on 30th May, 2020

Customer and distributor engagement

- Hyper-personalised digital engagement with existing customers and warm prospect pool
- Pre-approved digital products and simplified telesales journeys for selling to existing customers
- Driving 'service-to-sale' at service touchpoints using the Next Best Product model
- Continuous reach out to distributors and customers throughout this period

₹7.4 Crore Life Insurance First year premium Pre approved sum assured offers in May 2020

100% advisors for Life Insurance and Mutual Fund business onboarded on digital solutions

Technology readiness

- Enhanced bandwidth and ensured access of all users securely to key systems with controls in place
- Increased coverage of self-serve digital channels (Web portals, Apps, Chatbot & WhatsApp)
- AI-Voice bot calling implemented
- Smooth running of 200+ robots in mid- and back-office processes. No processing backlogs

94% of services offered digitally (61% last year)

WhatsApp channel now has >3 Million customers and 180+ services LIVE

BUSINESS-WISE PERFORMANCE AND OUTLOOK Aditya Birla Finance Limited (NBFC)

Aditya Birla Finance Limited (ABFL) is among India's leading private and diversified non-banking financial services (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 Networth Individual (HNI), ultra HNI, micro enterprises, Small and medium enterprise (SME), large and mid-corporates.

Industry Overview

NBFCs play an important role in the Indian financial system by complementing the banking sector and leveraging on their efficient and nimble operations, to promote their tailor-made products. Their role in promoting financial inclusion and catering to the needs of small businesses and specialised segments give an additional dimension to their importance.

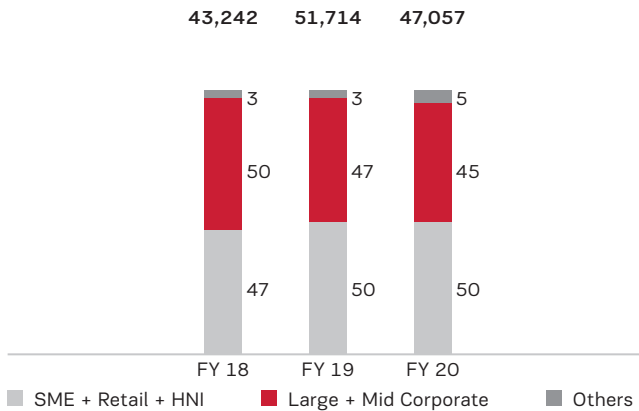
Although the NBFC sector grew by 18% year-on-year in FY 19, the pace of expansion was lower in FY 19, mainly due to credit downgrades and liquidity squeeze within the sector. NBFC growth in H1 FY 20 moderated to 6% due to lower credit demand.

Performance Review

The overall lending book was at ₹47,057 Crore as on 31st March, 2020, due to systematically reduced exposure/disbursement to the large and mid-corporate segment. The Retail, SME and Ultra HNI segments continue to constitute ~50% of the portfolio from 47% in FY 18. ABFL has continued to focus on new disbursement in select growth segments. The retail and SME segments continue to grow, reiterating the successful strategy of diversifying the loan book as well as maintaining its focus on the high-margin retail segment.

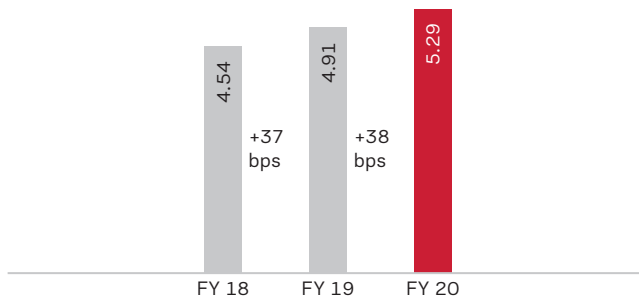
LOAN BOOK MIX

(%)



IMPROVING NIM¹

(%)



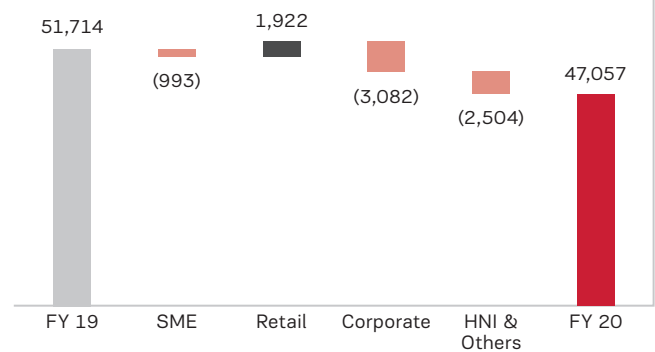
¹ NIM including fee

The Net Interest Margin (NIM) expanded by 38 bps to 5.29% in FY 20. This reflects an increased proportion of higher margin segments in the portfolio. Margin improvement is driven by a product mix change and repricing across the portfolio.

ABFL continued to focus on new disbursements in select growth segments. In the SME segment, ABFL continues to focus on secured Term Loan/Working Capital Demand Loan (TL/WCDL) segment, which grew 4% year-on-year, while broker funding de-grew 69% year-on-year and Loan against property and Lease rental discounting de-grew 9% year-on-year. In the Large and mid-corporate segment, strategic repayment/pre-payment consideration led to degrowth in structured finance (54% year-on-year) and construction finance (21% year-on-year).

FOCUSING NEW DISBURSEMENT IN SELECT GROWTH SEGMENTS

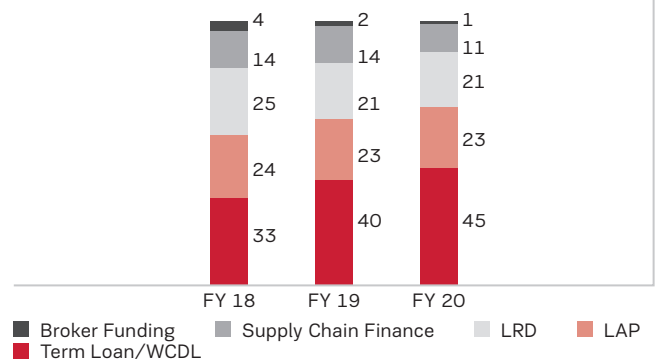
(₹ in Crore)



SME

(%)

Loan Book (₹ Crore)	11,368	13,771	12,778
% Mix	26	27	27
Average Ticket Size (₹ Crore)	7	7	5



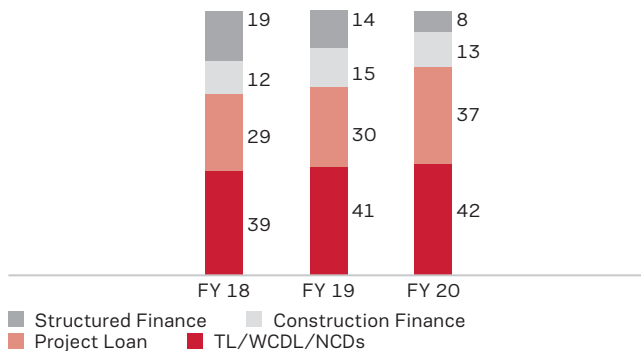
ABFL continues to focus on diversification across customers and product category, with a strong focus on SME and retail lending. Diversification has a significant benefit, as it allows to pick and choose segments that work from a risk-return.

MANAGEMENT DISCUSSION AND ANALYSIS

LARGE/MID CORPORATE

(%)

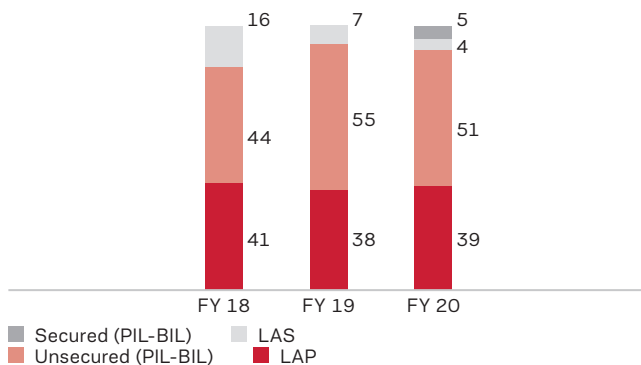
Loan Book (₹ Crore)	21,707	24,426	21,344
% Mix	50	47	45
ATS (₹ Crore)	76	68	59



RETAIL

(%)

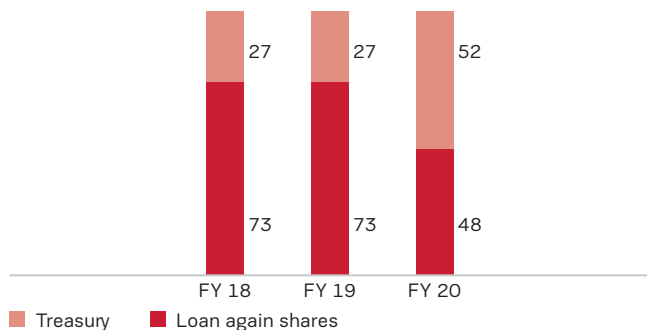
Loan Book (₹ Crore)	4,815	6,916	8,838
% Mix	11	13	19
ATS (₹ Crore)	12	6	4



HNI + OTHERS

(%)

Loan Book (₹ Crore)	5,352	6,602	4,098
% Mix	12	13	9
LAS ATS (₹ Crore)	54	69	35



ABFL continues to build granularity across the segment by reducing ticket size across the board. Our overall average ticket size for SME book further reduced to ₹5 Crore from ₹7 Crore in the previous year. In the retail book, our average ticket size reduced to ₹4 Lakh from ₹6 Lakh. In the small ticket retail space, ABFL launched three products – small-ticket secured loans and small-ticket unsecured loans that cater to the lending needs of small traders, shop owners and the self-employed segment, besides EMI Solutions for travel, healthcare and education to salaried and self-employed individuals.

The large and mid-corporate portfolio has reduced to 45% as on 31st March, 2020 from 47% in the previous year. The overall ticket size continues to reduce to ₹59 Crore vis-à-vis ₹68 Crore in the previous year.

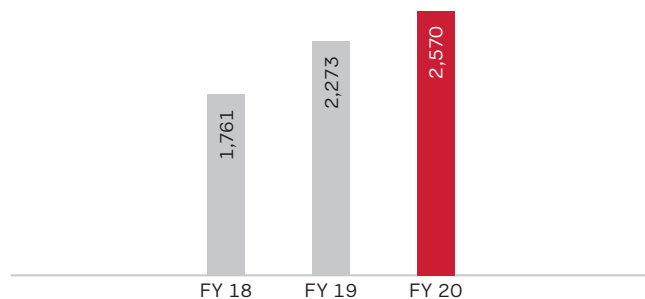
ABFL continues to deliver strong core operating profit in the most difficult period for NBFC as industry. Net Interest Income (NII) grew at 21% CAGR over the last 2 years, along with expansion of NIM by 38 bps to 5.29%. ABFL has also optimised borrowing cost in a volatile interest rate environment, with FY 20 borrowing cost at 8.22% vis-à-vis 8.13% in the previous year. The operating profit growth was also aided by cost optimisation and productivity. The cost income ratio has improved to 32.1% from 34.3% in the previous year. The overall pre-provisioning operating profit grew at 18% CAGR over the last two years. Pre provisioning operating profit grew 16% year-on-year to ₹1,776 Crore from ₹1,535 Crore in the previous year.

NET INTEREST INCOME¹

(₹ in Crore)

2-year CAGR: 21%

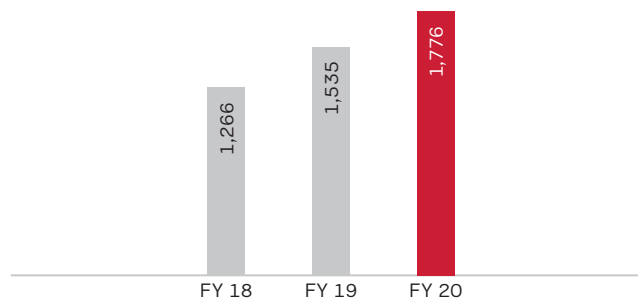
NIM ¹ %	4.54	4.91	5.29
--------------------	------	------	------

¹ NIM including fee**PPOP**

(₹ in Crore)

2-year CAGR: 18%

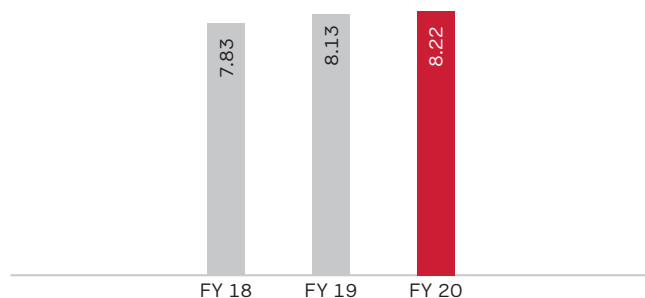
PPOP ² %	3.29	3.31	3.65
---------------------	------	------	------

² Calculated basis % of average Loan Book**COST OF BORROWING (CoB)**

(%)

Optimised borrowing cost in a volatile interest rate environment

Q4 CoB%	7.84	8.24	8.14
---------	------	------	------



ABFL continues to be primarily focused on cash flow based underwriting. ABFL believes that diversification is a key method of risk mitigation. Its exposures are diversified across sectors, customer segments and products. The overall loan book has more than 80% secured loans as on 31st March 2020. ABFL had a Gross Stage 3 (excluding IL&FS) at 3.15% as on 31st March, 2020. The largely secured book provides an additional safety layer in such uncertain times.

KEY FINANCIALS

Figures in ₹ Crore	Q4 FY 20		
	Stage 1 & 2		Stage 3
Loan Book	45,360		1,697
% of Loan Book (Gross)	96.39		IL&FS 0.47 Ex-IL&FS 3.15
ECL Provision	316		566
Provision Coverage (%)	0.70		33.30
% of Loan Book (Net)			2.40

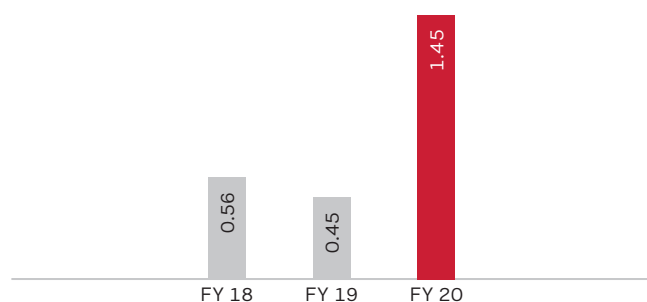
MANAGEMENT DISCUSSION AND ANALYSIS

ABFL has an overall exposure of ₹220 Crore to 4 IL&FS entities categorised as Stage 3. We have already made provision of 28.3% of the total exposure.

The credit cost has increased primarily due to COVID related provisions, coupled with deceleration in domestic economic activity in FY 20. Additional COVID provision of ₹90 Crore (overall 20 bps of loan book considering LGD/PD assumptions based on extensive stress testing) along with Stage 3 enhanced ECL provision of ₹73 Crore, resulted in aggregate COVID provisioning of ₹163 Crore in FY 20.

CREDIT COST PERCENT OF AVERAGE LOAN BOOK

(%)



On the liabilities side, ABFL has a diversified borrowings mix, resulting in a competitive cost of funds. Hence, it was able to optimise borrowing cost in a volatile interest rate environment.

ABFL Asset Liability Management (ALM) is optimised for both liquidity and cost. As on 31st March, 2020, ABFL has accumulated a surplus up to a one-year time frame from the ALM perspective. ABFL have raised over ₹11,700 Crore long-term borrowing during FY 20. Out of this, ABFL raised ₹6,100 Crore through term loan and ₹4,100 Crore from Non-Convertible Debenture (NCD). ABFL actively pursued overseas funding through external commercial borrowing to further diversify borrowing profile. ABFL raised ₹1,500 Crore (US\$ 200 Million) through External commercial borrowings (ECB) during FY 20. The number of institutional investors increased from 447 as of March 2019 to 482 as of March 2020.

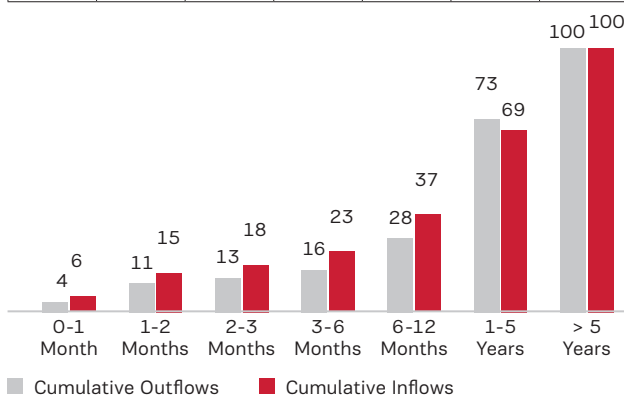
ABFL continues to maintain comfortable Capital Adequacy Ratio (CAR) at 18.9% as on 31st March, 2020 against the 15% as required by RBI norms. The Tier-I capital at 14.96% (previous year 14.33%) and Tier-II capital was 3.89% (previous year 3.13%). ICRA and India Ratings have reaffirmed ABFL's long-term debt rating to AAA.

In terms of liquidity, there is significant liquidity available for meeting obligation for FY 21 under stress test scenarios.

ALM OPTIMISED FOR LIQUIDITY AND COSTS (AS OF APRIL 2020)

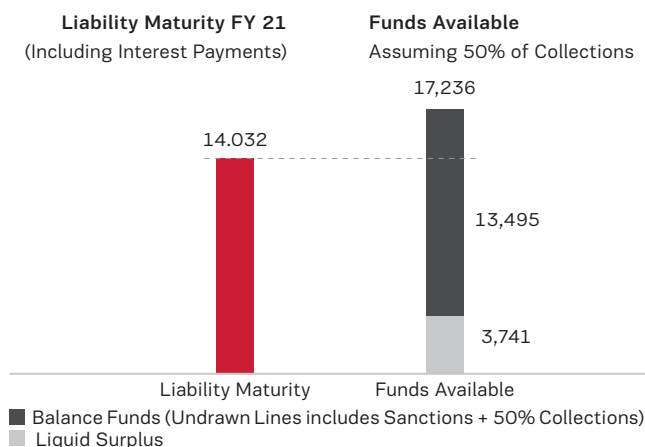
(%)

Cumulative Surplus/(Gap) (%)						
57	41	43	41	32	(5)	0



ADEQUATE LIQUIDITY UNDER STRESS TEST SCENARIO

(₹ in Crore)



During FY 20, ABFL's revenue grew by 11% from ₹5,607 Crore to ₹6,202 Crore. Net Profit After Tax de-grew marginally from ₹869 Crore to ₹821 Crore. Net worth expanded by 9% year-on-year from ₹7,417 Crore to ₹8,078 Crore, led by internal accruals.

OUTLOOK

With the uncertain growth and a slowdown in credit demand, NBFCs are expected to turn cautious, going forward. The sector faced liquidity pressure with higher funding cost and is expected to face headwinds for asset quality. The profitability of NBFCs is expected to be under pressure, with lower credit growth and higher credit cost. Business models of NBFCs will be tested for resilience as the economy gradually recovers from the pandemic. The players with their strong liability profiles and strong risk controls in the assets size, are expected to be better positioned.

ABFL, with its strong parentage and liquidity, is well-equipped to build future growth. ABFL foresees opportunity across the spectrum of its customers, out of which the SME and retail opportunity is estimated to be the largest. Besides the asset quality, effective implementation of technology and cost optimisation would remain the company's key focus areas for achieving profitable and sustainable growth.

KEY FINANCIALS

Key Performance Parameters	Full Year	
	FY 18-19 (PY)	FY 19-20 (CY)
Lending book	51,714	47,057
Average yield (Incl. Fee Income) (%)	11.93	12.42
Interest cost/Avg. Lending book (%)	7.02	7.13
Net Interest Margin (Incl. Fee Income) (%)	4.91	5.29
Net Interest Income (Incl. Fee Income)	2,273	2,570
Opex/Avg. Lending book (%)	1.73	1.72
Cost Income Ratio (%)	34.3	32.1
Credit Provisioning/Avg. Lending book (%)	0.45	1.46
Profit before tax	1,328	1,069
Profit after tax	869	821
Net worth	7,417	8,078

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

HFCs were undergoing a challenging period on the back of muted demand and emerging asset quality concerns. This was aggravated by the near halt in economic activities following the COVID-19 outbreak. The total housing credit outstanding stood at ₹20.7 Lakh Crore, as on December 31, 2019. The pressure on asset quality is expected to mount due to the lockdown and the consequent impact on borrower cash flows and viability. The overall gross non-performing assets or GNPA's increased to 2.2% as on December 31, 2019 vs. 1.6% as on March 31, 2019 due to a deterioration across HFCs in the wholesale loan construction finance segment, given the tight liquidity faced by some developers with delayed projects and the reduced fund availability for the developers.

Performance Review

ABHFL continues to grow its loan book with an increasing focus on its retail mix. The Company's loan book grew 22% CAGR over the last two years from ₹8,137 Crore in FY 18 to ₹12,102 Crore in FY 20. The affordable housing loan book grew six times over last two years to ~₹2,250 Crore as on March 2020. The retail mix has improved from 89% to 95% over the last two years. Our approach during FY 20 was to increase retailisation, achieve greater granularity and reduce construction finance exposure.

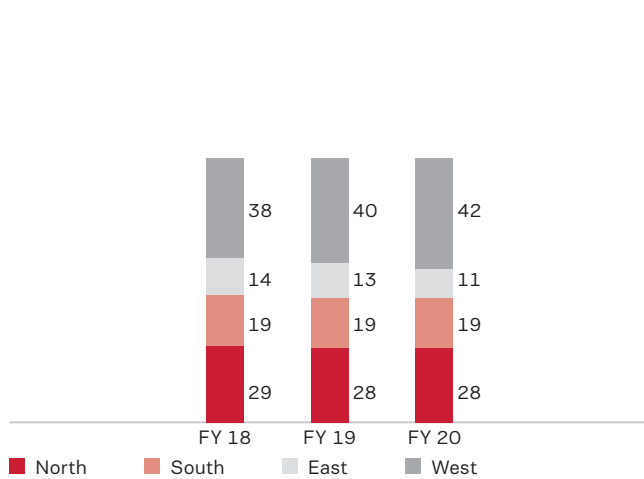
The business continues to focus on a systematic approach to build a healthy portfolio mix. The housing loan (including affordable) segment consists of 70% of the overall exposure, while construction finance comprises only 5%. Hence a large part of the margin expansion has been brought about by the expansion of the home loan segment, especially the affordable home loan segment. In construction finance, our average ticket size on a sanctioned project is ₹18 Crore, while based on outstanding balance, it is ₹9 Crore (Previous year: ₹13 Crore). In the affordable segment, our average ticket size is ₹13 Lakh.

MANAGEMENT DISCUSSION AND ANALYSIS

ABHFL continues to focus on diversification across geographies. With the scaling up of its affordable housing loan book, it will further expand into Tier-II, -III and -IV cities. ABHFL's footprint has expanded to 65 branches as of March 2020. The non-metro loan book mix is at 46% of the overall loan book.

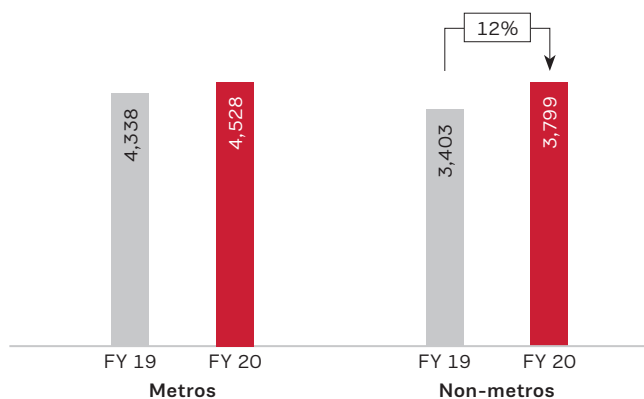
DIVERSIFIED GEOGRAPHIC MIX

(%)



HOME LOAN SOURCING FOCUS ON INCREASING REACH

(₹ in Crore)

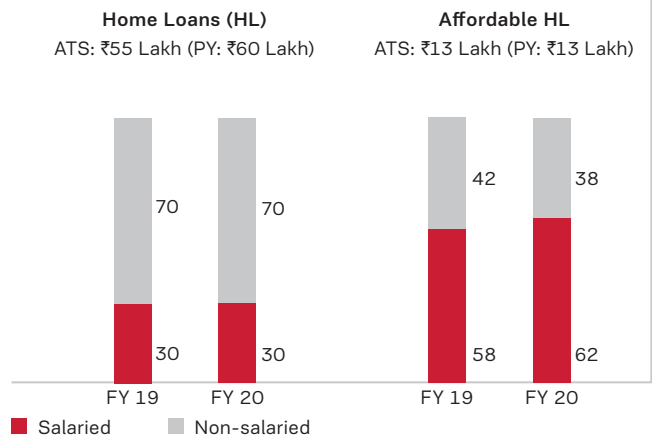


In terms of the customer mix, prime home loans are largely focused on non-salaried customers, which presents immense opportunity for expansion. In the affordable home loan segment, we have built a loan book of ₹2,250 Crore over the last two years, with a much richer mix of salaried customers. As part of our strategy, ABHFL does not deal with the economically weak sections of society for the affordable segment. Accordingly, the average ticket size for this segment is ₹13 lakhs. Further, 29% of the affordable home loan portfolio is backed by the Indian

Mortgage Guarantee Corporation and 49% of the portfolio is eligible for the Pradhan Mantri Awas Yojana (PMAY) subsidy.

CUSTOMER MIX

(%)



ABHFL continues to deliver a strong core operating profit over years. Net Interest Income grew by 31% CAGR over last two years to ₹338 Crore with maintained margins, despite a change in the product mix of reducing construction finance. The cost of borrowing has been optimised at 8.36% in FY 20, despite a volatile interest rate environment. With a scale up of its operations and improvement in its operating efficiency, the cost to income ratio has reduced from 61% in FY 19 to 46% in FY 20. The business has shown significant improvement in profitability with Pre-provisioning Operating Profit growth at 90% CAGR over the last two years. Net Profit After Tax grew 38% year-on-year to touch ₹103 Crore. The business has posted Return on Equity and Return on Assets at 9.8% and 1.0%, respectively.

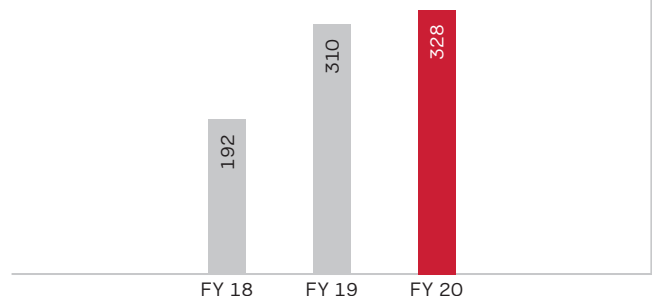
NET INTEREST INCOME¹

(₹ in Crore)

Maintained margins with change in product mix
Reducing construction finance and increasing affordable home loans mix

2-year CAGR: 31%

NIM ¹ %	3.32	3.14	3.04
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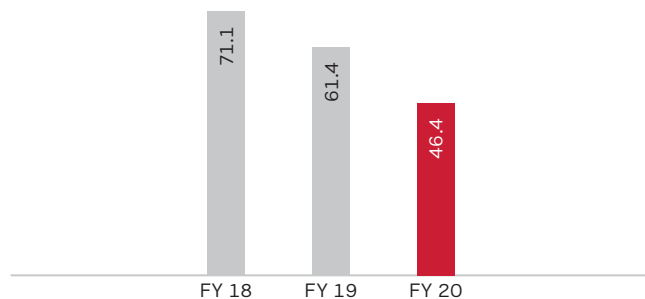
¹ NIM including fee

COST INCOME RATIO (CIR)

(%)

CIR improvement aided by scale and operating efficiency

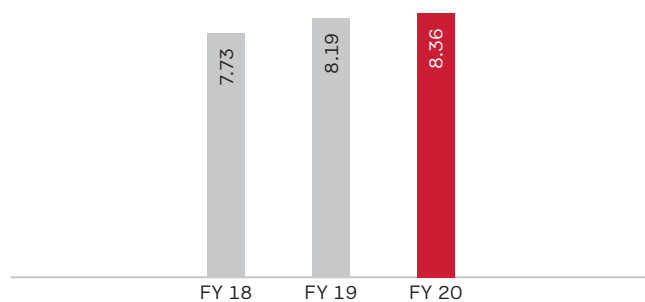
Opex ¹ %	2.50	2.02	1.50
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¹ % computed based on average Loan Book**COST OF BORROWING**

(%)

Optimised borrowing cost in a volatile interest rate environment

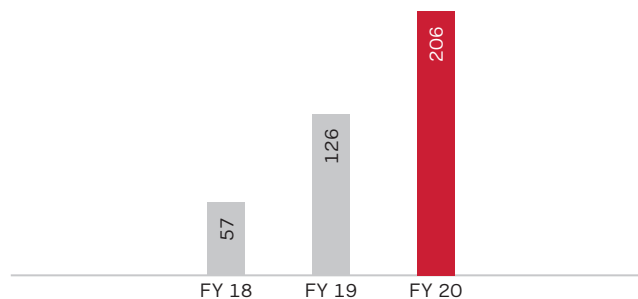
Q4 CoB%	7.77	8.41	8.20
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**PPOP**

(₹ in Crore)

2 year CAGR: 90%

PPOP ² %	0.99	1.27	1.73
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² % computed based on average Loan Book

ABHFL continues to focus on building a high-quality asset book. Its Gross stage 3 book was at 1.21% and Net stage 3 book at 0.82% as on 31st March, 2020. There was, however, no stage 3 account in construction finance portfolio. ABHFL has provided additional COVID provision of ₹18 Crore (20 bps of total ECL provision pool) in FY 20, which led to higher credit cost at 0.59% of the average book.

KEY FINANCIALS

Figures in ₹ Crore

Q4 FY 20

Key Performance Parameters	Stage 1 & 2	Stage 3
Loan Book	11,955	147
% of Loan Book (Gross)	98.79	1.21
ECL Provision	56	47
Provision Coverage (%)	0.47	32
% of Loan Book (Net)		0.82

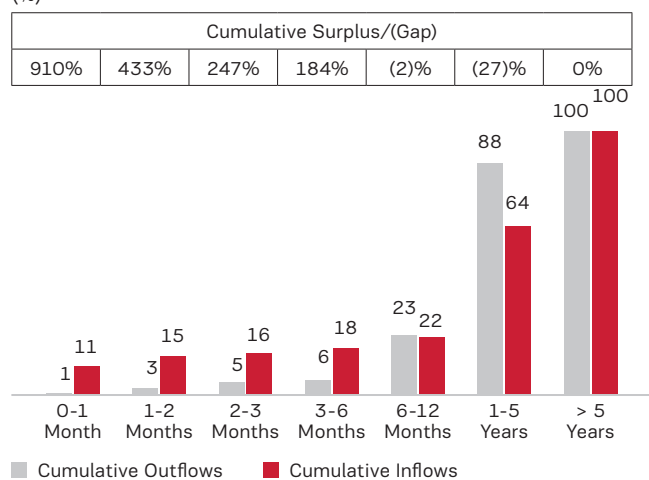
% of Segment Loan Book	GS3 %	PCR %	NS3 %	GS3	Provision	LTV%
Home Loan	1.30	32	0.88	108	34	64
LAP (Retail)	1.77	33	1.19	39	13	48
Construction Finance	-	-	-	-	-	-
Total Loan Book	1.21	32	0.82	147	47	59

MANAGEMENT DISCUSSION AND ANALYSIS

The Asset Liability Management (ALM) is optimised for both liquidity and cost. As on 30th April, 2020, we have accumulated a surplus up to a one-year time frame from the ALM perspective. We have raised over ₹3,100 Crore long-term borrowing during FY 20. ABHFL also received a refinance of ₹400 Crore from the National Housing Board, with a sanction availability of ₹1,500 Crore. In addition, to further diversify its borrowing profile ABHFL raised overseas funding of ₹354 Crore (sanction of US\$ 100 Million) through external commercial borrowing. The number of institutional investors increased to 106 with funding from 21 banks as of March 2020.

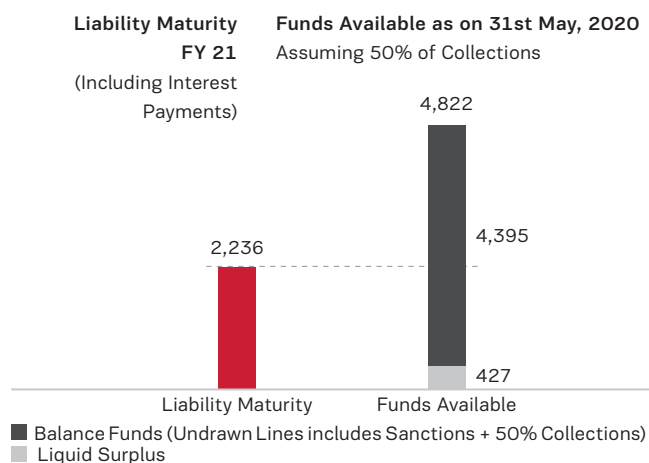
ALM OPTIMISED FOR LIQUIDITY AND COSTS (AS ON APRIL 2020)

(%)



ADEQUATE LIQUIDITY UNDER STRESS TEST SCENARIO

(₹ in Crore)



ABHFL continues to maintain comfortable Capital Adequacy Ratio at 19% as on 31st March, 2020 against the 13% specified by the regulatory norms.

Revenue grew 27% year-on-year to ₹1,298 Crore, in line with an increase in its book size, while the net interest margin has been maintained at 3.04%. ABHFL reported Earnings Before Tax at ₹136 Crore against ₹107 Crore in FY 19. The net worth has expanded from ₹1,190 Crore in FY 19 to ₹1,383 Crore in FY 20. A sum of ₹100 Crore was infused during the year to fund the loan book growth.

Outlook

Long-term growth outlook for the housing finance sector remains favourable owing to the Government of India's focus on 'Housing for All' initiative, improved affordability and favourable demographics. These factors, coupled with the current low penetration levels, are likely to boost growth in the housing segment.

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

KEY FINANCIALS

Key Performance Parameters	Full Year	
	FY 18-19 (PY)	FY 19-20 (CY)
Lending book	11,405	12,102
Average yield (%)	10.13	10.39
Net Interest cost/Avg. Loan book (%)	7.30	7.49
NIM (incl. Fee Income) (%)	3.14	3.04
Revenue	1,025	1,298
Opex/Avg. Loan Book (%)	2.02	1.50
Cost Income Ratio (%)	61.4	46.4
Credit Provisioning/Avg. Loan Book (%)	0.19	0.59
Profit Before Tax	107	136
Profit After Tax	74	103
Net worth	1,190	1,383

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 cross-section through a wide variety of investment solutions focused on regular income, wealth creation and tax savings, among others. ABSLAMC is India's fourth largest mutual fund (excluding ETF), based on domestic Average Assets Under Management (AAUM) as published by Association of Mutual Fund Industry (AMFI) for the quarter ended March 2020.

Industry Overview

India's mutual fund industry comprises 44 asset management companies. The top 5 asset management companies, contribute to 57% of industry's AAUM (Source: Association of Mutual Funds in India, www.amfindia.com).

In the current year, the industry witnessed 10% growth in annual average AUM (AAUM). AAUM grew from ₹23,92,825 Crore in the year ended March 2019 to ₹26,23,156 Crore in the year ended March 2020.

The Industry's Equity Assets grew by 10% from ₹9,95,132 Crore in the year ended March 2019 to ₹10,97,413 Crore in the year ended March 2020. The share of equity AAUM in total industry AAUM touched 42%. SIP inflows and account addition continued to be encouraging. In March 2020, SIP inflows stood at ₹8,641 Crore against ₹8,055 Crore in March 2019. The number of outstanding SIPs accounts stood at 312 Lakh for March 2020 against 262 Lakh for March 2019.

Performance Review

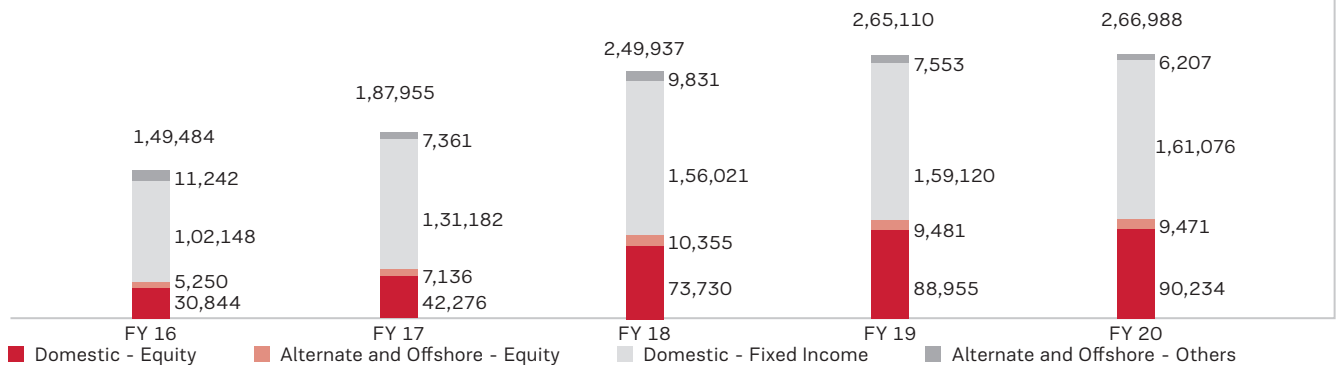
ABSLAMC completed a successful 25 years of investing investor money in Indian capital markets.

The domestic AAUM of ABSLAMC expanded by 19% CAGR over 5 years to ₹2,66,988 Crore in line with industry growth. ABSLAMC has grown faster than the industry in equity AAUM, with a 5-year CAGR at 25% vis-à-vis the 17% for industry. ABSLAMC continued to focus on growing high margin retail assets and Equity AAUM contributed 36% of the total domestic AAUM in FY 20 against its 23% in FY 16.

ASSET UNDER MANAGEMENT

(₹ in Crore)

5-year CAGR (Domestic AAUM ¹)	ABSLAMC	19%	Industry	19%
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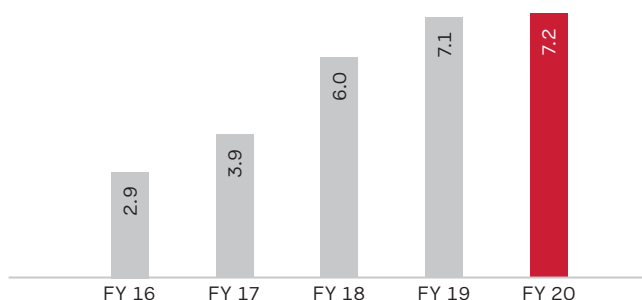


¹ Source for industry and market share figures: AMFI

CONSISTENT FOCUS ON GROWING HIGH MARGIN RETAIL ASSETS

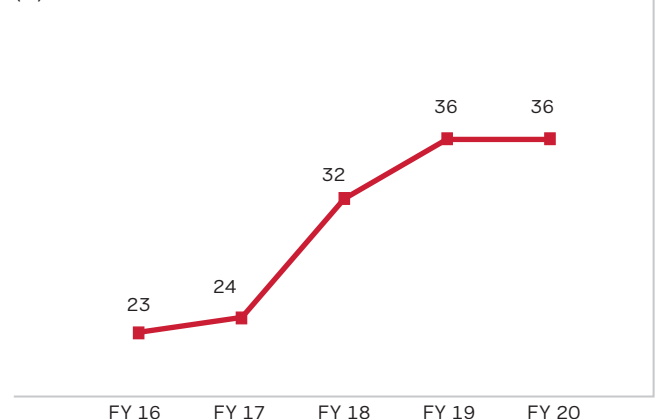
OF FOLIOS

5 Year CAGR	ABSLAMC	25%	Industry	17%
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EQUITY MIX

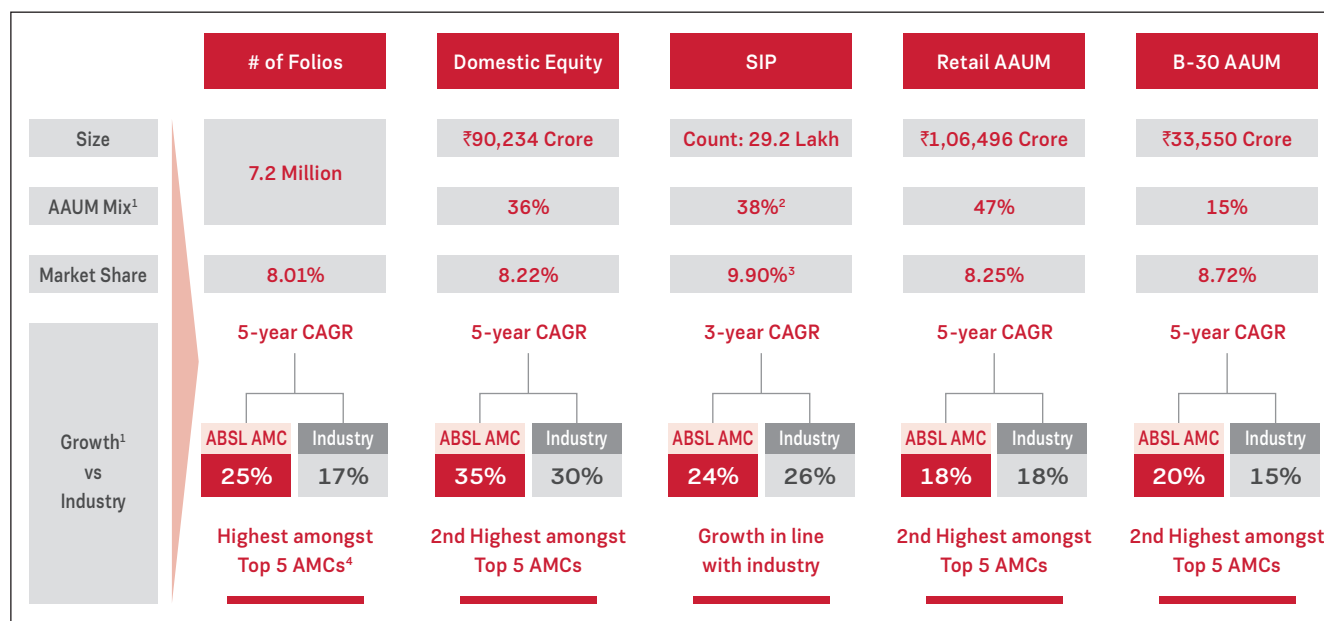
(%)



MANAGEMENT DISCUSSION AND ANALYSIS

ABSLAMC has a strong growth across retail vectors in line with stated strategy. The total number of folios has grown at 25% CAGR over 5 years to touch 7.2 Million as on March 2020, much ahead of the industry 5-year CAGR at 17%, and highest amongst top 5 AMCs as on March 2019. The domestic equity AAUM at ₹90,234 Crore, grew at a 5-year CAGR of 35% vis-à-vis the industry's growth at 30%. The growth in equity AAUM over the last 5 years was second highest among the top

5 AMCs in India. The retail penetration is growing with Retail and HNI AUM at ₹1,06,496 Crore. The SIP book size growth was in line with that of the industry at a 3-year CAGR of 24%, contributing to 38% of domestic equity and having a market share of 9.90%. The contribution from beyond top 30 cities (B30 cities) is at ₹33,550 Crore, with a 5-year CAGR of 20% vis-à-vis industry's 15%.



Source for industry and market share figures: AMFI

¹ Domestic Equity AAUM Mix basis annual average. Others basis Monthly Average ² SIP share of Domestic Equity

³ Market share basis SIP Book Size ⁴ As of FY 19, Mar'20 peer numbers not yet disclosed

ABSLAMC continued to focus on a balanced distribution mix with IFAs having a greater share in the equity sourcing mix. ABSLAMC has strengthened its distribution mix with a presence across 310 locations, with more than 75% of its locations in B-30 cities. To increase its reach, ABSLAMC has a tie up with 88 banks. It has empanelled over 80,000 IFAs and over 230 national distributors, besides growing partnerships with a large digital ecosystem.

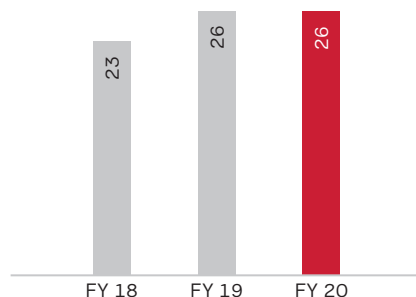
The next big cusp of growth in the industry has come from the digital channel. Leveraging technology and building business would be key for AMCs to grow to the next level. Currently,

ABSLAMC has many digital assets, including mobile apps, customer website and Partner Portal among many others. Our digital share of overall transactions increased to 77% in FY 20 against 69% in the previous year.

ABSLAMC continues to improve profitability over time. It reported PBT/AUM at 26 bps in FY 20, which has increased by 9 bps over the last 5 years. The net profit grew with a 2-year CAGR at 19% to touch ₹494 Crore. ABSLAMC delivered Return on Equity at 38.9% in FY 20 against 32.3% in FY 18.

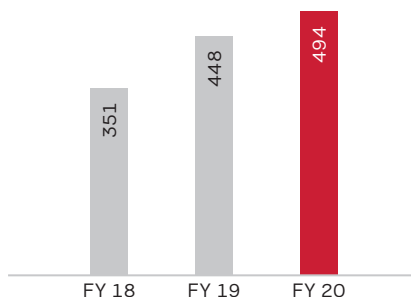
PBT/AAUM (BPS)

Increase of 3 bps over two year
(Δ : +9 bps over FY 15)

**PAT**

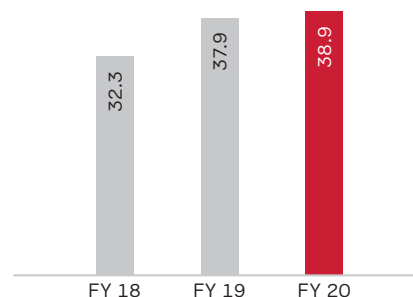
(₹ in Crore)

2-year CAGR: 19%
(5-year CAGR: 32%)

**RETURN ON EQUITY**

(%)

Increase of 6.6% over two year
(Δ : +15% over FY 15)



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

- Thomson Reuters Lipper Awards 2019 – MENA Markets
 - > Best Fund over 5 years and 10 years, Bond Indian Rupee
 - > Best Fund over 3 years, Equity India
 - > Best Fund over 5 years, Equity Sector Financials
- Asia Asset Management 2020 – Best of Best Award for Investor Education
- Outlook Money Awards 2019 – Equity AMC of the Year and Best Fund House for Investor Education

Outlook

An increase in awareness in general, but more particularly, our presence in 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 its investor base. Growing contribution from beyond top 30 markets will remain a focus area, besides strengthening digital presence to help connect better with customers and enhance distribution.

KEY FINANCIALS

Key Performance Parameters	Full Year	
	FY 18-19 (PY)	FY 19-20 (CY)
Domestic AAUM	2,48,075	2,51,310
Domestic Equity AAUM	88,955	90,234
Alternate and Offshore Equity AAUM	9,481	9,471
Total Equity	98,436	99,705
Revenue	1,407	1,235
Costs	760	574
Profit Before Tax	647	661
Profit Before Tax (bps¹)	26 bps	26 bps
Profit After Tax	448	494

¹ Margin based on annualised earnings as % of domestic AAUM

MANAGEMENT DISCUSSION AND ANALYSIS

Aditya Birla Sunlife Insurance Limited (Life Insurance)

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

Industry Overview

The life insurance industry in India has witnessed a sea change over the past two decades. These changes include opening up to the private sector, new product regulations, increase in Foreign Direct Investment (FDI) limits, besides initiation of open architecture for bancassurance and issuance of policies in electronic form. The life insurance industry has evolved considerably, catering to the changing macro-economic landscape, customer needs and technological developments.

The industry has grown at a CAGR of 16% in Individual APE during FY 16 to FY 19, registering a growth of 6% during FY 20 due to the impact of the COVID-19 lockdown in March 2020. The impact of the lockdown is however expected to be transient in nature, and the insurance industry is expected to be back on the growth path, given its criticality to both individuals and the economic development of the country.

During FY 20, the insurance industry grew 18% YTD. February 2020 ended with growth of 6% for FY 20 as the top line was impacted due to the lockdown. Private insurance players witnessed a growth of 5% and LIC registered a growth of 8%. The private players market share in individual new business premium stood at 57% in FY 20.

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

The protection segment has emerged as an important category on the back of higher customer awareness, product innovation and emergence of digital modes of distribution. Awareness for protection products may get a tailwind out of the current prevailing situation and change in consumer attitude towards risk.

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 and leveraging the wide-spread network of bank branches. Companies continue to focus on digital and direct channels, given the tremendous growth potential. There has been an increase in the number of web aggregators in recent years and many insurance companies have been showing increasing interest to get their products listed on aggregator portals and then on websites.

Performance Review

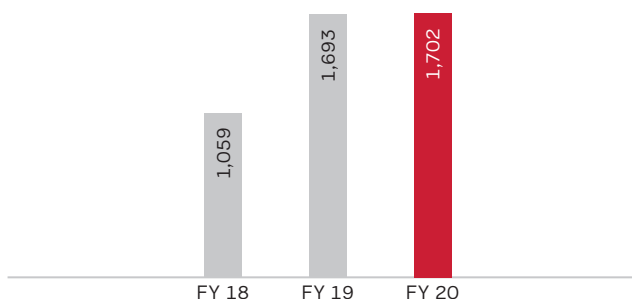
ABSLI recorded individual new business premium growth at 10% in YTD February 2020, while the year ended with a flat growth as sales were impacted in the month of March 2020 due to the COVID-19 shutdown. Given our focus on creating value and driving profitability, the Group business de-grew by 13%. Group business continued to be value accretive in FY 20. ABSLI maintained its market share in Individual new business at 4.0%.

INDIVIDUAL FYP¹

(₹ in Crore)

Individual FYP growth

2-year CAGR	ABSLI	27%	Industry ²	11%
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¹ Individual FYP adjusted for 10% of single premium

² Industry represents players (excluding LIC); Ind. FYP for Industry players: Source IRDAI

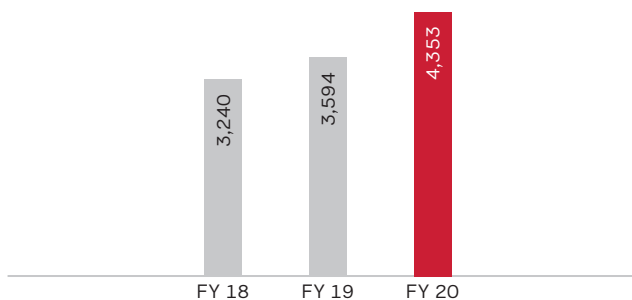
RENEWAL PREMIUM

(₹ in Crore)

Strong growth in Renewal Premium

Renewal Premium (YTD – February 2020) was up 21% year-on-year

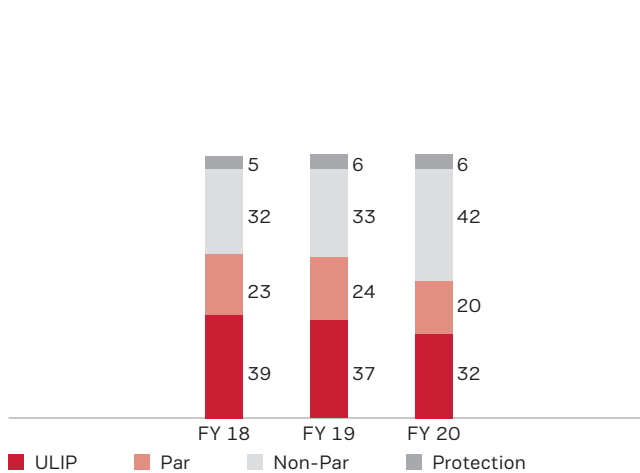
2-year CAGR	ABSLI	16%
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Product mix is one of the important levers to drive customer penetration and profitability. During FY 20, ABSLI has reduced ULIP mix, while maintaining its protection mix. Expected maturity benefits of the guaranteed portfolio are entirely hedged.

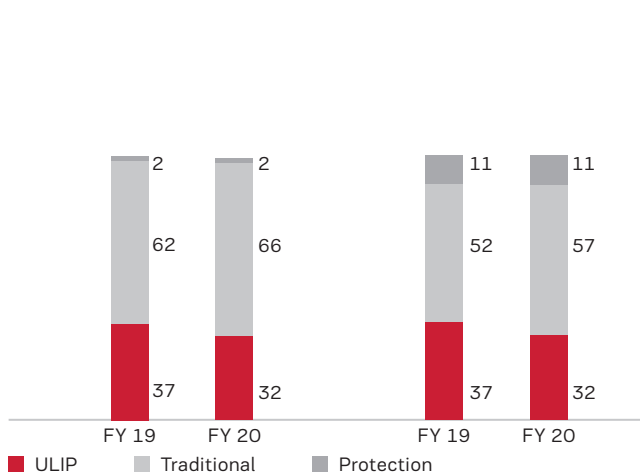
IMPROVEMENT IN PRODUCT MIX

(%)



PRODUCT MIX

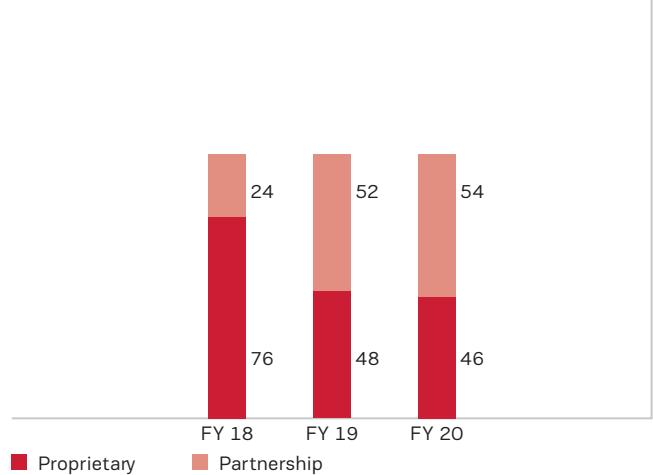
(%)



ABSLI has continued its journey of balanced channel mix with a pan-India presence across 2,750+ cities through 9,500+ bank branches and 395+ own branches, with a base of 82,000+ agents. ABSLI has eight key bancassurance partners (including HDFC Bank, DCB, KVB, Indian Bank etc.) and 460+ direct selling employees. ABSLI continues to drive growth through partnerships and gain operating leverage in proprietary channels. The proprietary channel witnessed an 8% CAGR in productivity over the last two years.

SOURCING MIX

(%)



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 20, ABSLI achieved a gross margin of 33.8% (PY: 34.6%), while the net VNB margin was at 6.9% (PY: 9.8%). The gross margins are highly sensitive to interest rates, yet ABSLI has been able to largely maintain the gross margin rates with its improved product mix, despite falling interest rates.

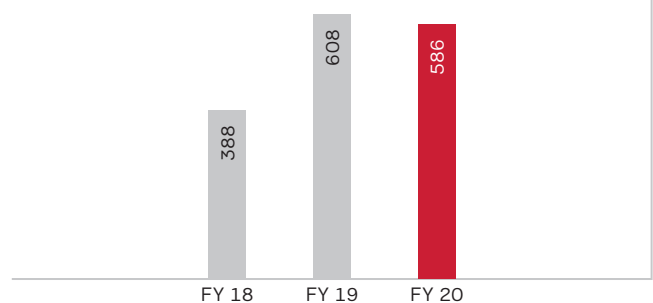
The embedded value increased year-on-year to touch ₹5,187 Crore from ₹4,900 Crore in FY 19. ABSLI has reported a healthy Return on operating Embedded Value (RoEV) at 13.2%.

ABSLI has one of the best gross margins in the industry, owing to a balanced product mix. The Company continues to focus on increasing the value of new business through growth in protection business, improving customer retention and enhancing cost efficiency.

GROSS VALUE OF NEW BUSINESS

(₹ in Crore)

GSec (%)	7.4	7.3	6.1
Margin (%)	32.9	34.6	33.8

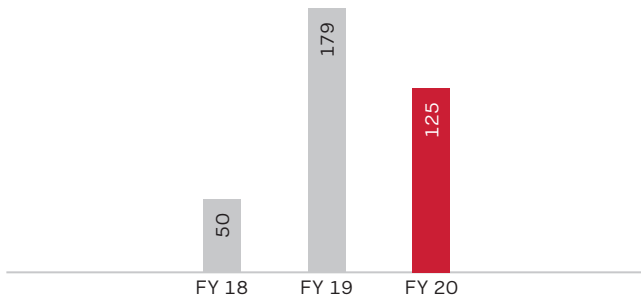


MANAGEMENT DISCUSSION AND ANALYSIS

NET VNB

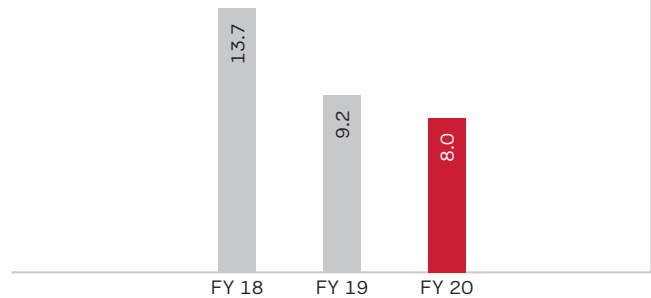
(₹ in Crore)

Margin (%)	4.3	9.8	6.9
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SURRENDER % OF AUM²

(%)



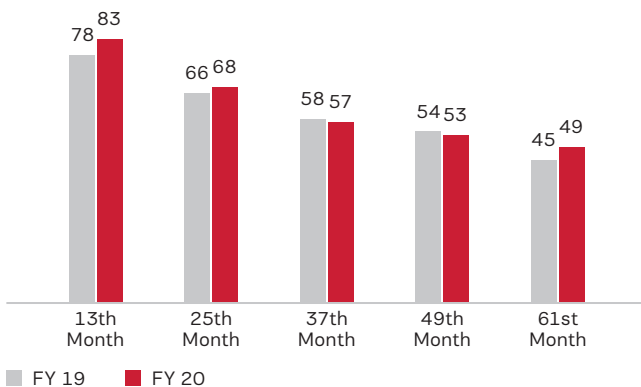
² Parameters relate to Individual Business

The quality of business remains a key focus area for ABSLI. There is continuous improvement in persistency across cohorts. The 13th month persistency ratio improved by 507 basis points to reach 83.4%, and 61st month persistency ratio improved by 336 basis point to touch 48.6%. The surrender ratio of policy shareholder AUM has reduced to 8.0% from 13.7% in FY 18, led by increasing in-force policies and renewal premiums. ABSLI has achieved the highest ever claim settlement ratio of 97.54%, driven by robust risk scoring models, data analytics and training to field force. The number of complaints has reduced by more than 50% over the last two years.

Assets under management (AUM) grew at 6% CAGR over the last 2 years from ₹36,867 Crore to ₹41,126 Crore led by a healthy in-force book, quality of business and new business growth. ABSLI has posted robust fund performance across categories against internal benchmarks, despite volatile market conditions. ABSLI maintained controlled opex by cost optimisation and productivity, with a stable FY 20 opex ratio at 15.9%, despite lower volumes in March 2020.

PERSISTENCY¹

(%)

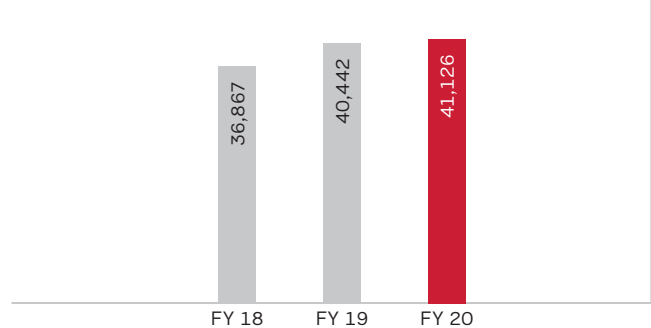


■ FY 19 ■ FY 20

¹ Parameters relate to Individual Business

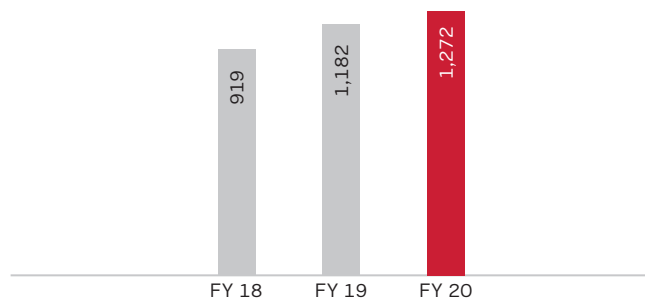
AUM

(₹ in Crore)



CONTROLLED OPEX

(₹ in Crore)



Total gross premium grew 7% year-on-year to ₹8,010 Crore against ₹7,511 Crore in FY 19. Net Profit After Tax at ₹103 Crore. No capital infusion has been required in the preceding ten years, as the business is generating adequate internal accruals to fund its requirements. ABSLI solvency margin is at 1.78 times as on 31st March, 2020, against the regulatory requirement of 1.5 times.

Outlook

While the global pandemic, volatile nature of capital markets and an economic standstill are certain to result in revenue loss in the short to medium term, the industry will make a sharp recovery eventually as structural drivers for growth are in place.

A few factors, which reiterate the healthy growth positioning and recovery for the industry in the next 3-5 years are – resilience by the insurance industry during the pandemic, favourable demographics, increasing investment in the sector and digitisation.

ABSLI is well-positioned to tap into the opportunities of the life insurance industry. It 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. ABSLI will focus on growing faster than the industry and gaining market share with a balance of channel and product strategy.

KEY FINANCIALS

Key Performance Parameters	Full Year	
	FY 18-19 (PY)	FY 19-20 (CY)
Individual First year Premium	1,798	1,804
Group First year Premium	2,119	1,854
Renewal Premium	3,594	4,353
Total Gross Premium	7,511	8,010
Opex (Excl. Commission)	1,182	1,272
Opex to Premium (Excl. Commission) (%)	15.7	15.9
Opex to Premium (Incl. Commission) (%)	21.3	21.6
Profit Before Tax	131	137
Profit After Tax	107	103

MANAGEMENT DISCUSSION AND ANALYSIS

Aditya Birla Health Insurance Co. Limited (Health Insurance)

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

Industry Overview

The health insurance segment in India is one of the fastest growing segments in the financial services sector. The health insurance industry registered a premium of ₹56,792 Crore in FY 20, which translates into growth of 12% year-on-year. Standalone Health Insurers (SAHI) have outperformed the industry and grew at 27% in FY 20, with a gain in market share of 3.2% (CY market share 25.5% versus LY 22.3%). SAHI grew at a CAGR of 37% in last 5 years.

Health insurance companies can be broadly divided into three categories viz.

- 1) Four PSU Insurers with about 46% market share;
- 2) Private Multi-line Insurers with a market share of 29% and
- 3) Standalone Health Insurers (SAHI) players with a market share of 25%.

Health insurance has three broad customer segments:

- 1) Group segment for Corporates with ~41% market dominated by PSU insurers
- 2) Retail segment, with ~49% market, which has seen relatively higher growth
- 3) Government segment, which forms ~10% of the industry.

Performance Review

Over the past three years of its business operations, it has created a differentiated 'Health First' business model by moving from the traditional 'buy and forget' to 'buy and engage'. Additionally, its differentiated health and wellness framework also emphasises on its holistic health management approach, focusing on disease prevention and wellness management

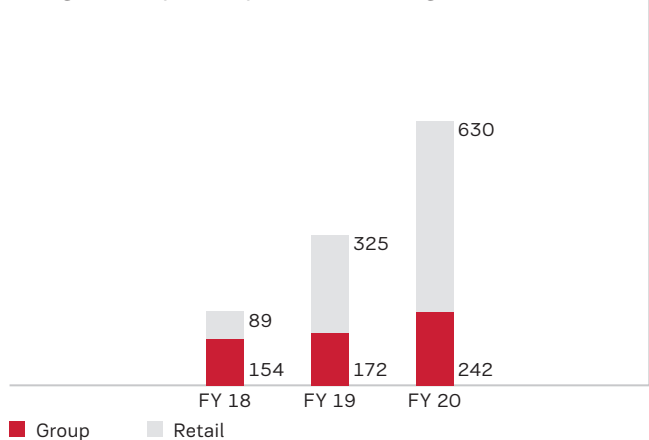
The strength of ABHI's business model, which is 'Health first', was evident from its strong performance across financial and non-financial parameters this year. The Company continues to be the fastest growing Health Insurer, having registered Gross Written Premium (GWP) of ₹872 Crore in FY 20, growing by 76% year-on-year, covering 8.3 Million lives and translating to above 4x year-on-year in lives covered. The retail business grew by 94% and contributed to 72% in FY 20, against 65% in FY 19.

Since its inception, ABHI has followed a multi-channel distribution model across agency, broking, bancassurance, digital and direct marketing channels. It expanded its footprint from 800+ locations in FY 19 to 2,000+ locations in FY 20. The agency network consists of 24,900+ agents across 41 cities, with 76 branches. The bancassurance channel with nine bank partners, has delivered very strong growth in FY 20, contributing to 64% of retail GWP.

REVENUE

(₹ in Crore)

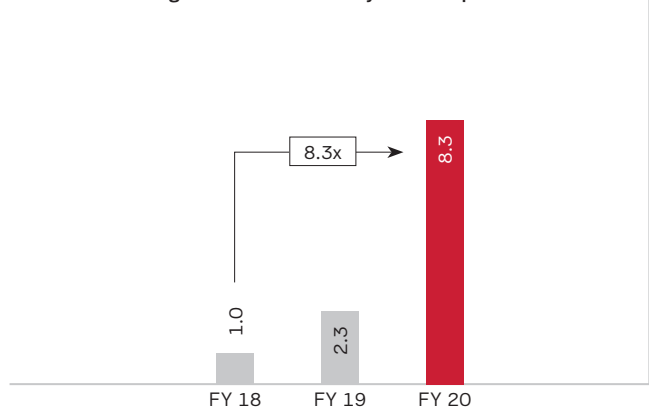
GWP grew 76% year-on-year with 2x retail growth



LIVES COVERED

(Million)

5.2 Million through rural and micro/byte-sized products

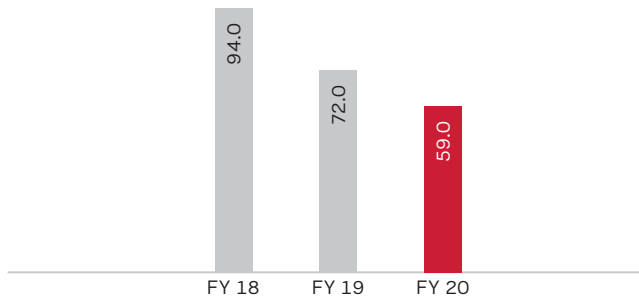


CLAIMS RATIO

(%)

Holistic health risk management

Focus on improving overall Claims Ratio

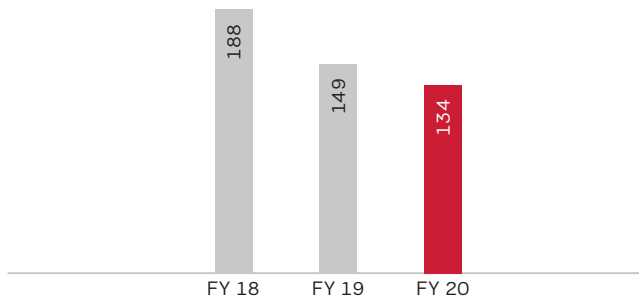


COMBINED RATIO

(%)

On track for break even by FY 21-22

Combined Ratio trending as per plan



ABHI has broad-based its channel mix with a sizeable Gross written premium (GWP) contribution from all channels, and will continue to create sustainable distribution capacities. A key strategic priority for distribution is to execute a digital transformation of its business model. ABHICL continues to invest in digital technology that provides simple and effective support for agents and partners across sales, servicing, training and recruitment, besides through deeper systems integration with our bancassurance and digital partners.

ABHI aims to deliver a distinctive, personalised, and meaningful experience for our customers. As a health influencer, it actively engages with customers to help them understand the benefits of living well to prevent illness through its health management framework.

ABHI has enhanced its retail product suite with a focus on diversification, to capture market that is currently untapped by the industry. It has a comprehensive product suite, which includes Group Activ Health, Retail Activ Health, Retail Activ Assure, Retail Activ Secure, Group Activ Secure, Group Health Secure and Super Health-Plus Top-Up. It is constantly working towards segmentation and mapping of customers and distributors, with the right product segments.

In terms of its service delivery model, ABHI has built a robust platform and tech-enabled health and wellness ecosystem, for providing a seamless experience throughout the customer journey. It has empanelled 6,500+ hospitals to enable cashless services across 750+ cities.

ABHI continues to take a leadership stance on its 'Health First' business model, and has devised the industry's first incentivised wellness and chronic management programmes embedded in our products. Disease Risk Management is integral to its vision and differentiated 'health first' business model. It conducts proactive health assessments and health check-ups, with 46% of its customers undergoing these check-ups. This is a significant achievement in terms of customer engagement, compared to the trend witnessed in the industry, consequently leading to increased retention and persistency.

MANAGEMENT DISCUSSION AND ANALYSIS

The quality of the book remains healthy. This is demonstrated by the claim and combined loss ratio, which has significantly reduced year-on-year. The overall claim ratio has reduced to 59% in FY 20, against 72% in FY 19, while the combined ratio has reduced to 134% vis-à-vis 149%. ABHI has achieved a combined ratio of 117% in Q4 FY 20 vis-à-vis 129% in Q4 FY 19.

In FY 20, ABHI underwrote a gross premium of ₹872 Crore compared to ₹497 Crore in FY 19. The retail business contributed ~72% of the total GWP in FY 20, of which 93% was issued through the digitally enabled mode. ABHI posted a net ₹ 246 Crore loss in FY 20 in funding new business growth and creating a distribution network.

Outlook

Despite global near-term uncertainty due to COVID-19, the structural demand drivers are expected to continue supporting the long-term and sustainable growth of the industry. Increasing health awareness and growing insurance needs, fuelled by high out-of-pocket expenses, coupled with steep retail healthcare inflation, rising income levels and increasing incidence of chronic diseases, remain the key growth drivers of health insurance.

SAHI players are expected to grow higher than the industry average in the next 3-4 years. ABHI, driven by its 'health first' business model backed by a strong brand, unique Customer Value Proposition (CVP), diversified distribution network, digital ecosystem and capabilities is well ahead of the curve to exploit the growth opportunity. Going forward, the Company will focus on – 1) Customer acquisition and retention at scale; 2) Health Risk Management and 3) Health Management – as the key pillars to drive growth.

KEY PERFORMANCE PARAMETERS

Figures in ₹ Crore	Full Year	
	FY 18-19 (PY)	FY 19-20 (CY)
Retail Premium	325	630
Group Premium	172	242
Gross Written Premium	497	872
Revenue	500	803
Combined Ratio	149%	134%
Profit Before Tax	(257)	(246)

Aditya Birla Insurance Brokers Limited (General Insurance Advisory)

Aditya Birla Insurance Brokers Limited (ABIBL) is a leading composite general insurance intermediary, licensed by the Insurance Regulatory and Development Authority of India (IRDAI). It specialises in providing general insurance broking and risk-management solutions for corporate and individuals alike. ABIBL also offers reinsurance solutions to insurance companies; and has developed enduring relationships with Indian and global insurers operating in India and many others in South Asia, the Middle East and Southeast Asia.

Industry Overview

The total general insurance industry recorded a premium of ~₹1.89 Lakh Crore in FY 20 – a notable ~12% growth over that of FY 19. This growth was largely led by a growth in Fire, Motor TP, Health Insurance (Retail & Group Insurance) and Crop Insurance. For the first time in several years, the Property segment (Fire & Engineering) witnessed hardening of rates in select industries, spurred by the IIB rates released by GIC Re due to sustained underwriting losses in that segment.

Performance Review

Aditya Birla Insurance Broker Ltd. (ABIBL) has been consistently outperforming the general insurance industry and gaining market share. Its non-life direct premium placement grew by 12% year-on-year from ₹3,681 Crore in FY 19 to ₹4,121 Crore in FY 20. Two main contributors for premium placement, the Health Insurance and Motor Insurance segments, grew by 22% and 9%, respectively. Its market share in direct non-life industry premium has shown marginal growth from 2.17% to 2.18%.

ABIBL's overall premium grew by 13%, from ₹3,770 Crore to ₹4,242 Crore, revenue rose by 15% from ₹449 Crore to ₹515 Crore and profitability increased by 54% from ₹27.35 Crore to ₹42.10 Crore in FY 19 and FY 20, respectively.

Outlook

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

ABIBL will continue to focus on expanding its customer base in a cost-effective manner to grow its business. Various initiatives have been implemented for promotion and growth of the motor insurance business, with an increased focus on targeting renewal and rollover policies, and emphasis is being laid on enhancing corporate business, by targeting large corporate clients through its sector specific approach. Further, ABIBL aims to utilise the post-COVID scenario to capitalise and build on its digital assets, which are used across all the lines of business by several stakeholders.

Aditya Birla Money Limited (Stock & Securities)

Aditya Birla Money Limited (ABML) is a broking and distribution player, offering equity and derivative trading through the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE), besides Currency Derivative on (MCX-SX). It is registered as a Depository Participant with both NSDL and CDSL, and provides commodity trading on MCX and 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

The broking industry had a decent FY 20 in terms of Average Daily Turnover (ADTO) although stock prices witnessed sharp correction across the board. On a structural basis, the shift from physical savings to financial savings continues, wherein the equity market participation, could increase significantly in forthcoming years considering its substantial under-penetration.

Performance Review

Aditya Birla Money Ltd. (ABML) continued to focus on the retail investor segment, cost reduction, technology and client acquisition.

ABML total revenues for FY20 stood at ₹171 Crore, led by higher broking income. Profit Before Tax improved from ₹14 Crore in FY 19 to ₹17 Crore in FY 20.

Outlook

The outlook for the industry is dependent upon 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 FIIs have sold lately, India's structural long-term attractiveness will attract 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.

RISK MANAGEMENT

In a rapidly changing political, economic, regulatory and financial environment, ABCL continued to leverage on its strong risk management capabilities during FY 20. The approach to risk management is to proactively look at emerging risks in the context of the overall economic environment.

Due to varied nature of various businesses under its fold, there is no 'one-size-fits-all' approach towards risk management. Each material subsidiary carries out its own assessment of credit, market and operational risks, which seamlessly combines with the aggregate oversight, control and governance, exercised at a central level, to ensure that the financial conglomerate risk is managed effectively.

Against the backdrop of this credit environment and general macro factors playing out across sectors, we remain confident of our integrated risk and governance approach, which has demonstrated the capability to withstand economic and credit cycles, as well as dynamically adopt new scenarios and learnings into the risk and governance framework. We are well positioned to accelerate our growth across all lines of business, given our strong risk architecture, coupled with our strong management capability, robust capital and liquidity management and high governance standards.

INTERNAL CONTROL SYSTEMS

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

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

CAUTIONARY STATEMENT

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

This Management Discussion and Analysis does not constitute a prospectus, offering circular or offering memorandum, or an offer to acquire any of the Company's equity shares or any other security, and should not be considered as a recommendation that any investor should subscribe for or purchase any of the Company's shares. The Company, as such, makes no representation or warranty, express or implied, as to, and does not accept any responsibility or liability with respect to the fairness, accuracy, completeness or correctness of any information or opinions contained herein.

The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments, information or events or otherwise. Unless otherwise stated in this Management Discussion and Analysis, the information contained herein is based on the management information and estimates. The financial figures have been rounded off to the nearest Rupee One Crore. The events and developments up-to 31st March, 2020 have been covered in the Management Discussion and Analysis.

BOARD'S REPORT

Dear Members,

The Board of Directors (the "Board") of Aditya Birla Capital Limited ("your Company"/ "the Company") is pleased to present the 13th (Thirteenth) Annual Report and the Audited Financial Statements (Consolidated and Standalone) of your Company for the financial year ended 31st March, 2020 ("financial year under review").

FINANCIAL SUMMARY

Your Company's financial performance (Consolidated and Standalone) for the financial year ended 31st March, 2020 as compared to the previous financial year ended 31st March, 2019 is summarised below:

Particulars	Consolidated		Standalone	
	2019-20	2018-19	2019-20	2018-19
Revenue from operations	16,792.29	15,163.51	199.82	177.78
Profit before share of Joint Venture Companies, exceptional items and Tax	1038.81	1,154.81	56.82	18.68
Share of Profit / (Loss) of Joint Venture Companies	250.92	225.84	-	-
Exceptional Items	(9.99)	-	(29.17)	(30.32)
Profit / (Loss) before Tax	1279.74	1,380.65	27.65	(11.64)
Tax Expense	413.63	569.35	(2.2)	(2.04)
Profit / (Loss) after Tax Attributable to:	866.11	811.3	29.85	(9.6)
Owners of the Company	919.78	870.94	29.85	(9.6)
Non-Controlling Interest	(53.67)	(59.64)	-	-
Other Comprehensive Income Attributable to:	74.63	5.58	(0.46)	0.03
Owners of the Company	24.18	2.19	(0.46)	0.03
Non-Controlling Interest	50.45	3.39	-	-
Total Comprehensive Income Attributable to:	940.74	816.88	29.39	(9.57)
Owners of the Company	943.96	873.13	29.39	(9.57)
Non-Controlling Interest	(3.22)	(56.25)	-	-
Profit / (Loss) attributable to owners of the Company	919.78	870.94	29.85	(9.6)

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

RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

Highlights of the Company's Consolidated performance for the financial year ended 31st March, 2020 are as under:

- Consolidated Revenue: ₹ 18,028 Crore (grew 9% year on year)

- Consolidated Net Profit: ₹ 920 Crore (grew 6% year on year)
- Active Customer base grew to 20 million
- Raised over ₹ 15,000 Crore of long-term funds during the year for lending businesses

In accordance with the provisions of the Act, Regulation 33 of the SEBI Listing Regulations and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the financial year 2019-20, together with the Auditors' Report form part of this Annual Report.

The Audited Financial Statements including the Consolidated Financial Statements of the Company as stated above and the Financial Statements of each of the Subsidiaries and all other documents required to be attached thereto are available on

BOARD'S REPORT

the Company's website at <https://www.adityabirlacapital.com/Investor-Relations>. The financial results of the Company and its Subsidiaries are elaborated in the Management Discussion and Analysis Report, which forms part of this Annual Report.

ACCOUNTING METHOD

The Consolidated and Standalone financial statements of the Company have been prepared in accordance with the Accounting Standards notified under Sections 129 and 133 of the Act, read with the Companies (Accounts) Rules 2014, the Companies (Indian Accounting Standards) Rules, 2015, as amended, 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 and the guidelines/ Master Directions/Circulars/notifications issued by the National Housing Bank and the Reserve Bank of India ("RBI") to the extent applicable.

Presentation of financial statements

The Audited Financial Statements of the Company for the financial year under review have been disclosed as per Division III of Schedule III to the Act.

MATERIAL EVENTS DURING THE YEAR:

a) Issue and Allotment of equity shares on preferential basis:

- The Board of Directors at its Meeting held on 5th September, 2019 approved the issuance of 21 Crore equity shares at ₹ 100 each (face value of ₹ 10 each at a premium of ₹ 90 each) of the Company on a preferential basis to:
 - i) Grasim Industries Limited (the "Promoter");
 - ii) Surya Kiran Investments Pte. Limited; and / or IGH Holdings Private Limited; and / or Pilani Investment and Industries Corporation Limited (*collectively, the "Members of the Promoter Group"*);
 - iii) Jomei Investments Limited ("Jomei"); and
 - iv) PI Opportunities Fund-I ("PI Opportunities"), subject to shareholders approval;
- For the purpose of allotment of equity shares to Jomei, applications were made to the Competition Commission of India ("CCI") and Department of Economic Affairs ("DEA"), on 11th September, 2019;
- The Company vide filings dated 12th September, 2019, made applications to the Stock Exchanges for in-principle approval prior to allotment of securities

- In-principle approvals received from BSE Limited and National Stock Exchange of India Limited on 20th September, 2019 and 1st October, 2019 respectively;

- The Shareholders of the Company approved the aforesaid issuance of equity shares on preferential basis vide Extra-Ordinary General Meeting held on 5th October, 2019;
- Allotment of equity shares to the Promoter, Members of the Promoter Group and PI Opportunities was made on 16th October, 2019 post receipt of the Subscription money;
- CCI approval was received by Jomei on 24th October, 2019;
- DEA approval was received by the Company on 21st February, 2020;
- Allotment of equity shares to Jomei was made on 27th February, 2020 post receipt of the Subscription money;

b) Impact on the Business Continuity of the Company and subsidiaries amidst the spread of Covid-19 is provided below:

The World Health Organization declared Novel Coronavirus (COVID-19) as a global pandemic on 11th March, 2020. The Government of India on 24th March, 2020 announced nationwide lockdown for containment of the pandemic initially for 21 days and which was later extended until 17th May, 2020. Various directions and advisories were issued by State Governments / Public Authorities under the Epidemic Act, 1897 against mass gatherings and other measures to reduce public contact for the safety and well-being of the public at large, including orders under Disaster Management Act, 2005 ("Act").

Amidst the above pandemic, the Company and its subsidiaries invoked their respective Business Continuity Plans ("BCP") and adopted work from home policy to ensure the business operations continue uninterrupted and at the same time, ensuring their safety of customers, employees and support staff while managing the requirement of all stakeholders. Further, in line with the regulatory directives, the Company set up Crisis Management Committee/ War room to assess and evaluate the risks and associated control measures to safeguard the Company and employees from any adverse situation and accelerated digitization and automation for seamless business operations for key functions. Regular communication in this regard was initiated and sent to employees and customers by the subsidiaries informing them about the steps being taken to continue servicing including standards of hygiene and safety practised by the employees at branches (after their reopening) and also promoting self-servicing options like call centre, website, WhatsApp, bots, etc.,

BOARD'S REPORT

This unprecedented situation has impacted business and markets resulting in high uncertainty and volatility. The Company and its subsidiaries are continuously monitoring the situation and evaluating all processes, systems and infrastructure to enable work from home with adequate controls in place. The Company is also adhering to all the requirements and guidelines issued by various regulatory authorities and the Risk Management Committees, Audit Committees and Boards of the respective Companies have been kept apprised of all material developments from time to time. The Company has also done detailed impact assessment of COVID-19 on reported earnings, financial results and solvency position which demonstrate that there is a nil impact on its going concern status and suitable disclosures as applicable have been included in the Annual Accounts.

Further details are provided in the Management Discussion and Analysis Report which forms part of this Annual Report.

HOLDING/ SUBSIDIARIES/ JOINT VENTURE/ ASSOCIATE COMPANY

Holding Company

Grasim Industries Limited is the holding Company of your Company.

Subsidiaries

As a Core Investment Company, the Company is primarily a holding company, holding investments in its subsidiaries. The Company conducts its business through its Subsidiaries in the various business segments in which they operate. As on 31st March, 2020, the Company had 20 (Twenty) Indian Subsidiaries and 6 (Six) Foreign Subsidiaries (including step down Subsidiaries).

During the financial year under review, the major changes with respect to the subsidiaries of your Company are as under:

- i) The Hon'ble National Company Law Tribunal, Bench at Ahmedabad, vide its order dated 13th December, 2019, sanctioned the Scheme of Arrangement for transfer of Transaction business of Aditya Birla MyUniverse Limited to Aditya Birla Finance Limited, wholly-owned subsidiaries of the Company, under Sections 230 - 232 of the Companies Act, 2013;
- ii) Aditya Birla MyUniverse Limited ("ABMU"), wholly-owned subsidiary of the Company, carried out the following businesses viz.:
 - a) offered an online platform for personal finance products such as Mutual Funds, Loans, Credit Cards, etc. The platform also offered Group Life and Group Health Insurance to its customers and carried opportunities to offer other personal financial products as well such as gold, fixed deposits, bank accounts, etc. in the personal finance space.

- b) ABMU was also engaged in marketing and promotional activities on its website for its partners by hosting marketing and promotional campaigns / banners. (collectively referred to as the "Transaction Business").

The other business carried out by ABMU was *inter alia*, providing software technology development and Information Technology Enabled Services ("ITES") to other companies (hereinafter referred to as "IT & ITES Business").

As a result of a change in the regulatory framework, it was decided to restructure the Company.

- iii) The name of Aditya Birla MyUniverse Limited, was changed to Aditya Birla Capital Technology Services Limited (with effect from 3rd March, 2020) and it continues to offer and operate its "IT & ITES Business". The demerged transaction business would strengthen the wealth management business of Aditya Birla Finance Limited.

- Global Clean Energy Fund SPC, was deregistered with effect from 31st March, 2020. Hence, it ceased to be a foreign subsidiary of your Company.

MATERIAL SUBSIDIARIES

As required under Regulations 16(1)(c) and 46 of the SEBI Listing Regulations, the Board has approved and adopted the Policy for determining Material Subsidiaries. The Policy has been amended effective from 1st April, 2019 in line with the amendments made to the SEBI Listing Regulations. The Policy is available on the Company's website at <https://www.adityabirlacapital.com/Investor-Relations/Policies-and-Codes>.

During the financial year under review, Aditya Birla Sun Life Insurance Company Limited, Aditya Birla Finance Limited, Aditya Birla Sun Life AMC Limited and Aditya Birla Housing Finance Ltd were the material subsidiaries of the Company.

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 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 notified by the Reserve Bank of India.

TRANSFER TO RESERVES

An amount of ₹ 5.88 Crore was transferred to Special Reserve in terms of Section 45-IC of the RBI Act during the financial year under review. An amount of ₹ 5.16 Crore was transferred to General Reserve during the financial year under review.

⁽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.)

BOARD'S REPORT

DIVIDEND

Your Directors do not recommend any dividend for the financial year under review. In terms of the provisions of Regulation 43A of the SEBI Listing Regulations, 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 was ₹ 2,413.76 Crore as on 31st March, 2020 as compared to ₹ 2,201.40 Crore as on 31st March, 2019.

During the financial year under review, the Company allotted 2,99,422 Equity Shares pursuant to exercise of Stock Options and Restricted Stock Units granted under ABCL Incentive Scheme for Stock Options and Restricted Stock Units – 2017 and 20,56,923 Equity Shares pursuant to exercise of Stock Options, Restricted Stock Units and Performance Restricted Stock Units granted under Aditya Birla Capital Limited Employee Stock Option Scheme 2017.

The Board at its Meeting held on 5th September, 2019 appointed Mr. Sailesh Kumar Daga, Company Secretary and Compliance Officer of the Company to act as the Nodal Officer and Mr. Pramod Bohra, Joint Vice President, to act as the Deputy Nodal Officer for and on behalf of the Company for the purpose of verification of claims and co-ordination with Investor Education and Protection Fund Authority. Their details are available on the website of the Company at <https://www.adityabirlacapital.com/investor-relations/shareholder-centre>.

DEPOSITORY

The Company's Equity Shares are tradable in electronic mode. As on 31st March, 2020, the Company's total Equity paid-up Share capital comprised of 2,41,37,60,708 Equity Shares, out of which 2,38,27,61,536 (98.72%) 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.

CREDIT RATING

CRISIL Limited has assigned a rating of "CRISIL A1+" and ICRA Limited has assigned a rating of "[ICRA] A1+" for the Commercial Paper Programme of the Company for the amount of ₹ 2,700 Crore and ₹ 1,000 Crore respectively. ICRA Limited has assigned a [ICRA] AAA (stable) rating for issue of ₹ 800 Crore Non-Convertible Debenture Programme of the Company, if any.

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 Companies (Acceptance of Deposits) Rules, 2014.

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

The Company is registered as Core Investment Company with RBI. Thus, the provisions of Section 186 except sub-section (1) of the Act are not applicable to the Company.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

The Company primarily being an Investment Company, is not involved in any industrial or manufacturing activities. The Company's activities involve very low energy consumption and therefore has no particulars to report pursuant to Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

FOREIGN EXCHANGE EARNINGS AND OUTGO

There were no foreign exchange earnings during the financial year under review as well as during the previous financial year. The foreign exchange outgo during the financial year under review was ₹ 0.17 Crore as compared to ₹ 1.57 Crore, during the previous financial year.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details, as required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as **Annexure II** to 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 whose email address(es) are registered with the Company / Depository Participants. via electronic mode, excluding the aforesaid Annexure which shall be made available for inspection by the Members via electronic mode. If any Member is interested in obtaining a copy thereof, the Member may write to the Company Secretary at the Registered Office of the Company in this regard.

BUSINESS RESPONSIBILITY REPORT

In terms of Regulation 34(2)(f) of SEBI Listing Regulations, Business Responsibility Report has been enclosed as a separate Section in this Annual Report, describing the initiatives taken by the Company and is also available on your Company's website at <https://www.adityabirlacapital.com/investor-relations/financial-reports>.

BOARD'S REPORT

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 the end of the financial year up to the date of this Report excluding the impact of the spread of COVID-19 pandemic, the impact of which on the financial position of the Company is still unfolding.

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 OPTIONS

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.

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

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

The aforesaid ESOP Schemes are in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Your Company also adopted the "Aditya Birla Capital Limited Stock Appreciation Rights Scheme 2019" ("SARs Scheme 2019"), which is a cash based plan linked to the actual stock price movement over the plan tenure. Further details on the same have been elaborated in the Corporate Governance Report which forms part of this Annual Report.

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

The details/disclosure(s) on the aforesaid Employee Stock Option Scheme(s) as required to be disclosed under the SEBI (Share Based Employee Benefits) Regulations, 2014 are available on the Company's website at <https://www.adityabirlacapital.com/investor-relations/financial-reports>.

Certificates from the Statutory Auditors on the implementation of your Company's Employee Stock Option Scheme(s) will be made available via electronic mode at the ensuing Annual General Meeting ("AGM") 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, which forms part of this Annual Report.

CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standards of Corporate Governance and adhering to the Corporate Governance requirements set out by the Securities and Exchange Board of India. 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 requirements of Corporate Governance is attached as **Annexure III** to the Board's Report.

STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES

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

RISK MANAGEMENT

The Company is a Core Investment Company ("CIC") and its operations are limited to those of a CIC. The risks therefore largely relate to investments made in its Subsidiaries. The operations of each of the Subsidiaries, the risks faced by them and the risk mitigation tools used to manage them are reviewed periodically by their Risk Management Committees. 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. The Company has in place a Risk Management Policy which has been uploaded on the website of the Company at <https://www.adityabirlacapital.com/investor-relations/policies-and-codes>.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the financial year under review, all transactions entered into by the Company with related parties were in ordinary course of business and on an arm's length basis and were not considered material as per the provisions of Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI Listing Regulations. Hence, disclosure in form AOC-2 under Section 134(3)(h) of the Act, read with the Rule 8 of the Companies (Accounts of Companies) Rules, 2014, is not applicable.

Prior omnibus approval of the Audit Committee is obtained for Related Party Transactions ("RPTs") which are of a repetitive

BOARD'S REPORT

nature and entered into the ordinary course of business and at arm's length. A statement on RPTs specifying the details of the transactions, pursuant to each omnibus approval granted, is placed on a quarterly basis for review by the Audit Committee.

The details of contracts and arrangements with related parties of your Company for the financial year under review, are given in notes to the Standalone Financial Statements, which forms part of this Annual Report. 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 well-established internal control systems in place which are commensurate with the nature of its business and size and scale and complexity of its operations. Standard operating procedures (SOP) and Risk Control Matrices are in place designed to provide a reasonable assurance and are being continuously monitored and updated.

In addition to the above, internal audits are undertaken on periodic basis which independently validate the existing controls as per scope assigned to them. The Internal audit program is reviewed by the Audit Committee at the beginning of the year to ensure that the coverage of the areas is adequate. Reports of the internal auditors are regularly reviewed by the management and corrective action is initiated to strengthen the controls and enhance the effectiveness of the existing systems. Significant audit observations are presented to the Audit Committee along with the status of management actions and the progress of implementation of recommendations.

Your Company also periodically engages outside experts to carry out independent reviews of the effectiveness of various business processes. The observations and best practices suggested are reviewed by the Management and Audit Committee and appropriately implemented with a view to continuously strengthen internal controls.

INTERNAL AUDIT

The Company has in place an adequate internal audit framework to monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent, 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 Management, the Directors of your Company state that:-

- i. in the preparation of the Annual Accounts for the financial year ended 31st March, 2020, the applicable accounting standards have been followed and there were no material departures from the same;
- ii. the Directors had selected such accounting policies and applied them consistently and made judgements 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, 2020 and of the profit of the Company for financial year ended on that date;
- iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors had prepared the Annual Accounts on a 'going concern basis';
- v. the Directors had laid down Internal Financial Controls and such Internal Financial Controls were adequate and were operating effectively; and
- vi. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on 31st March, 2020, the Board of Directors of your Company ("the Board") comprised of 7 (Seven) Directors including 3 (Three) Non-Executive Directors and 4 (Four) Independent Directors. Your Directors on the Board possess experience and 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.

Appointment/Resignation of Directors

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

Detailed information on the Directors is provided in the Corporate Governance Report, which forms part of this Annual Report.

Retirement by Rotation

As per the provisions of the Act and the Articles of Association of the Company, Dr. Santrupt Misra retires from the Board by rotation this year and being eligible, has offered himself for re-appointment.

The information as required to be disclosed under regulation 36(3) of the SEBI Listing Regulations in case of re-appointment of Dr. Santrupt Misra is provided in the Notice of the ensuing Annual General Meeting.

BOARD'S REPORT

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 had 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. The Independent Directors have also submitted their respective declarations as required under Section 149(7) of the Act and Regulation 16(1) of the SEBI Listing Regulations that they are not aware of any circumstance or situation, which exists or is anticipated, that could impair or impact their ability to discharge their duties with an independent judgement and without any external influence as required under Regulation 25 of the 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 Kumar Daga, Company Secretary (CS), are the Key Managerial Personnel of your 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 Board itself, 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 www.adityabirlacapital.com/about-us/board-of-Directors.

Outcome of the evaluation

The Board of your Company was satisfied with the functioning of the Board and its committees. The committees are functioning well and besides their committee's terms of reference, as mandated by law, important issues are brought up and discussed in the committee meetings. The Board was also satisfied with the contribution of directors, in their respective capacities, which reflects the overall engagement of the individual 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 5 (Five) times.

The Meetings of the Board were held on 4th May, 2019, 2nd August, 2019, 5th September, 2019, 7th November, 2019 and 31st January, 2020.

Further details on the Board Meetings are provided in the Corporate Governance Report, which forms 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 also reviewed the procedures laid down by your Company for assessing and managing risks.

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

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

Nomination, Remuneration and Compensation Committee

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

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

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

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.

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, 2020 in Form MGT-9 under the provisions of 92(3) of the Act has been attached as **Annexure VI** to the Board's Report. The Annual Return in form MGT-7 for financial year 2018-19 is also available on the Company's website at <https://www.adityabirlacapital.com/investor-relations/financial-reports>.

AUDITORS

STATUTORY AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS

Pursuant to the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014, as amended,

BOARD'S REPORT

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 has received a letter from M/s. Deloitte Haskins & Sells LLP, confirming that they are not disqualified from continuing to act as Statutory Auditors of the Company.

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 the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Makarand M. Joshi & Co., Practising Company Secretaries, to conduct the Secretarial Audit for the financial year under review. The Secretarial Audit Report in Form MR-3 for the financial year under review, as received from M/s. Makarand M. Joshi & Co., Company Secretaries, is attached as **Annexure VII** to the Board's Report.

Pursuant to Regulation 34(3) and Schedule V of the SEBI Listing Regulations, the Annual Secretarial Compliance Report for the financial year under review is attached as **Annexure VIII** to the Board's Report.

The Secretarial Audit Report and the Annual Secretarial Compliance Report do not contain any qualifications, reservations or adverse remarks. The Annual Secretarial Compliance Report for the financial year 2019-20 has also been submitted to the Stock Exchanges.

COST RECORDS AND COST AUDITORS

The provisions of Cost Audit and Records 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 CSR Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy ("CSR Policy") indicating the activities to be undertaken by the Company, which has been approved by the Board.

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

In view of aggregate losses as per the calculation of net profits as per the provisions of the Act, 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. The Company does however have an active CSR programme through its subsidiaries.

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

WHISTLE BLOWER POLICY / VIGIL MECHANISM

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

The Company has revised the Whistle-Blower policy to insert "reporting of incidents of leak or suspected leak of Unpublished Price Sensitive Information (UPSI)" in terms of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended and the revised policy was approved by the Audit Committee and the Board. The said policy is available on the Company's website at <https://www.adityabirlacapital.com/investor-relations/policies-and-codes>.

POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

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 of women. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. We further state that during the financial year under review, there were no complaints received/cases filed / cases pending under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

HUMAN RESOURCES

Our Purpose at Aditya Birla Capital and our subsidiaries is to help our customers lead fulfilling lives through financial solutions we offer and it is our strong workforce spread across every part of the country that makes this happen. It is the zeal and passion with which our people do business by keeping the customer and her / his needs always at the forefront that bring our Vision and Purpose alive.

BOARD'S REPORT

Human capital therefore has always been the most valued asset for us at Aditya Birla Capital and the Human Resources function is focused on building, nurturing and growing this asset.

Today, Aditya Birla Capital the Company along with its subsidiaries boasts of a 21,000+ multi-generational diverse and agile workforce. Our people practices are centered around strengthening capabilities for the current and future, building strong leadership succession, developing talent and rewarding excellence.

Over the years, the Human Resources function across the Company and subsidiaries has established robust talent management practices, development interventions, productivity improvement initiatives and reward mechanisms, thereby enabling achievement of organizational goals and key milestones through people.

Our culture is of utmost importance to us and the Human Resources function plays a vital role in ensuring that our people get the opportunities to perform, develop and succeed in a fair, transparent, meritocratic and enabling ecosystem. Our employee engagement scores on Pride, Advocacy and Loyalty have been increasing year on year and this is a strong indication of the undeterred focus that the Human Resources function has towards employee happiness, engagement and retention.

The Human Resources function works relentlessly towards ensuring a balance between the changing demands of the business while protecting the interest, well-being and growth of our people.

As on 31st March, 2020, there were 29 permanent employees on the rolls of the Company.

SECRETARIAL STANDARDS OF ICSI

Your Directors confirm that the applicable Secretarial Standards issued by the Institute of Company Secretaries of India, have been complied with.

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 the employees of the Company under any scheme save and except under 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 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.
4. No public issue, rights issue, bonus issue, shares issued with differential voting rights, etc. were made by the Company. The details of preferential allotment of equity shares by the Company are mentioned separately in this Report.

ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board of Directors

Aditya Birla Capital Limited

Kumar Mangalam Birla

Chairman

DIN: 00012813

Date: 12th June, 2020

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.

6. Review

This policy would be subject to revision/ amendment on a periodic basis, as may be necessary.

7. Disclosure

The policy (as amended from time to time) will be available on the Company's website at www.adityabirlacapital.com and in the Company's Annual Report.

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 2019-20.

Sr. No.	Name	Designation	% increase in remuneration in the Financial Year 2019-20
1	Mr. Ajay Srinivasan	Chief Executive Officer	7%
2	Mrs. Pinky Mehta	Chief Financial Officer	13.2%
3	Mr. Sailesh Daga	Company Secretary	3%

- iii. In the financial year 2019-20, there was an increase of 6% in the median remuneration of employees.
- iv. As at 31st March, 2020, there were 29 permanent employees of the Company and 21,408 full time on rolls employees including subsidiaries.
- v. Average percentile increase made in the salaries of employees in the company other than the managerial personnel in the financial year i.e. 2019-20 was 7.53%. Average increase in the managerial remuneration for the same financial year was 7.55%.
- 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. SVP/8091A dated December 13, 2019.
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 March 31, 2020, 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 year ended March 31, 2020.
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

Place: Mumbai
Date: 5th June, 2020

Membership No. 39826
(UDIN: 20039826AAAADB7791)

ANNEXURE IV

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, 2020

Part - A - Subsidiaries*

Sr. No	1	2	3	4	5
Name of Subsidiaries	Aditya Birla Finance Limited	Aditya Birla Housing Finance Limited	Aditya Birla Money Limited	Aditya Birla Insurance Brokers Limited	Aditya Birla Money Mart Limited
Date since when Subsidiary acquired	22-Apr-10	31-Dec-12	23-Feb-10	15-Apr-10	6-Aug-09
Currency	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
Share Capital (Equity)	662.10	501.20	5.63	5.13	93.20
Other Equity	7,416.05	881.66	25.64	66.10	(1.70)
Total Assets	51,974.57	13,161.49	548.21	194.58	128.85
Total Liabilities	43,896.42	11,778.63	516.94	123.35	37.35
Investments	3,342.40	546.92	90.48	20.10	59.21
Revenue from Operations	6,201.74	1,299.61	166.66	511.05	1.70
Profit/(Loss) before Tax	1,052.91	136.19	16.50	42.10	8.12
Tax Expenses	247.96	33.54	4.51	11.13	1.94
Profit/(Loss) for the Year	804.95	102.65	11.99	30.97	6.18
Proposed/Interim Dividend (including Dividend Tax) (on Equity Share)	-	-	-	17.90	-
Percentage Holding as on 31st Mar 2020	100.00%	100.00%	73.80%	50.002%	100.00%
Exchange Rate as on 31st Mar 2020	-	-	-	-	-

Sr. No	6	7	8	9	10
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	6-Aug-09	25-Mar-16	10-Oct-12	23-Jun-16	3-Aug-09
Currency	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
Share Capital (Equity)	4.97	0.03	0.02	11.67	0.05
Other Equity	(1.83)	(0.03)	1.10	7.25	0.78
Total Assets	4.04	β	1.19	22.13	106.45
Total Liabilities	0.90	β	0.07	3.21	105.62
Investments	-	-	1.09	5.97	0.07
Revenue from Operations	4.67	-	0.27	8.56	-
Profit/(Loss) before Tax	2.68	(0.01)	0.24	(2.58)	0.40
Tax Expenses	0.14	-	0.06	-	(0.03)
Profit/(Loss) for the Year	2.54	(0.01)	0.18	(2.58)	0.43
Proposed/Interim Dividend (including Dividend Tax) (on Equity Share)	-	-	-	-	-
Percentage Holding as on 31st Mar 2020	100.00%	100.00%	50.85%	51.00%	100.00%
Exchange Rate as on 31st Mar 2020	-	-	-	-	-

β denotes figure is less than ₹ 50,000

*As per Companies Act 2013

ANNEXURE IV

Sr. No	11	12	13	14	15	16	17	18
Name of Subsidiaries	Aditya Birla Health Insurance Co. Limited	Aditya Birla Sun Life Insurance Company Limited	Aditya Birla Stressed Asset AMC Private Limited	Aditya Birla Sun Life Pension Management Limited	Aditya Birla Trustee Company Private Limited	Aditya Birla Capital Technology Services Limited (formerly known as Aditya Birla MyUniverse Limited)	Aditya Birla PE Advisors Private Limited	Aditya Birla ARC Limited
Date since when Subsidiary acquired	28-Mar-16	23-Mar-17	22-May-18	23-Mar-17	28-Nov-08	11-Dec-08	2-Jul-08	10-Mar-17
Currency	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
Share Capital (Equity)	298.86	1,901.21	14.80	35.00	0.05	1.80	3.50	100.00
Other Equity	(24.61)	298.57	3.52	(8.80)	0.35	(34.49)	2.17	2.11
Total Assets	1,040.49	43,140.02	18.90	29.37	0.43	9.46	8.91	505.85
Total Liabilities	766.25	40,940.24	0.58	3.17	0.03	42.15	3.24	403.74
Investments	836.05	41,126.13	18.17	26.25	0.43	-	6.15	447.93
Revenue from Operations	620.16	8,156.07	5.43	0.03	β	5.53	-	24.47
Profit/(Loss) before Tax	(241.16)	104.43	4.89	(3.81)	β	(18.76)	(5.60)	8.02
Tax Expenses	-	-	1.20	(0.05)	0.01	-	-	1.45
Profit/(Loss) for the Year	(241.16)	104.43	3.69	(3.76)	(0.01)	(18.76)	(5.60)	6.57
Proposed/Interim Dividend (including Dividend Tax) (on Equity Share)	-	-	-	-	-	-	-	-
Percentage Holding as on 31st Mar 2020	51.00%	51.00%	100.00%	51.00%	100.00%	100.00%	100.00%	100.00%
Exchange Rate as on 31st Mar 2020	-	-	-	-	-	-	-	-

Sr. No	19	20	21	22
Name of Subsidiaries	Aditya Birla Sun Life AMC Limited	Aditya Birla Sun Life AMC (Mauritius) Limited	Aditya Birla Sun Life Asset Management Company Pte. Ltd., Singapore	Aditya Birla Sun Life Asset Management Company Ltd., Dubai
Date since when Subsidiary acquired	10-Oct-12	10-Oct-12	10-Oct-12	10-Oct-12
Currency	₹ crore	US\$ in Mn	₹ crore	SGD in Mn
Share Capital (Equity)	18.00	0.05	0.34	13.60
Other Equity	1,328.08	1.08	8.15	(8.92)
Total Assets	1,593.42	1.15	8.65	5.60
Total Liabilities	247.34	0.02	0.16	0.92
Investments	1,332.38	-	-	-
Revenue from Operations	1,213.82	0.35	2.47	3.48
Profit/(Loss) before Tax	652.18	0.21	1.46	0.27
Tax Expenses	166.28	0.01	0.04	-
Profit/(Loss) for the Year	485.90	0.20	1.42	0.27
Proposed/Interim Dividend (including Dividend Tax) (on Equity Share)	397.83	-	-	-
Percentage Holding as on 31st Mar 2020	51.00%	51.00%	51.00%	51.00%
Exchange Rate as on 31st Mar 2020	-	BS - 75.5425	BS - 53.0252	BS - 75.5425
	-	P&L - 70.8846	P&L - 51.6933	P&L - 70.8846

β denotes figure is less than ₹ 50,000

*As per Companies Act 2013

ANNEXURE IV

Notes

- 1 Aditya Birla Sun Life AMC Limited (ABSLAMC) holds 100% management shares of India Advantage Fund Limited (IAFL), having no beneficial interest or ownership on IAFL's income or gains as the same belongs to the investors of Collective Investment Schemes offered by IAFL. Similarly, Aditya Birla Sun Life Asset Management Company Pte Ltd., Singapore holds 100% management shares of International Opportunities Fund – SPC and New Horizon Fund SPC and by virtue of that it is a subsidiary of the Company. Hence these Companies are not included in the Annexure above.
- 2 Aditya Birla Capital Investments Private Limited is under the process of Striking Off and is not included in the Annexure above.
- 3 Global Clean Energy Fund (100% subsidiary of Aditya Birla Sun Life Asset Management Company Pte. Limited, Singapore by virtue of having management shares) was deregistered/ struck off w.e.f March 31, 2020.
- 4 Aditya Birla Sun Life Pension Management Limited is a wholly owned subsidiary of Aditya Birla Sun Life Insurance Company Limited. Aditya Birla Money Insurance Advisory Services Limited is a wholly owned subsidiary of Aditya Birla Money Mart Limited. Aditya Birla Sun Life AMC (Mauritius) Limited, Aditya Birla Sun Life Asset Management Company Pte. Ltd., Singapore and Aditya Birla Sun Life Asset Management Company Ltd., Dubai are wholly owned subsidiaries of Aditya Birla Sun Life AMC Limited.

PART B

Joint Ventures & Associates - Not Applicable

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

Puranam Hayagreeva Ravikumar
Director
(DIN: 00280010)

Subhash Chandra Bhargava
Director
(DIN: 00020021)

Ajay Srinivasan
Chief Executive Officer

Date: 5th June 2020
Place: Mumbai

Pinky Mehta
Chief Financial Officer

Sailesh Kumar Daga
Company Secretary
FCS: 4164

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-term incentives, ESOPs, retirement benefit programs – with the long-term success of our stakeholders.

I. Objectives of the Executive Remuneration Program

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

III. Appointment Criteria and Qualifications

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

IV. Business and Talent Competitors

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

V. Executive Pay Positioning

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

VI. Executive Pay-Mix

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

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

Annual Incentive Plan:

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

Long-Term Incentive:

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

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

VII. Performance Goal Setting

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

ANNEXURE V

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

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

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

VIII. Executive Benefits and Perquisites

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

Other Remuneration Elements

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

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

Risk and Compliance

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

Claw back Clause:

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

Implementation

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

ANNEXURE VI

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

As on financial year ended 31st March, 2020

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
Category / Sub-Category of the Company	: Public Company/ Limited by Shares
Address of the Registered office and contact details	: Indian Rayon Compound, Veraval – 362266, Gujarat, India. Tel No.: +91 2876 243257 Fax No.: +91 2876 243220 E -mail ID: abc.secretarial@adityabirlacapital.com
Whether listed company	: Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	: KFin Technologies Pvt. Limited (formerly known as Karvy Fintech Pvt. Limited) Selenium Tower B, Plot 31 and 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032. Contact Person- Mr. Birendra Thakur Tel no :+91 40 6716 1611 Toll Free no: 1800-572-4001 Email Id: adityacapital@kfintech.com / einward.ris@kfintech.com Website: www.kfintech.com

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Core Investment Company	6420 - Aditya Birla Capital Limited holds a certificate of Registration bearing no. B.01.00555 issued by the RBI 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%

ANNEXURE VI

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
Holding Company						
1	Grasim Industries Limited (Grasim)	Birlagram, Nagda-456331, Ujjain, Madhya Pradesh	L17124MP1947PLC000410	Holding	54.24	2(46)
Indian Subsidiaries						
2	Aditya Birla PE Advisors Private Limited	One Indiabulls Centre, 18 th Floor, Tower 1, Jupiter Mill Compound, 841, Senapati Bapat Marg, Elphinstone Road, Mumbai-400013, Maharashtra	U74140MH2008PTC179360	Subsidiary	100.00	2(87)(ii)
3	ABCAP Trustee Company Private Limited	18 th Floor, One Indiabulls Centre, Tower 1, Jupiter Mill Compound, 841, Senapati Bapat Marg, Elphinstone Road, Mumbai-400013, Maharashtra	U67100MH2013PTC242390	Subsidiary	100.00	2(87)(ii)
4	Aditya Birla Capital Technology Services Limited (Formerly known as Aditya Birla MyUniverse Limited)	Indian Rayon Compound, Veraval-362266, Gujarat	U93000GJ2008PLC108842	Subsidiary	100.00	2(87)(ii)
5	Aditya Birla Financial Shared Services Limited	18 th Floor, One Indiabulls Centre, Tower 1, Jupiter Mill Compound, 841, Senapati Bapat Marg, Elphinstone Road, Mumbai-400013, Maharashtra	U65999MH2008PLC183695	Subsidiary	100.00	2(87)(ii)
6	Aditya Birla Trustee Company Private Limited	Aditya Birla Centre, S.K. Ahire Marg, Worli, Mumbai-400030, Maharashtra	U74999MH2008PTC186670	Subsidiary	100.00	2(87)(ii)
7	Aditya Birla Money Limited (ABML)	Indian Rayon Compound, Veraval-362266, Gujarat	L65993GJ1995PLC064810	Subsidiary	73.80	2(87)(ii)
8	Aditya Birla Money Mart Limited (ABMML)	Indian Rayon Compound, Veraval-362266, Gujarat	U61190GJ1997PLC062406	Subsidiary	100.00	2(87)(ii)
9	Aditya Birla Money Insurance Advisory Services Limited (100% Subsidiary of ABMML)	Indian Rayon Compound, Veraval -362266, Gujarat	U67200GJ2001PLC062240	Subsidiary	100.00	2(87)(ii)
10	Aditya Birla Insurance Brokers Limited	Indian Rayon Compound, Veraval-362266, Gujarat	U99999GJ2001PLC062239	Subsidiary	50.002	2(87)(ii)
11	Aditya Birla Finance Limited	Indian Rayon Compound, Veraval-362266, Gujarat	U65990GJ1991PLC064603	Subsidiary	100.00	2(87)(ii)
12	Aditya Birla Housing Finance Limited	Indian Rayon Compound, Veraval-62266, Gujarat	U65922GJ2009PLC083779	Subsidiary	100.00	2(87)(ii)
13	Aditya Birla Sun Life Trustee Company Private Limited	17 th Floor, One Indiabulls Centre, Tower 1, Jupiter Mill Compound, Senapati Bapat Marg, Elphinstone Road, Mumbai-400013, Maharashtra	U74899MH1994PTC166755	Subsidiary	50.85	2(87)(ii)
14	Aditya Birla Sun Life AMC Limited	17 th Floor, One Indiabulls Centre, Tower 1, Jupiter Mill Compound, Senapati Bapat Marg, Elphinstone Road, Mumbai-400013, Maharashtra	U65991MH1994PLC080811	Subsidiary	51.00	2(87)(ii)

ANNEXURE VI

Sl. No.	Name of the Company	Registered Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held *	Applicable section
15	Aditya Birla Health Insurance Co. Limited	9 th Floor, One Indiabulls Centre, Tower 1, Jupiter Mill Compound, Senapati Bapat Marg, Elphinstone Road, Mumbai-400013, Maharashtra	U66000MH2015PLC263677	Subsidiary	51.00	2(87)(ii)
16	Aditya Birla Wellness Private Limited	D- Wing, 1 st Floor, Aditya Birla Centre, S.K. Ahire Marg, Worli, Mumbai-400030, Maharashtra	U74999MH2016PTC282782.	Subsidiary	51.00	2(87)(ii)
17	Aditya Birla ARC Limited	18 th Floor, One Indiabulls Centre, Tower 1, Jupiter Mill Compound, Senapati Bapat Marg, Elphinstone Road, Mumbai-400013, Maharashtra	U65999MH2017PLC292331	Subsidiary	100.00	2(87)(ii)
18	Aditya Birla Sun Life Insurance Company Limited (ABSLI)	16 th Floor, One Indiabulls Centre, Tower 1, Jupiter Mill Compound, Senapati Bapat Marg, Elphinstone Road, Mumbai-400013, Maharashtra	U99999MH2000PLC128110	Subsidiary	51.00	2(87)(ii)
19	Aditya Birla Sun Life Pension Management Limited (100% Subsidiary of ABSLI)	16 th Floor, One Indiabulls Centre, Tower 1, Jupiter Mill Compound, Senapati Bapat Marg, Elphinstone Road, Mumbai-400013, Maharashtra	U66000MH2015PLC260801	Subsidiary	51.00	2(87)(ii)
20	Aditya Birla Stressed Asset AMC Private Limited	Indian Rayon Compound, Veraval-362266, Gujarat	U67190GJ2018PTC102468	Subsidiary	100.00	2(87)(ii)
21	Aditya Birla Capital Investments Private Limited [^]	Indian Rayon Compound, Veraval-362266, Gujarat	U67120GJ2018PTC104719	Subsidiary	-	2(87)
Foreign Subsidiaries						
22	Aditya Birla Sun Life AMC (Mauritius) Limited (100% Subsidiary of ABSLAMC)	IFS Court, Twenty Eight, Cybercity Ebene-72201, Mauritius	Not Applicable	Subsidiary	51.00	2(87)(ii)
23	Aditya Birla Sun Life AMC (Dubai) (100% Subsidiary of ABSLAMC)	Unit 05 , Floor-7, Currency House - Building 1, Dubai International Financial Centre, Dubai, 482027, United Arab Emirates	Not Applicable	Subsidiary	51.00	2(87)(ii)
24	Aditya Birla Sun Life Asset Management Company Pte Limited, Singapore (100% Subsidiary of ABSLAMC)	1 Marina Boulevard #28-00, One Marina Boulevard, 018989, Singapore	Not Applicable	Subsidiary	51.00	2(87)(ii)
25	India Advantage Fund Ltd., Mauritius (100% Subsidiary of ABSLAMC)	IFS Court, Bank StreetTwenty Eight, Cybercity Ebène-72201, Mauritius	Not Applicable	Subsidiary	51.00	2(87)(ii)
26	International Opportunities Fund (100% Subsidiary of ABSLAMC, Singapore)	4 th Floor, Harbour Place,103 South Church Street,Grand Cayman Cayman Islands KY1-1002	Not Applicable	Subsidiary	51.00	2(87)(ii)
27	New Horizon Fund - SPC, Cayman Islands (100% Subsidiary of ABSLAMC, Singapore)	Harneys Services (Cayman) Ltd., 4 th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman, Cayman Islands KY1-1002	Not Applicable	Subsidiary	51.00	2(87)(ii)
28	Global Clean Energy Fund SPC (100% Subsidiary of ABSLAMC, Singapore) [#]	4th Floor, Harbour Place, 103 South Church Street, Grand Cayman Cayman Islands KY1-1002	Not Applicable	Subsidiary	51.00	2(87)(ii)

* Direct and Indirect holdings

fund is deregistered/ struck off w.e.f 31st March, 2020.

[^] under the process of Striking Off

ANNEXURE VI

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	12,19,624	-	12,19,624	0.05	12,19,624	-	12,19,624	0.05	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1,56,64,52,443	-	1,56,64,52,443	71.16	1,66,64,52,443	-	1,66,64,52,443	69.04	(2.12)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):	1,56,76,72,067	-	1,56,76,72,067	71.21	1,66,76,72,067	-	1,66,76,72,067	69.09	(2.12)
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter	1,56,76,72,067	-	1,56,76,72,067	71.21	1,66,76,72,067	-	1,66,76,72,067	69.09	(2.12)
(A) = (A)(1) + (A)(2)									
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	2,67,23,909	60,749	2,67,84,658	1.22	3,78,88,847	60,681	3,79,49,528	1.57	0.35
b) Banks / FI	1,04,85,036	2,23,428	1,07,08,464	0.48	35,97,654	2,20,719	38,18,373	0.17	(0.31)
c) Central Govt	11,068	-	11,068	-	11,068	-	11,068	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Alternate Investment Fund	6,94,08,394	-	6,94,08,394	3.15	9,90,24,773	-	9,90,24,773	4.10	0.95
g) Insurance Companies	5,84,48,341	37,128	5,84,85,469	2.66	6,25,92,367	37,128	6,26,29,495	2.59	(0.07)
h) FIs	7,91,89,877	17,980	7,92,07,857	3.60	5,24,92,467	17,980	5,25,10,447	2.18	(1.42)
i) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
j) Others (Foreign bodies- DR)	10,74,542	-	10,74,542	0.05	-	-	-	-	(0.05)
Foreign Bodies Corporate-	-	-	-	-	10,00,00,000	-	10,00,00,000	4.14	4.14
Sub-total (B)(1):	24,53,41,167	3,39,285	24,56,80,452	11.16	35,56,07,176	3,36,508	35,59,43,684	14.75	3.59
(2) Non-Institutions									
a) Bodies Corp.	4,93,78,271	4,73,036	4,98,51,307	2.26	3,96,26,121	3,86,846	4,00,12,967	1.66	(0.60)
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	20,17,26,053	1,08,70,921	21,25,96,974	9.66	18,45,85,652	97,03,552	19,42,89,204	8.05	(1.61)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	3,54,75,368	2,08,804	3,56,84,172	1.62	6,85,44,957	4,32,183	6,89,77,140	2.86	1.24
c) NBFC's registered with RBI	5,23,626	-	5,23,626	0.02	2,85,324	-	2,85,324	0.01	(0.01)
d) Others(specify)	-	-	-	-	-	-	-	-	-
Foreign Nationals	33,115	-	33,115	-	30,034	-	30,034	-	-

ANNEXURE VI

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	
NRI (Repat and Non- Repat)	1,14,54,112	18,47,579	1,33,01,691	0.60	1,31,17,582	17,36,507	1,48,54,089	0.62	0.02
Trusts	31,61,729	40,320	32,02,049	0.15	9,52,792	40,320	9,93,112	0.04	(0.11)
Clearing Members	36,94,771	-	36,94,771	0.17	17,82,769	-	17,82,769	0.07	(0.10)
Overseas Corporate Bodies	-	1,83,63,256	1,83,63,256	0.83	-	1,83,63,256	1,83,63,256	0.76	(0.07)
Sub-total(B)(2):	30,54,47,045	3,18,03,916	33,72,50,961	15.31	30,89,25,231	3,06,62,664	33,95,87,895	14.07	(1.24)
Total Public Shareholding (B)=(B)(1)+(B)(2)	55,07,88,212	3,21,43,201	58,29,31,413	26.48	66,45,32,407	3,09,99,172	69,55,31,579	28.82	2.34
C. Shares held by Custodian for GDRs & ADRs									
Promoter and Promoter Group	3,36,16,128	-	3,36,16,128	1.53	3,36,16,128	-	3,36,16,128	1.39	(0.14)
Public	1,71,84,755	-	1,71,84,755	0.78	1,69,40,934	-	1,69,40,934	0.70	(0.08)
Total (C)	5,08,00,883	-	5,08,00,883	2.31	5,05,57,062	-	5,05,57,062	2.09	(0.21)
Grand Total(A+B+C)	2,16,92,61,162	3,21,43,201	2,20,14,04,363	100.00	2,38,27,61,536	3,09,99,172	2,41,37,60,708	100.00	-

Note:

1. During the financial year, the Company has issued 21,00,00,000 equity shares on preferential basis to Grasim (Promoter), Members of the Promoter Group, PI Opportunities Fund-1 and Jomei Investments Limited.
2. During the financial year under review, the Company has issued and allotted 2,99,422 Stock Options and Restricted Stock Units pursuant to the ABCL Incentive Scheme and has issued and allotted 20,56,923 Stock Options and Restricted Stock Units pursuant to Scheme 2017.
3. Percentage of shareholding in the above table have been subject to rounding-off adjustments.

ANNEXURE VI

ii. Shareholding of Promoters:

Sl. No.	Promoter and Promoter Group Name	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 Vikram Kumar Mangalam Birla HUF.	1,25,608	0.01	-	1,25,608	0.01	-	-
2	Mrs. Neerja Birla	1,02,286	-	-	1,02,286	-	-	-
3	Mrs. Rajashree Birla	7,73,989	0.04	-	7,73,989	0.03	-	(0.01)
4	Mrs. Vasavadatta Bajaj	1,65,951	0.01	-	1,65,951	0.01	-	-
5	Mr. Kumar Mangalam Birla	51,790	-	-	51,790	-	-	-
6	Birla Consultants Limited	1,22,334	0.01	-	1,22,334	0.01	-	-
7	Birla Industrial Finance (India) Limited	1,22,479	0.01	-	1,22,479	0.01	-	-
8	Birla Industrial Investments (India) Limited	26,119	-	-	26,119	-	-	-
9	ECE Industries Limited	4,71,931	0.02	-	4,71,931	0.02	-	-
10	Grasim Industries Limited*	1,23,22,40,000	55.98	-	1,30,92,40,000	54.24	-	(1.74)
11	Hindalco Industries Limited	3,95,11,455	1.79	-	3,95,11,455	1.64	-	(0.15)
12	Birla Group Holdings Private Limited [#]	76,68,178	0.35	-	17,50,06,156	7.25	-	6.90
13	Rajratna Holdings Private Limited	938	-	-	938	-	-	-
14	Umang Commercial Company Private Limited	3,74,44,766	1.70	-	3,74,44,766	1.55	-	(0.15)
15	Vikram Holdings Private Limited	1,050	-	-	1,050	-	-	-
16	Vaibhav Holdings Private Limited	938	-	-	938	-	-	-
17	Birla Institute of Technology and Science	9,25,687	0.04	-	9,25,687	0.04	-	-
18	Pilani Investment and Industries Corporation Limited*	3,33,51,721	1.52	-	3,36,01,721	1.39	-	(0.13)
19	Renuka Investments & Finance Limited	3,39,059	0.02	-	3,39,059	0.01	-	(0.01)
20	IGH Holdings Private Limited*	4,68,87,810	2.13	-	4,71,37,810	1.95	-	(0.18)
21	Surya Kiran Investments Pte Limited*	-	-	-	2,25,00,000	0.93	-	0.93
21	Turquoise Investment and Finance Private Limited [#]	5,89,67,770	2.68	-	-	-	-	(2.68)
22	Trapti Trading and Investments Private Limited [#]	5,81,35,303	2.64	-	-	-	-	(2.64)
23	TGS Investment & Trade Private Limited [#]	5,02,34,905	2.28	-	-	-	-	(2.28)
	Total	1,56,76,72,067	71.21	-	1,66,76,72,067	69.09		

* During the year, the Company has issued 21,00,00,000 equity shares on preferential basis out of which 10,00,00,000 equity shares were allotted to Grasim and Members of the Promoter Group of the Company as mentioned above. Balance 11,00,00,000 equity shares have been allotted to investors as shown in table iii below.

The Hon'ble National Company Law Tribunal Mumbai Bench has approved the Scheme of Amalgamation amongst (i) Trapti Trading & Investments Private Limited, (ii) Turquoise Investments and Finance Private Limited (iii) TGS Investment & Trade Private Limited and others (collectively known as Transferor Companies) with Birla Group Holdings Private Limited (Transferee Company) and their respective shareholders. Pursuant to the above scheme of amalgamation the transferor companies mentioned at point (i), (ii) and (iii) were in total holding 16,73,37,978 equity shares of the Company have accordingly vested in Birla Group Holdings Private Limited on 08.07.2019

Percentage of shareholding in the above table have been subject to rounding-off adjustments

ANNEXURE VI

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
Grasim Industries Limited*				
At the beginning of the year	1,23,22,40,000	55.98	1,23,22,40,000	55.98
Allotment: 16 th October, 2019	7,70,00,000	3.33	1,30,92,40,00	56.61
At the end of the year			1,30,92,40,000	54.24
Turquoise Investment and Finance Private Limited[#]				
At the beginning of the year	5,89,67,770	2.68	5,89,67,770	2.68
Transfer : 8 th July, 2019	(5,89,67,770)	(2.68)	-	-
At the end of the year	-	-	-	-
Trapti Trading and Investments Private Limited[#]				
At the beginning of the year	5,81,35,303	2.64	5,81,35,303	2.64
Transfer : 8 th July, 2019	(5,81,35,303)	(2.64)	-	-
At the end of the year	-	-	-	-
TGS Investment & Trade Private Limited[#]				
At the beginning of the year	5,02,34,905	2.28	5,02,34,905	2.28
Transfer : 8 th July, 2019	(5,02,34,905)	(2.28)	-	-
At the end of the year	-	-	-	-
IGH Holdings Private Limited*				
At the beginning of the year	4,68,87,810	2.13	4,68,87,810	2.13
Allotment: 16 th October, 2019	2,50,000	-	4,71,37,810	2.04
At the end of the year			4,71,37,810	1.95
Pilani Investment and Industries Corporation Ltd.*				
At the beginning of the year	3,33,51,721	1.52	3,33,51,721	1.52
Allotment : 16 th October, 2019	2,50,000	-	3,36,01,721	1.45
At the end of the year			3,36,01,721	1.39
Surya Kiran Investments PTE Limited*				
At the beginning of the year	-	-	-	-
Allotment : 16 th October, 2019	2,25,00,000	0.97	2,25,00,000	0.97
At the end of the year			2,25,00,000	0.93
Birla Group Holdings Private Limited[#]				
At the beginning of the year	76,68,178	0.35	76,68,178	0.35
Transfer : 8 th July, 2019	16,73,37,978	6.90	17,50,06,156	7.25
At the end of the year			17,50,06,156	7.25

* Issuance of 10,00,00,000 equity shares pursuant to preferential allotment to Grasim and Members of the Promoter Group of the Company.

The Hon'ble National Company Law Tribunal Mumbai Bench has approved the Scheme of Amalgamation amongst (i) Trapti Trading & Investments Private Limited, (ii) Turquoise Investments and Finance Private Limited, (iii) TGS Investment & Trade Private Limited and others (collectively known as Transferor Companies) with Birla Group Holdings Private Limited (Transferee Company) and their respective shareholders. Pursuant to the above scheme of amalgamation the transferor companies mentioned at point (i), (ii) and (iii) were in total holding 16,73,37,978 equity shares of the Company have accordingly vested in Birla Group Holdings Private Limited on 08.07.2019. Percentage of shareholding in the above table have been subject to rounding-off adjustments.

ANNEXURE VI

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	PI OPPORTUNITIES FUND I				
	At the beginning of the year	6,58,08,394	2.99	6,58,08,394	2.99
	05/04/2019 Transfer	67,56,913	0.31	7,25,65,307	3.30
	12/04/2019 Transfer	24,00,000	0.11	7,49,65,307	3.41
	19/04/2019 Transfer	8,41,860	0.04	7,58,07,167	3.45
	26/04/2019 Transfer	31,54,555	0.14	7,89,61,722	3.59
	03/05/2019 Transfer	2,46,176	0.01	7,92,07,898	3.60
	10/05/2019 Transfer	27,72,181	0.13	8,19,80,079	3.73
	17/05/2019 Transfer	9,94,572	0.04	8,29,74,651	3.77
	16/10/2019 Allotment	1,00,00,000	0.25	9,29,74,651	4.02
	At the end of the year	-	-	9,29,74,651	3.85
2	LIFE INSURANCE CORPORATION OF INDIA				
	At the beginning of the year	5,34,45,215	2.43	5,34,45,215	2.43
	At the end of the year	-	-	5,34,45,215	2.21
3	CITIBANK N.A.				
	At the beginning of the year	5,11,35,093	2.32	5,11,35,093	2.32
	05/04/2019 Transfer	61,049	-	5,11,96,142	2.32
	05/04/2019 Transfer	(1,358)	-	5,11,94,784	2.32
	12/04/2019 Transfer	(3,93,861)	(0.01)	5,08,00,923	2.31
	17/05/2019 Transfer	2,28,846	0.01	5,10,29,769	2.32
	24/05/2019 Transfer	(2,28,846)	(0.01)	5,08,00,923	2.31
	21/06/2019 Transfer	38,702	-	5,08,39,625	2.31
	28/06/2019 Transfer	(38,702)	-	5,08,00,923	2.31
	19/07/2019 Transfer	25,240	-	5,08,26,163	2.31
	26/07/2019 Transfer	(25,240)	-	5,08,00,923	2.31
	02/08/2019 Transfer	12,648	-	5,08,13,571	2.31
	09/08/2019 Transfer	(12,648)	-	5,08,00,923	2.31
	04/10/2019 Transfer	9,474	-	5,08,10,397	2.31
	11/10/2019 Transfer	(9,474)	-	5,08,00,923	2.31
	25/10/2019 Transfer	9,450	-	5,08,10,373	2.31
	01/11/2019 Transfer	19,26,197	0.08	5,27,36,570	2.39
	08/11/2019 Transfer	(19,35,647)	(0.19)	5,08,00,923	2.20
	20/12/2019 Transfer	15,786	-	5,08,16,709	2.20
	20/12/2019 Transfer	(2,42,463)	(0.01)	5,05,74,246	2.19
	27/12/2019 Transfer	(15,786)	-	5,05,58,460	2.19
	17/01/2020 Transfer	9,450	-	5,05,67,910	2.19
	24/01/2020 Transfer	(9,450)	-	5,05,58,460	2.19
	21/02/2020 Transfer	9,456	-	5,05,67,916	2.19
	06/03/2020 Transfer	3,184	-	5,05,71,100	2.19
	13/03/2020 Transfer	(12,640)	(0.10)	5,05,58,460	2.09
	At the end of the year	-	-	5,05,58,460	2.09
4	NATIONAL WESTMINSTER BANK PLC AS TRUSTEE OF ST. JAMES				
	At the beginning of the year	94,00,084	0.43	94,00,084	0.43
	17/01/2020 Transfer	(1,65,753)	(0.03)	92,34,331	0.40
	24/01/2020 Transfer	(8,76,661)	(0.04)	83,57,670	0.36
	31/01/2020 Transfer	(4,14,484)	(0.02)	79,43,186	0.34
	07/02/2020 Transfer	(23,27,597)	(0.10)	56,15,589	0.24

ANNEXURE VI

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
	14/02/2020 Transfer	(10,69,013)	(0.04)	45,46,576	0.20
	28/02/2020 Transfer	(10,10,068)	(0.05)	35,36,508	0.15
	06/03/2020 Transfer	(3,19,200)	(0.01)	32,17,308	0.14
	At the end of the year	-	-	32,17,308	0.13
5	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND				
	At the beginning of the year	81,04,679	0.37	81,04,679	0.37
	26/04/2019 Transfer	(2,11,658)	(0.01)	78,93,021	0.36
	05/07/2019 Transfer	1,03,231	-	79,96,252	0.36
	12/07/2019 Transfer	96,037	0.01	80,92,289	0.37
	09/08/2019 Transfer	2,64,234	0.01	83,56,523	0.38
	13/12/2019 Transfer	2,67,270	(0.01)	86,23,793	0.37
	31/12/2019 Transfer	1,77,895	0.01	88,01,688	0.38
	03/01/2020 Transfer	1,56,158	0.01	89,57,846	0.39
	24/01/2020 Transfer	1,81,586	0.01	91,39,432	0.40
	At the end of the year	-	-	91,39,432	0.38
6	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES				
	At the beginning of the year	70,97,810	0.32	70,97,810	0.32
	12/04/2019 Transfer	3,18,759	0.02	74,16,569	0.34
	28/06/2019 Transfer	77,190	-	74,93,759	0.34
	05/07/2019 Transfer	42,362	-	75,36,121	0.34
	19/07/2019 Transfer	93,820	0.01	76,29,941	0.35
	02/08/2019 Transfer	1,53,412	-	77,83,353	0.35
	10/01/2020 Transfer	1,85,672	(0.01)	79,69,025	0.34
	At the end of the year	-	-	79,69,025	0.33
7	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C				
	At the beginning of the year	69,04,177	0.31	69,04,177	0.31
	12/04/2019 Transfer	(700)	-	69,03,477	0.31
	07/06/2019 Transfer	(7,000)	-	68,96,477	0.31
	At the end of the year	-	-	68,96,477	0.29
8	RELIANCE CAPITAL TRUSTEE CO LTD. A/C RELIANCE EQUITY				
	At the beginning of the year	68,05,836	0.31	68,05,836	0.31
	09/08/2019 Transfer	93,292	-	68,99,128	0.31
	16/08/2019 Transfer	735	-	68,99,863	0.31
	23/08/2019 Transfer	882	-	69,00,745	0.31
	30/08/2019 Transfer	2,108	-	69,02,853	0.31
	06/09/2019 Transfer	441	-	69,03,294	0.31
	13/09/2019 Transfer	1,029	-	69,04,323	0.31
	20/09/2019 Transfer	1,029	-	69,05,352	0.31
	27/09/2019 Transfer	35,916	0.01	69,41,268	0.32
	04/10/2019 Transfer	588	-	69,41,856	0.32
	04/10/2019 Transfer	(4,00,753)	(0.02)	65,41,103	0.30
	11/10/2019 Transfer	3,528	-	65,44,631	0.30
	18/10/2019 Transfer	882	-	65,45,513	0.30
	01/11/2019 Transfer	1,323	-	65,46,836	0.30
	08/11/2019 Transfer	441	(0.02)	65,47,277	0.28
	15/11/2019 Transfer	1,831	-	65,45,446	0.28
	22/11/2019 Transfer	(21,787)	-	65,23,659	0.28
	29/11/2019 Transfer	37,93,226	0.17	1,03,16,885	0.45
	29/11/2019 Transfer	(32,578)	(0.01)	1,02,84,307	0.44

ANNEXURE VI

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
	06/12/2019 Transfer	29,641	0.01	1,03,13,948	0.45
	06/12/2019 Transfer	(6,040)	-	1,03,07,908	0.45
	13/12/2019 Transfer	651	-	1,03,08,559	0.45
	20/12/2019 Transfer	3,51,646	0.01	1,06,60,205	0.46
	27/12/2019 Transfer	5,658	-	1,06,65,863	0.46
	31/12/2019 Transfer	124	-	1,06,65,987	0.46
	03/01/2020 Transfer	5,03,750	0.02	1,11,69,737	0.48
	10/01/2020 Transfer	4,63,020	0.02	1,16,32,757	0.50
	17/01/2020 Transfer	6,375	-	1,16,39,132	0.50
	24/01/2020 Transfer	4,875	-	1,16,44,007	0.50
	31/01/2020 Transfer	(4,125)	-	1,16,39,882	0.50
	07/02/2020 Transfer	6,590	-	1,16,46,472	0.50
	14/02/2020 Transfer	875	-	1,16,47,347	0.50
	21/02/2020 Transfer	(5,750)	-	1,16,41,597	0.50
	28/02/2020 Transfer	(592)	-	1,16,41,005	0.50
	06/03/2020 Transfer	3,750	-	1,16,44,755	0.50
	13/03/2020 Transfer	21,250	(0.02)	1,16,66,005	0.48
	20/03/2020 Transfer	(12,197)	-	1,16,53,808	0.48
	27/03/2020 Transfer	(868)	-	1,16,52,940	0.48
	31/03/2020 Transfer	6,572	-	1,16,59,512	0.48
	At the end of the year	-	-	1,16,59,512	0.48
9	FRANKLIN INDIA EQUITY FUND				
	At the beginning of the year	65,00,000	0.30	65,00,000	0.30
	25/10/2019 Transfer	5,00,000	0.02	70,00,000	0.32
	08/11/2019 Transfer	20,00,000	0.07	90,00,000	0.39
	15/11/2019 Transfer	10,00,000	0.04	1,00,00,000	0.43
	22/11/2019 Transfer	13,79,947	0.06	1,13,79,947	0.49
	29/11/2019 Transfer	1,20,053	0.01	1,15,00,000	0.50
	13/12/2019 Transfer	1,18,00,000	0.51	2,33,00,000	1.01
	13/12/2019 Transfer	(1,15,00,000)	(0.50)	1,18,00,000	0.51
	03/01/2020 Transfer	55,258	-	1,18,55,258	0.51
	10/01/2020 Transfer	38,529	-	1,18,93,787	0.51
	07/02/2020 Transfer	1,06,213	0.01	1,20,00,000	0.52
	At the end of the year	-	-	1,20,00,000	0.50
10	ABERDEEN GLOBAL INDIAN EQUITY LIMITED				
	At the beginning of the year	54,77,141	0.25	54,77,141	0.25
	05/04/2019 Transfer	(54,77,141)	(0.25)	-	-
	At the end of the year	-	-	-	-
11	GENERAL INSURANCE CORPORATION OF INDIA (FROM 05/04/2019)				
	At the beginning of the year	50,03,126	0.23	50,03,126	0.23
	29/11/2019 Transfer	(50,413)	(0.02)	49,52,713	0.21
	06/12/2019 Transfer	(1,40,000)	-	48,12,713	0.21
	13/12/2019 Transfer	(1,85,072)	(0.01)	46,27,641	0.20
	20/12/2019 Transfer	(3,24,515)	(0.01)	43,03,126	0.19
	27/12/2019 Transfer	(3,00,000)	(0.02)	40,03,126	0.17
	10/01/2020 Transfer	(60,711)	-	39,42,415	0.17
	17/01/2020 Transfer	(1,39,289)	(0.01)	38,03,126	0.16
	At the end of the year	-	-	38,03,126	0.16

ANNEXURE VI

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
12	PFA KAPITALFORENING AFDELING 24 - PFA EMERGING MARKETS AKTIER (FROM 24/05/2019)				
	At the beginning of the year	49,66,326	0.23	49,66,326	0.23
	24/05/2019 Transfer	86,872	-	50,53,198	0.23
	31/05/2019 Transfer	2,04,220	0.01	52,57,418	0.24
	07/06/2019 Transfer	82,486	-	53,39,904	0.24
	14/06/2019 Transfer	89,537	0.01	54,29,441	0.25
	27/09/2019 Transfer	(1,52,707)	(0.01)	52,76,734	0.24
	30/09/2019 Transfer	(1,14,531)	(0.01)	51,62,203	0.23
	04/10/2019 Transfer	(5,20,581)	(0.02)	46,41,622	0.21
	11/10/2019 Transfer	(2,79,129)	(0.01)	43,62,493	0.20
	25/10/2019 Transfer	(3,08,102)	(0.02)	40,54,391	0.18
	01/11/2019 Transfer	(4,87,473)	(0.02)	35,66,918	0.16
	08/11/2019 Transfer	(32,17,358)	(0.14)	3,49,560	0.02
	06/12/2020 Transfer	(3,49,560)	(0.02)	-	-
	At the end of the year	-	-	-	-
13	UTI - CORE EQUITY FUND (FROM 12/07/2019)				
	At the beginning of the year	54,56,271	0.25	54,56,271	0.25
	05/04/2019 Transfer	(5,01,278)	(0.02)	49,54,993	0.23
	19/04/2019 Transfer	(908)	-	49,54,085	0.23
	03/05/2019 Transfer	(8,286)	(0.01)	49,45,799	0.22
	07/06/2019 Transfer	(2,411)	-	49,43,388	0.22
	14/06/2019 Transfer	(5,952)	-	49,37,436	0.22
	05/07/2019 Transfer	1,37,215	0.01	50,74,651	0.23
	12/07/2019 Transfer	5,97,227	0.03	56,71,878	0.26
	19/07/2019 Transfer	4,05,276	0.02	60,77,154	0.28
	26/07/2019 Transfer	6,50,000	0.03	67,27,154	0.31
	02/08/2019 Transfer	8,70,060	0.04	75,97,214	0.35
	02/08/2019 Transfer	(1,168)	-	75,96,046	0.35
	16/08/2019 Transfer	3,04,892	0.01	79,00,938	0.36
	23/08/2019 Transfer	1,00,000	-	80,00,938	0.36
	23/08/2019 Transfer	(8,871)	-	79,92,067	0.36
	30/08/2019 Transfer	1,25,000	0.01	81,17,067	0.37
	30/08/2019 Transfer	(7,319)	-	81,09,748	0.37
	06/09/2019 Transfer	1,95,957	0.01	83,05,705	0.38
	27/09/2019 Transfer	16,51,516	0.07	99,57,221	0.45
	04/10/2019 Transfer	75,300	0.01	1,00,32,521	0.46
	15/11/2019 Transfer	(5,00,000)	(0.05)	95,32,521	0.41
	22/11/2019 Transfer	(3,00,000)	(0.01)	92,32,521	0.40
	29/11/2019 Transfer	(10,00,000)	(0.04)	82,32,521	0.36
	24/01/2020 Transfer	(3,55,097)	(0.02)	78,77,424	0.34
	31/01/2020 Transfer	(6,83,773)	(0.03)	71,93,651	0.31
	14/02/2020 Transfer	(8,509)	-	71,85,142	0.31
	06/03/2020 Transfer	2,33,234	0.01	74,18,376	0.32
	06/03/2020 Transfer	(2,00,000)	(0.01)	72,18,376	0.31
	At the end of the year	-	-	72,18,376	0.30

ANNEXURE VI

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	ROHINI NILEKANI (FROM 07/02/2020)				
	At the beginning of the year	-	-	-	-
	03/05/2019 Transfer	15,00,000	0.07	15,00,000	0.07
	10/05/2019 Transfer	10,00,000	0.04	25,00,000	0.11
	17/05/2019 Transfer	5,00,000	0.03	30,00,000	0.14
	21/06/2019 Transfer	2,91,619	0.01	32,91,619	0.15
	28/06/2019 Transfer	1,11,980	-	34,03,599	0.15
	12/07/2019 Transfer	96,401	0.01	35,00,000	0.16
	02/08/2019 Transfer	1,11,001	-	36,11,001	0.16
	09/08/2019 Transfer	3,41,750	0.02	39,52,751	0.18
	16/08/2019 Transfer	12,00,000	0.05	51,52,751	0.23
	06/09/2019 Transfer	5,00,000	0.03	56,52,751	0.26
	20/03/2020 Transfer	1,00,000	(0.02)	57,52,751	0.24
	At the end of the year	-	-	57,52,751	0.24
15	JOMEI INVESTMENTS LIMITED				
	At the beginning of the year	-	-	-	-
	27/02/2020 Allotment	10,00,00,000	4.14	10,00,00,000	4.14
	At the end of the year	-	-	10,00,00,000	4.14

Notes:

1. Date of transfer of shares has been considered as the date on which the beneficiary position was provided by Depositories.
2. Date of allotment has been considered for allotment of equity shares on preferential basis.
3. Shareholding is consolidated based on Permanent Account Number (PAN) of the Shareholder.
4. The shareholding details given above are based on the legal ownership and not beneficial ownership.
5. Percentage change in shareholding is due to overall increase in the paid-up share capital consequent to preferential allotment of 21,00,00,000 equity shares and on account of allotment of 23,56,345 equity shares pursuant to exercise of stock options.
6. Percentage of shareholding in the above table have been subject to rounding-off adjustments

ANNEXURE VI

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				
	At the beginning of the year	1,77,398 ¹	0.01	1,77,398 ¹	0.01
	At the end of the year			1,77,398 ¹	0.01
2	Mr. Sushil Agarwal, Non- Executive Director				
	At the beginning of the year	48,895 ¹	-	48,895 ¹	-
	At the end of the year			48,895 ¹	-
3	Mrs. Vijayalakshmi Iyer, Independent Director				
	At the beginning of the year	2,000	-	2,000	-
	At the end of the year			2,000	-
4	Mr. P. H. Ravikumar, Independent Director				
	At the beginning of the year	1,407	-	1,407	-
	At the end of the year	-	-	1,407	-
5	Mr. Ajay Srinivasan, Chief Executive Officer				
	At the beginning of the year	31,500	-	31,500	-
	At the end of the year			31,500	-
6	Mrs. Pinky Mehta, Chief Financial Officer				
	At the beginning of the year	24,964	-	24,964	-
	Add: Shares allotted on 20 th March, 2020 pursuant to exercise of Stock Options under ABCL Incentive Scheme.	26,420	-	51,384	-
	At the end of the year			51,384	-
7	Mr. Sailesh Daga, Company Secretary				
	At the beginning of the year	23	-	23	-
	At the end of the year			23	-

1. Including Equity Shares held as a Karta of HUF.

Note: During the year under review, Dr. Santrupt Misra (Non-Executive Director), Mr. Arun Adhikari and Mr. S. C. Bhargava (Independent Directors) did not hold any shares of the Company.

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment for the financial year ended 31st March 2020: NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTOR AND /OR MANAGER: Not Applicable

B. REMUNERATION TO OTHER DIRECTORS:

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

(₹ in crore)

Names of Independent Directors	Mr. S. C. Bhargava	Mrs. Vijayalakshmi Iyer	Mr. Arun Adhikari	Mr. P. H. Ravikumar	Total
Fee for attending board / committee meeting(s)	0.04	0.04	0.04	0.04	0.16
Commission	-	-	-	-	-
Others, please specify	-	-	-	-	-
Total	0.04	0.04	0.04	0.04	0.16

Notes:

- Overall Ceiling as per the Companies Act, 2013 for sitting fees is ₹ 1,00,000 (Rupees One Lakh only) per Board/ Committee Meeting thereof.
- Mr. Kumar Mangalam Birla, Mr. Sushil Agarwal and Dr. Santrupt Misra (Non- Executive Directors) did not receive any remuneration during the financial year under review
- Figures in the above table have been rounded-off to two decimals

ANNEXURE VI

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 ²	Mrs. Pinky Mehta, Chief Financial Officer	Mr. Sailesh Kumar Daga, Company Secretary	
1.	Gross salary ¹				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	27.30	2.37	0.89	30.56
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.51	0.25	0.06	0.82
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	(0.09)	-	(0.09)
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify: Provident Fund (PF)	0.41	0.09	0.04	0.54
	Total for FY 2019-20	28.22	2.71	0.99	31.92
	Previous Year FY 2018-19	35.27	2.18	0.93	38.38

¹ Includes Long-term incentive plan deferred pay-out for the previous period.² Variable pay is within 70% of the gross salary.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the financial year under review, there were no penalties/punishment/compounding of offences under the Companies Act, 2013.

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

Kumar Mangalam Birla
Chairman
DIN: 00012813

Date: 12th June, 2020
Place: Mumbai

ANNEXURE VII

Form No. MR.3

Secretarial Audit Report

For the Financial Year Ended 31st March, 2020

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

To

The Members,

Aditya Birla Capital Limited,

Indian Rayon Compound

Veraval – 362 266

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**'). 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 authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 (hereinafter called the '**Audit Period**') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment; (Overseas Direct Investment and External Commercial Borrowings Not Applicable to the Company during the Audit Period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period)
 - (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not Applicable to the Company during the Audit Period)
 - (h) 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;
 - (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period) and
 - (j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Company during the Audit Period)

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015

ANNEXURE VII

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, etc.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the Audit Period.

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

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

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

We further report that during the audit period the Company has:

- (i) allotted 23,56,345 Equity Shares under exercise options granted under ABCL Incentive Scheme for Stock Options and Restricted Stock Units – 2017 (“ABCL Incentive Scheme”) and Aditya Birla Capital Limited Employee Stock Option Scheme 2017 (“Scheme 2017”)
- (ii) issued and allotted 21,00,00,000 Equity Shares on a preferential basis for an aggregate consideration of ₹ 21,000 Million by taking shareholders approval in Extra-Ordinary General Meeting held on 5th October, 2019.

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

Annexure A'

To

The Members,
Aditya Birla Capital Limited,
 Indian Rayon Compound
 Veraval – 362 266
 Gujarat

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management

representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

Makarand Joshi
 Partner
 FCS No. 5533
 CP No. 3662
 UDIN: F005533B000321156
 Peer Review No: P2009MH007000

Place: Mumbai
 Date: 5th June, 2020

ANNEXURE VIII

Secretarial Compliance Report of Aditya Birla Capital Limited

For the Financial Year ended March 31, 2020

To

The Board of Directors,

Aditya Birla Capital Limited,

Indian Rayon Compound

Veraval – 362 266

Gujarat

We, M/s Makarand M. Joshi & Co., Practicing Company Secretaries, have examined:

- (a) all the documents and records made available to us and explanation provided by **Aditya Birla Capital Limited** (“the listed entity”),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the financial year ended March 31, 2020 (“Review Period”) in respect of compliance with the provisions of:

- (i) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- (ii) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- d) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- e) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - **(Not Applicable to the Company during the Audit Period)**
- f) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- g) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit Period)**
- h) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not Applicable to the Company during the Audit Period)**
- i) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- j) 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;

and circulars/ guidelines issued thereunder and based on the above examination, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
	NIL	

ANNEXURE VIII

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued there under in so far as it appears from our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc	Observations/ remarks of the Practicing Company Secretary, if any.
Not Applicable				

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
Not Applicable				

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

Makarand Joshi

Partner

FCS No. 5533

CP No. 3662

UDIN: F005533B000287606

Peer Review No: P2009MH007000

Place: Mumbai

Date: 27th May, 2020

CORPORATE GOVERNANCE REPORT

Our Vision

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

Our customers place a lot of trust when they choose us as a partner for fulfilment of their needs - be it buying a dream home or investing their hard earned money in our mutual funds or for meeting their retirement or child's education or protection needs or taking a business loan for expansion. Our endeavor is to become a preferred financial services brand of choice for all our customers' needs across their life - a brand that customers will not only just trust but also happily endorse. Keeping this in mind, we have created a unique strategy & structure to present our spectrum of businesses and offerings under one brand. From a customer perspective, this offers simplicity and convenience. For our employees, we offer a world of growth opportunities across all our financial services businesses. And to our shareholders, this gives the reassurance that we will attract and retain our customers, cost effectively, across their life-cycle needs while driving as much synergy as we can across the platform.

Company's Philosophy on Corporate Governance

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

In the year 1999, the Securities and Exchange Board of India (“SEBI”) had constituted a Committee on Corporate Governance under the Chairmanship of Shri Kumar Mangalam Birla, Chairman of the Board of Directors of your Company, to promote and raise the standard of Corporate Governance in respect of listed Companies in India. Thus, the commitment of the Aditya Birla Group to the highest standards of good corporate governance practices is time tested and precedes the present applicable regulatory provisions of SEBI in terms of Corporate Governance.

Strong corporate governance is indispensable to resilient and vibrant capital markets and is an important instrument of investor protection. It is the blood that fills the veins of transparent corporate disclosure and high-quality accounting practices. It is the muscle that moves a viable and accessible financial reporting structure. Without financial reporting premised on sound and reliable numbers, capital markets will collapse upon themselves.

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

Your Company's governance practices are a product of self-desire, reflecting the culture of trusteeship that is deeply ingrained in the Group's value system and reflected in its strategic thought process. At a macro level, your Company's governance

philosophy rests on five basic tenets, viz., Board accountability to the Company and Members, strategic guidance and effective monitoring by the Board of Directors (“the Board”), protection of minority interests and rights, equitable treatment of all Members and high transparency and timely disclosures.

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

“Our values provide us with our roots and they provide us with our wings.”

Mr. Kumar Mangalam Birla,
Chairman, Aditya Birla Group

Compliance with Corporate Governance Guidelines

Aditya Birla Capital Limited (“the Company/ your Company”) is in compliance with the requirements stipulated under Chapter IV read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”) with respect to corporate governance.

The details of compliance with Corporate Governance requirements as per SEBI Listing Regulations during the financial year ended 31st March 2020 (“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 including 3 (Three) Non-Executive Directors and 4 (Four) Independent Directors, of whom one is a Woman Director. The Chairman of the Board - Mr. Kumar Mangalam Birla, is a Non-Executive and Non-Independent Director. The composition of the Board is in conformity with the requirements of the Companies Act, 2013 (“the Act”) and Regulation 17 of the SEBI Listing Regulations. There was no change in the composition of the Board during the financial year under review.

In terms of the provisions of the Act and SEBI Listing Regulations, the Directors submit necessary disclosures regarding the positions held by them on the Board and/or Committees of other Companies, from time to time. On

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

- hold Directorships in more than 10 (Ten) public Companies;
- hold Directorships in more than 7 (Seven) listed entities;
- serve as an Independent Director in more than 7 (Seven) listed entities;
- 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
- are related to each other.

All Independent Directors on the Board are Non-Executive Directors as defined under the Act and SEBI Listing Regulations. The maximum tenure of the Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as stipulated under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. Based on the disclosures received from the Independent Directors, it is hereby confirmed that in the opinion of

the Board, the Independent Directors fulfil the conditions specified in SEBI Listing Regulations and are independent of the management and are also in compliance with the limit on Independent Directorships of listed Companies as prescribed under Regulation 17A of the SEBI Listing Regulations.

The Independent Directors have also submitted a declaration to the Company confirming that they have registered their names in the Independent Directors' Database.

Pursuant to the provisions of the SEBI Listing Regulations, a special resolution was passed by the Members of the Company at the Annual General Meeting of the Company held on 19th August, 2019, for continuation of Directorship of Mr. S. C. Bhargava, as an Independent Director, post exceeding the age limit of 75 years till the completion of tenure of his appointment in the Company.

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

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

The details of the Directors of the Company with regard to their outside Directorships, Committee positions held and names of the listed entities where Directorships held and category of such Directorship held as on 31st March, 2020 are as follows:

Name of the Director	Category of Directorship held in your Company	No. of outside Directorship(s) held ¹	Committee Positions Held in other Companies ²		Names of other listed entities where Director holds Directorship (excluding the Company and the category of directorship held in such other listed entity)
			Public	Member Chairperson	
Mr. Kumar Mangalam Birla (DIN:00012813)	Non-Executive Non-Independent	8	-	-	1. Century Textile and Industries Limited* 2. Grasim Industries Limited* 3. UltraTech Cement Limited* 4. Hindalco Industries Limited* 5. Vodafone Idea Limited*
Dr. Santrupt Misra (DIN:00013625)	Non-Executive Non-Independent	1	-	-	-
Mr. Sushil Agarwal (DIN:00060017)	Non-Executive Non-Independent	5	3	-	1. Aditya Birla Fashion and Retail Limited*
Mr. Arun Adhikari (DIN:00591057)	Independent	4	3	-	1. UltraTech Cement Limited# 2. Vodafone Idea Limited# 3. Voltas Limited#
Mr. P. H. Ravikumar (DIN: 00280010)	Independent	7	4	4	1. Bharat Forge Limited# 2. Escorts Limited#
Mr. S. C. Bhargava (DIN:00020021)	Independent	6	3	-	1. A K Capital Services Limited#
Mrs. Vijayalakshmi Iyer (DIN:05242960)	Independent	8	5	5	1. ICICI Securities Limited# 2. Magma Fincorp Limited# 3. Religare Enterprises Limited# 4. GIC Housing Finance Limited#

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

#Category of Directorship is Independent

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Notes:

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

Details of Skills/ Expertise/ Competencies of the Board:

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

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

Industry knowledge; Innovation; Financial expertise; Corporate Governance; Strategic expertise; Marketing; Legal and compliance; Risk Management; Human Resource Development and General Management.

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

Skill/ Expertise/ Competence	Industry Knowledge	Innovation	Financial Expertise	Corporate Governance	Strategic Expertise	Marketing	Legal & Compliance	Sustain-ability	Risk Manage-ment	Human Resource Development	General Manage-ment
Mr. Kumar Mangalam Birla	✓	✓	✓	✓	✓				✓		✓
Dr. Sanrupt Misra			✓	✓	✓		✓	✓	✓	✓	✓
Mr. Sushil Agarwal	✓		✓	✓	✓		✓				✓
Mr. Arun Adhikari		✓		✓	✓	✓	✓		✓		✓
Mr. P. H. Ravikumar	✓	✓	✓	✓	✓		✓		✓		✓
Mr. S. C. Bhargava	✓	✓	✓	✓	✓		✓		✓		✓
Mrs. Vijayalakshmi Iyer	✓	✓	✓	✓	✓		✓		✓		✓

The Board members collectively display the following personal qualities -

- Integrity: fulfilling a Director's duties and responsibilities;
- Curiosity and courage: asking questions and persistence in challenging management and fellow Board Members where necessary;
- Interpersonal skills: working well in a group, listening well, tact and ability to communicate their point of view frankly;
- Interest: in the organisation, its business and the people;
- Instinct: good business instincts and acumen, ability to get to the crux of the issue quickly;
- Belief in gender diversity;
- Active participation: at deliberations in the Meetings

Your Company's Board comprises of all Non-Executive Directors out of which 4 are Independent. The Directors are professionals, possessing wide experience and expertise in their areas of function and with their collective wisdom fuel your Company's growth.

A brief profile of the Board of Directors is given below:

Mr. Kumar Mangalam Birla, Chairman of the Board and Non-Executive Director, is the Chairman of the \$48.3 billion multinational Aditya Birla Group ("the Group"), which operates in 36 countries across six continents. He is a Chartered Accountant and holds an MBA degree from the London Business School.

Mr. Birla chairs the Boards of all major Aditya Group companies in India and globally - Novelis, Columbian Chemicals, Aditya Birla Minerals, Aditya Birla Chemicals, Thai Carbon Black, Alexandria Carbon Black, Domsjö Fabriker and Terrace Bay Pulp Mill. In India, apart from chairing your Company's Board, he also chairs the Boards of Hindalco Industries Limited, Grasim Industries Limited, UltraTech Cement Limited, Vodafone Idea Limited and Century Textiles and Industries Limited.

In over two decades, that he has been at the helm of the Group, he has accelerated growth, built meritocracy and enhanced stakeholder value. In the process he has raised the Group's turnover from \$2 billion in 1995, to over \$48 billion today.

He has been the architect of over 40 acquisitions by the Group in 20 years in India and globally, the highest by an Indian multinational in India. Under his stewardship, the

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Group enjoys a position of leadership in all the major sectors in which it operates. Over the years, Mr. Birla has built a highly successful meritocratic organisation, anchored by an extraordinary force of 120,000 employees belonging to 42 different nationalities.

Outside the Group, Mr. Birla has held several key positions on various regulatory and professional Boards. He was a Director on the Central Board of the Reserve Bank of India. He was the Chairman of the Advisory Committee constituted by the Ministry of Corporate Affairs and also served on the Prime Minister of India's Advisory Council on Trade and Industry. As the Chairman of the SEBI Committee on Corporate Governance, he authored the First Report on Corporate Governance titled "Report of the Kumar Mangalam Birla Committee on Corporate Governance". Mr. Birla also served as the Chairman of SEBI's committee on Insider Trading.

Mr. Birla is deeply engaged with educational institutions. He is the Chancellor of the Birla Institute of Technology & Science ("BITS") with campuses in Pilani, Goa, Hyderabad and Dubai. He is also the Chairman of the Indian Institute of Management, Ahmedabad. On the global arena, Mr. Birla serves on the London Business School's Asia Pacific Advisory Board and is an Honorary Fellow of the London Business School.

A firm practitioner of the trusteeship concept, Mr. Birla has institutionalised the concept of caring and giving at the Group. With his mandate, the Group is involved in meaningful welfare driven activities that distinctively impact the quality of life of weaker sections of the society.

Mr. Sushil Agarwal, Non-Executive & Non-Independent Director of the Company, is the Group Chief Financial Officer and Director - Aditya Birla Management Corporation Private Limited, an apex body of the US \$48.3 billion Aditya Birla Group. He is also a member of the Business Review Council, which is an institutionalized mechanism for bringing in wider managerial perspectives and leadership experiences into reviewing the development, growth and operations of the Group's businesses.

He has closely worked with several businesses of the Group and has been on the Board of various listed companies of the Group including your Company, Aditya Birla Fashion and Retail, Grasim Industries Limited ("Grasim") and erstwhile Aditya Birla Nuvo Limited ("ABNL").

Mr. Agarwal has been with the Aditya Birla Group since the beginning of his career in 1989 and has a distinction of working closely with the former Chairman Late Shri Aditya Vikram Birla and current Chairman Mr. Kumar Mangalam Birla. He has richly contributed in many Restructuring, Mergers and Acquisitions initiatives of the Group with his widely acknowledged financial acumen and analytical skills. He is familiar with operations in most states in India and several countries abroad through his experience of about 30 years.

He was instrumental in leading the restructuring exercise for Merger of ABNL into Grasim to create one of India's largest and well-diversified companies & Demerger of Financial Services business from Grasim and listing of the same as a part of the Composite Scheme of Arrangement. He also played an important role in the acquisition of Columbian Chemicals Company, which made Aditya Birla Group the World's largest Carbon Black player. He played a key role in the acquisition of Pantaloons Fashion business and further consolidation of the Group's fashion businesses paving the way for creation of India's largest branded apparel company in the listed space.

In September 2018, he was awarded as the India's Greatest CFO in the 3rd edition of 'Asia One' India's Greatest Brands and Leaders Awards 2017-18. In recognition of his stellar contribution he was awarded as "Business Leader Corporate CFO" at the 11th ICAI Awards 2017. He was honored with the Chairman's Exceptional Contributor Award in 2000 and Outstanding Leadership Award in 2014.

He is a qualified Chartered Accountant and Masters in Commerce.

Dr. Sanrupt Misra, Non-Executive & Non-Independent Director of the Company, is currently the CEO, Birla Carbon; Director, Chemicals; and Director, Group Human Resources for the Aditya Birla Group.

An HR professional and a business leader of standing for over 30 years, he has worked at Board level for close to two decades as Non-Executive Director and Executive Director in publicly listed companies, unlisted companies, and not for Profit Organisations both in India and overseas. He is a Director in several companies of the Aditya Birla Group and other professional bodies. He is the Chairperson of the Board of Governors of the National Institute of Technology, Rourkela and had also served as an Independent Director on the Board of the Oil and Natural Gas Corporation Limited, a leading Government of India enterprise.

He is also on other professional bodies such as the Association of Executive Search Consultants (AESC) U.S.A. He was also on the Board of the Xavier's Institute of Management, Bhubaneswar and the Worldwide ERC. He served as a member of the SHRM Certification Commission, USA, for a three-year term.

He holds two Post Graduate degrees in Political Science and in Personnel Management & Industrial Relations. In addition, he also holds two PhDs, from India & UK, in Public Administration and Industrial Relations, respectively & an honorary D.Sc degree from Aston University, UK. He is a Fellow of the National Academy of Human Resources (NAHR), USA; Hon. Fellow of the Coaching Federation of India; also an Eisenhower Fellow, an Aston Business School Fellow, an AIMA Fellow and a Commonwealth Scholar.

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He has been awarded several professional recognitions for his contribution to Business and Human Resources over the past decades.

Mr. Arun Adhikari, Independent Director of the Company, is an alumni of the Indian Institute of Technology, Kanpur and the Indian Institute of Management, Calcutta. He joined Hindustan Lever Limited as a Management Trainee in 1977 and worked with the Unilever Group in India, UK, Japan and Singapore. His areas of responsibility included sales and marketing, culminating in general management and leadership roles. Mr. Adhikari retired from Unilever in January 2014 following which he was a Senior Advisor with McKinsey and Company for four years. He is also an Independent Director on the Board of UltraTech Cement Limited, Vodafone Idea Limited and Voltas Limited.

Mr. Puranam Hayagreeva Ravikumar, Independent Director of the Company, is a commerce graduate with professional qualifications as an associate of Indian Institute of Bankers, Mumbai and of Chartered Institute of Bankers, London. He is also an 'Honorary Fellow' of the Chartered Institute for Securities & Investment, UK. He has over 46 years of professional experience in the banking and financial services sector including 22 years of service at Bank of India and 12 years at ICICI Bank.

He was the founding Managing Director and Chief Executive Officer of NCDEX (the leading commodity exchange in India) for five years and also the founding Managing Director and Chief Executive Officer of Invent Assets Securitisation and Reconstruction Pvt. Limited, an Asset Reconstruction Company, for four years. He was the Chairperson of Bharat Financial Inclusion Limited (formerly known as SKS Microfinance Limited) for the past seven years till the date of its merger with IndusInd bank (effective from 04th July, 2019). He is a co-founder and was a Director of Vastu Housing Finance Corporation Limited, a home finance Company, which focuses on affordable housing for the middle and the low income groups. He was the Chairperson of its Board of Directors for about 3 and a half years till July 2017.

Mrs. Vijayalakshmi Rajaram Iyer, Independent Director of the Company, has graduated from M.L. Dahanukar College of Commerce and did her post-graduation from Sydenham College of Commerce, Mumbai. She is also a certified associate of the Indian Institute of Banking and Finance. She has nearly four decades of experience in the banking and finance sector in India. She has served as the chairperson for a number of Boards and Committees in the financial sector in India including the Banking and Financial Institute Committee of the Federation of Indian Chambers of Commerce and Industry.

She retired as the Chairperson and Managing Director of Bank of India in May 2015 where she played an instrumental role in structuring it as an umbrella institution offering all kinds of banking and financial services. Under her leadership,

Bank of India received the 'Best PSU Bank' award for overall growth in performance from Dun & Bradstreet and was recognised as the 'Second Most Trusted Brand among the PSU Banks' by the Economic Times. She also served as member (finance & investment) at IRDAI from 2015 to 2017 where she played a significant role in the introduction and amendment of various regulations related to, inter alia, finance and accounts, corporate governance, mergers and acquisition, registration of new insurance companies and exposure of management. In her role as member (finance & investment) at IRDAI, her contributions in the field of redefining the regulations and issues related to the Financial Stability Board, the Financial Stability Development Council, the RBI, SEBI and other national and international agencies were significant.

Mr. Subhash Chandra Bhargava, Independent Director of the Company, is a fellow member of the Institute of Chartered Accountants of India since 1967. He has attended various programmes in the field of finance at well-known institutes both in India and abroad such as 'Managing Growth in Financial Services' at the Manchester Business School, UK and 'Advance Financial Management Programme' at the Indian Institute of Management, Ahmedabad.

He has worked in the banking and finance sector. He retired from the Life Insurance Corporation of India as Executive Director (Investment) in 2005 where he worked in a diverse number of fields including corporate finance, dealing in equity, debt and Government securities and project finance. In 2004, he was nominated to the Technical Advisory Committee on Monetary Policy of the RBI and was associated with the same till 2005. Post retirement from the Life Insurance Corporation of India, he worked at the Bank of Rajasthan in the capacity of an advisor in treasury management from 2005 to 2010. He has been on the Boards of large financial sector Companies such as UTI Asset Management Co. Limited, Bank of Maharashtra and Escorts Limited.

Non-Executive Directors' Compensation and Disclosures

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

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the Board. The Members of the Board have complete freedom to express their opinion and decisions are taken after detailed discussions.

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

The Company makes available video conferencing facility or other audio visual means, to enable larger participation of Directors in Meetings. In consultation with the Chairman and the Chief Executive Officer, the Company Secretary prepares the Agenda along with the explanatory notes thereon and circulates it to the Directors and invitees. During the financial year under review, three Meetings of the Committees of the Board were held through Video-conferencing mode, pursuant to the spread of COVID-19 pandemic - resulting into restrictions on free movement of people in the Country.

5 (Five) 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 necessary quorum was present for all the Meetings. 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:

(Amount in ₹)

Date of Board Meeting	Board Strength	No. of Directors Present	Sitting Fees Paid
4 th May, 2019	7	5	1,50,000
2 nd August, 2019	7	5	1,50,000
5 th September, 2019	7	6	1,50,000
7 th November, 2019	7	4	2,00,000
31 st January, 2020	7	6	1,50,000

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 Part A of Schedule II to Regulation 17 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 stakeholders' aspirations and societal expectations.

The details of attendance of each Director at the Board Meeting(s) held during the financial year under review and at the previous Annual General Meeting ("AGM") of the Members of the Company held on 19th August, 2019, 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		Attended Last AGM
	Held	Attended	
Mr. Kumar Mangalam Birla	5	3	No
Dr. Santrupt Misra	5	3	No
Mr. Sushil Agarwal	5	4	No
Mr. Arun Adhikari	5	5	No
Mr. S. C. Bhargava	5	4	No
Mr. P. H. Ravikumar	5	5	Yes
Mrs. Vijayalakshmi Iyer	5	2	No

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

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

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

Board Induction, Training and Familiarisation

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

The Directors are familiarised with your Company's businesses and its operations. Interactions are held between the Directors and Senior Management of your Company. Directors are familiarised with the organisational set-up, functioning of various departments, internal control processes and relevant information pertaining

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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, amongst 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.

Further details are mentioned in the Board Report.

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 31st January, 2020 without the presence of the Non-Independent Directors and the Members of the Management. The Meeting was attended by 3 (three) Independent Directors. They discussed matters inter alia the performance/ functioning of the Company, reviewing the performance of the Chairman, taking into account the views of Non-Executive & Non-Independent Director, assessed the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties, etc.

Prevention of Insider Trading

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

The Company has in place, a tracking mechanism for monitoring trade in the equity shares of the Company by the Designated persons identified under the Insider Code. Further, a structured digital database is maintained, which contains the names and other particulars as prescribed,

of the persons covered under the Insider Code. The Board has also adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("UPSI") which also includes details of your Company's policy for determination on 'legitimate purposes' as per the requirements of the SEBI (Prohibition of Insider Trading) Regulations and is available on the website of the Company at <https://www.adityabirlacapital.com/investor-relations/policies-and-codes>.

The Board and designated persons covered under the Insider Code have affirmed compliance with the Insider Code. PIT Regulations Committee was constituted during the financial year under review for the purpose of monitoring compliance with the aforesaid Codes. Your Company's Whistle Blower Policy has also been amended to make employees aware of the existence of policies and procedures for inquiry in case of leakage of UPSI to enable them report on leakages, if any, of such information.

Mr. Sailesh Kumar Daga, Company Secretary is the "Compliance Officer" in terms of the Insider Code.

The Audit Committee reviews compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 confirming that the systems for internal control for the purpose are adequate and are operating effectively.

II. COMMITTEES OF THE BOARD

Your Board has constituted the Committees of the Board with specific terms of reference as per the requirements of the SEBI Listing Regulations, the Act and other applicable provisions. The Board accepted all recommendations of the Committees of the Board which were mandatorily required, during the financial year under review.

The Board Committees play a vital role in the effective compliance and governance of the Company in line with their specified and distinct terms of reference and role and responsibilities. The Chairpersons of the respective Committee's report to the Board on the deliberations and decisions taken by the Committees and conduct themselves under the supervision of the Board. The minutes of the Meetings of all Committees are placed before the Board for its perusal on a regular basis.

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.

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All the Members of the Audit Committee are financially literate. Moreover, the Chairperson and Members of the Audit Committee have accounting or related financial management expertise.

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

During the financial year under review, the Audit Committee met 4 (Four) times to deliberate on various matters and the gap between any two Meetings was not more than 120 (One Hundred Twenty) days. The necessary quorum was present for all the Meetings.

During the financial year under review, Audit Committee Meetings were held on 4th May, 2019, 2nd August, 2019, 7th November, 2019 and 31st January, 2020. The composition, attendance and sitting fees paid during the financial year under review are as follows:

Name of Member	Category	No. of Meetings		Sitting fees paid
		Held	Attended	
Mrs. Vijayalakshmi Iyer (Chairperson)	Independent	4	3	75,000
Mr. P. H. Ravikumar	Independent	4	4	1,00,000
Mr. Sushil Agarwal	Non-Executive Non-Independent	4	3	-

(Amount in ₹)

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 Chairperson of the Audit Committee, Mrs. Vijayalakshmi Iyer, was unable to attend the Annual General Meeting of the Company held on 19th August, 2019 due to unavoidable circumstances.

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 oversees your Company's financial reporting process so as to ensure that the financial statements are correct, sufficient and credible.

The Audit Committee has all the powers as specified in Section 177 of the Act and Regulation 18 read with Part C of Schedule II of the SEBI Listing Regulations to

investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, as considered necessary.

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:

- 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;
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Reviewing with the Management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' 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;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgement by Management;
 - Significant adjustments made in the financial statements arising out of audit findings, if any;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Modified opinion(s) in the draft audit report, if any.
- Reviewing with the Management, the quarterly financial results, statements before submission to the Board for approval;
- 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 utilised 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

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- 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, 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 thereon, if any;
 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, if any;
 18. Reviewing the functioning of the Whistle Blower mechanism;
 19. Approval of appointment of Chief Financial Officer (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;
 21. Reviewing the utilisation of loans and or advances from investment by the holding Company in the subsidiary exceeding Rs. 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans, advances, investments;
 22. Granting omnibus approval for related party transactions proposed to be entered into by the Company and laying down the criteria for granting the omnibus approval in line with the policy on related party transactions of the Company in respect of transactions which are repetitive in nature;
 23. Reviewing the compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and confirming whether the systems for internal control for the purpose are adequate and are operating effectively.
- 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, if any:
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 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**
- 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

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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 Senior Management Personnel. The Committee also monitors and administers the Employee Stock Option Scheme(s) of the Company in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

The Committee comprises of 4 (Four) Non-Executive Directors out of which 2 (Two) are Independent Directors. The Company Secretary acts as a Secretary to the Committee.

During the financial year under review, the Committee met 6 (Six) times to deliberate on various matters and the Meetings were held on 4th May, 2019, 2nd August, 2019, 18th October, 2019, 7th November, 2019, 31st January, 2020 and 27th March, 2020. The necessary quorum was present for all the Meetings. The Meeting of the Committee held on 27th March, 2020 was convened through Video-conferencing mode, pursuant to the spread of COVID-19 pandemic resulting into restrictions on free movement of people in the Country.

The Chairman of the Nomination, Remuneration and Compensation Committee, Mr. Arun Adhikari, was unable to attend the Annual General Meeting of the Company held on 19th August, 2019 due to unavoidable circumstances.

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

(Amount in ₹)

Name of Member	Category	No. of Meetings		Sitting fees paid
		Held	Attended	
Mr. Arun Adhikari (Chairman)	Independent	6	6	1,20,000
Mr. S. C. Bhargava	Independent	6	5	1,00,000
Mr. Sushil Agarwal	Non-Executive Non-Independent	6	5	-
Dr. Santrupt Misra	Non-Executive Non-Independent	6	2	-

Terms of reference of the Nomination, Remuneration and Compensation Committee

The Nomination, Remuneration and Compensation Committee is authorised 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, Key Managerial Personnel and Senior Management 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. formulate criteria for evaluation of performance of Independent Directors and the Board of Directors;
6. review and implement succession and development plans for Executive Directors and Senior Managers;
7. devise a policy on Board diversity;
8. formulate the criteria for determining qualification, positive attributes and independence of Directors;
9. 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;
10. recommend to the Board, all remuneration, in whatever form, payable to senior management;
11. formulate, 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 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 AGM 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 AGM held on 19th July, 2017.

During the financial year under review, the Company issued and allotted 20,56,923 Equity Shares of ₹ 10/- each, upon

CORPORATE GOVERNANCE REPORT

exercise of Stock Options, Restricted Stock Units and Performance Restricted Stock Units by the eligible grantees, in terms of the provisions of the Scheme 2017, statutory provisions including SEBI SBEB Regulations and other applicable laws, as applicable from time to time and the rules and procedures set out by your Company in this regard.

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

Pursuant to the Composite Scheme of Arrangement between (erstwhile) Aditya Birla Nuvo Limited (“ABNL”), Grasim Industries Limited (“Grasim”) and the Company and their respective Shareholders and Creditors (“the Composite Scheme”) and pursuant to Sections 230-232 of the Act, the Nomination, Remuneration and Compensation Committee of the Board of Directors of the Company approved the ABCL Incentive Scheme.

During the financial year under review, the Company issued and allotted 2,99,422 Equity Shares of ₹ 10/- each, upon exercise of Stock Options and Restricted Stock Units by the eligible grantees, in terms of the provisions of the ABCL Incentive Scheme, statutory provisions including SEBI SBEB Regulations and other applicable laws, as applicable from time to time and the rules and procedures set out by your Company in this regard.

The details on the above Employee Stock Option Scheme(s) as required to be disclosed under the SEBI SBEB Regulations are available on your Company’s website i.e. www.adityabirlacapital.com.

Stock Appreciation Rights Scheme 2019 (“SARs Scheme 2019”)

Your Company has also instituted “Aditya Birla Capital Limited Stock Appreciation Rights Scheme 2019” (“SARs Scheme 2019”) during the financial year under review, which is a cash based plan linked to the actual stock price movement over the plan tenure. Further, pursuant to the SEBI SBEB Regulations, in the event of transfer of employee to any Group Company (“said transfer”), all the Stock Options/ Restricted Stock Units/ Performance Restricted Stock Units granted to an employee under the employee stock option schemes of the Company, if not exercised by such employee before the last working day in the Company shall lapse as on the date of said transfer. In view of the above, in order to compensate the loss to an employee due to the lapse of Stock Options/ Restricted Stock Units/ Performance Restricted Stock Units in the event of said transfer and pursuant to the approval of the Board and the Nomination, Remuneration and Compensation Committee vide a resolution passed at their respective Meetings held on 4th May, 2019, your Company instituted and implemented the “Aditya Birla Capital Limited Stock Appreciation Rights Scheme 2019” (“SARs Scheme 2019”), for such employees.

The above SARs Scheme 2019, does not give rise to any right towards any equity share of the Company and hence, is not covered under the provisions of SEBI SBEB Regulations. On exercise of the SARs granted under the said scheme, the employee exercising the SARs becomes entitled to receive cash, in terms of the scheme. No SARs were granted during the financial year under review pursuant to the aforesaid SARs Scheme 2019.

Remuneration Policy

Your Company has adopted an Executive Remuneration Philosophy/Policy. The Policy has been published as Annexure V to the Board’s Report, which forms part of this Annual Report.

Performance evaluation criteria for Independent Directors

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

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

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

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

Your Company has in place the Directors and Officers liability Insurance Policy for the Company and its subsidiaries, covering all the Directors including Independent Directors of your Company.

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 Board has constituted a Risk Management Committee as required under Regulation 21 of the SEBI Listing Regulations to frame, implement and monitor the risk management plan of the Company.

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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 financial year 2019-20 was perhaps the most challenging year ever for Financial institutions. The year witnessed major Risk events like liquidity and credit crises and ended with a Black Swan event in the shape of COVID-19 Pandemic.

Over the years, the Company and its subsidiaries have built a strong Risk Management Framework supported by well-established policies and procedures and a talented pool of Risk Professionals. The Company was able to face up to the unprecedented challenges during the last year and emerge as a strong and stable organization during turbulent times.

The major subsidiaries of the Company have a well-established Risk Management framework designed to identify, assess, monitor and mitigate risks inherent in the business. The framework enables risk management through a structure of Committees, policies, internal controls and reporting.

The organizational structure to address the risk consists of “Three lines of defense”:

- First: Line Management (Functional Heads) to ensure that accountability and ownership is as close as possible to the activity that creates the risks;
- Second: Risk Oversight - Risk and Compliance Function, Chief Executive Officer and the Risk Management Committee (RMC);
- Third: Independent Assurance - Internal Audit, conducted by Independent Internal Auditors, Group Auditors whose work is reviewed by the Audit Committee.

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

Business Continuity

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

Towards the end of last financial year, the unprecedented outbreak COVID-19 presented a unique challenge to

all industries and companies. The entities proactively invoked its Business Continuity Plan, which was modified to take care of the evolving situation and a Pandemic Plan was developed keeping in view the interest of various stakeholders like employees, customers, partners, distributors, etc. within the overall regulatory requirements and guidelines.

To manage the impact of the pandemic on the Company, a Crisis Management Team (CMT) comprising of Leadership Team members and led by the Chief Executive Officer of the Company was formed. The program was managed by the Head – Risk Management with the support of other Leadership Team members.

The Risk team coordinated with various Business functions to implement the Work from Home plan for employees to ensure Business Continuity and servicing of Customers without dilution of controls.

Employees' health and safety was accorded top priority. Various steps were taken well before the lockdown to reduce congestion in office, maintain social distancing and enabling work from home for the employees. Critical processes were identified, reviewed for work from home scenario and wherever required alternate set of controls were instituted. The work from home plan was tested well in advance and glitches ironed out. After announcement of lockdown, Work-from-Home (WFH) was fully enabled for all employees.

As the COVID-19 pandemic continues to evolve, the efforts of Risk Management will be to support an effective return to work while ensuring safety of employees and customers. The company expects the challenging times to continue for the next few months. However, it is well prepared to ensure stabilization and Business continuity.

Further, the role and responsibility of the Risk Management Committee was enhanced during the financial year under review to specifically cover cyber security function and the Risk Management Policy was revised effective from 1st April, 2019, which is available on the website of the Company at <https://www.adityabirlacapital.com/investor-relations/policies-and-codes>.

During the financial year under review the composition of the Risk Management Committee was revised effective from 2nd August, 2019, so as to include distinct Members in the Committee from that of the Audit Committee and an independent line of thinking. The Risk Management Committee comprises of 2 (Two) Independent Directors and 1 (One) Non-Executive Director & Non-Independent Director. The Company Secretary acts as the Secretary to the Committee.

During the financial year under review, the Risk Management Committee met twice on 16th December, 2019 and 11th March, 2020 to deliberate upon various matters. The necessary quorum was present for both the Meetings. The

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Meeting of the Committee held on 11th March, 2020 was convened through Video-conferencing mode, pursuant to the spread of COVID-19 pandemic resulting into restrictions on free movement of people in the Country.

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

(Amount in ₹)

Name of Member	Category	No. of Meetings		Sitting fees paid
		Held	Attended	
Mr. Arun Adhikari (Chairman)	Independent	2	2	40,000
Mr. S. C. Bhargava	Independent	2	2	40,000
Dr. Santrupt Misra	Non-Executive Non-Independent	2	2	-

4. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

The composition of the Stakeholders Relationship Committee is in line with the applicable provisions of Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations.

During the financial year under review, the Stakeholders Relationship Committee met 5 (Five) times on 4th May, 2019, 2nd August, 2019, 16th October, 2019, 7th November, 2019 and 31st January, 2020. The necessary quorum was present for all the Meetings.

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

(Amount in ₹)

Name of Member	Category	No. of Meetings		Sitting fees paid
		Held	Attended	
Mrs. Vijayalakshmi Iyer (Chairperson)	Independent	5	4	80,000
Mr. Sushil Agarwal	Non-Executive Non-Independent	5	5	-
Dr. Santrupt Misra	Non-Executive Non-Independent	5	1	-

Mrs. Vijayalakshmi Iyer, the Chairperson of the Committee was unable to attend the Annual General Meeting of the Company held on 19th August, 2019 due to unavoidable circumstances. 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.

The terms of reference of the Committee includes:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/

transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, General Meetings, etc;

2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company, as applicable.
5. To approve allotment of shares and other securities;
6. To authorise officers of the Company to approve request transfer, transposition, deletion, consolidation, subdivision, in respect of shares and securities;
7. To review the results of any investigation / audit conducted by any statutory authority.

Your Company's shares are compulsorily traded in dematerialised form. 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.

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 under review, 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 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.

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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, CSR, are permanent invitees to the Meetings of Corporate Social Responsibility Committee.

During the financial year under review, the Corporate Social Responsibility Committee met once on 7th November, 2019. The necessary quorum was present for the Meeting.

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

(Amount in ₹)

Name of Member	Category	No. of Meetings		Sitting fees paid
		Held	Attended	
Mr. Arun Adhikari (Chairman)	Independent	1	1	20,000
Mr. S. C. Bhargava	Independent	1	1	20,000
Mr. P. H. Ravikumar	Independent	1	1	20,000
Dr. Santrupt Misra	Non-Executive Non-Independent	1	-	-

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 the Corporate Social Responsibility activities, if any.

During the financial year under review, in view of aggregate loss for the past three financial years calculated as per the provisions of the Act, 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 / ASSET-LIABILITY MANAGEMENT COMMITTEE

The Finance Committee of the Company had the key responsibilities such as to look into the borrowings, if any, to be made from fund and non-fund based limits for the business requirements of the Company, to authorise Officers of the Company to open/operate/close bank accounts, to approve 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. No Meeting of the Finance Committee of the Company was held during the financial year under review.

The nomenclature of the Finance Committee of the Company was changed to Asset-Liability Management Committee effective from 7th November, 2019, and accordingly, the powers, role and responsibilities of the Committee, were re-framed in line with regulations / directions and guidelines issued by the Reserve Bank of India.

During the financial year under review, the Asset-Liability Management Committee met once on 26th March, 2020 through video-conferencing mode, pursuant to the spread of COVID-19 pandemic resulting into restrictions on free movement of people in the Country. The necessary quorum was present for the Meeting.

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

(Amount in ₹)

Name of Member	Category/ Designation	No. of Meetings		Sitting fees paid
		Held	Attended	
Mr. P. H. Ravikumar (Chairman)	Independent	1	1	20,000
Dr. Santrupt Misra	Non-Executive Non-Independent	1	1	-
Mr. Sushil Agarwal	Non-Executive Non-Independent	1	1	-
Mr. Ajay Srinivasan	Chief Executive Officer	1	1	-
Mr. A. Dhananjaya	Chief Compliance and Risk Officer	1	1	-
Mrs. Pinky Mehta	Chief Financial Officer	1	1	-

7. PIT REGULATIONS COMMITTEE

In line with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 read with the Code of Conduct to Regulate, Monitor and Report trading by Designated Persons and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, the Board of Directors at its Meeting held on 4th May, 2019 approved the constitution of Insider Trading Monitoring Committee. The nomenclature of the Insider Trading Monitoring Committee of the Company was changed to PIT Regulations Committee effective from 2nd August, 2019.

During the financial year under review, the PIT Regulations Committee met 3 (Three) times on 2nd August, 2019, 7th November, 2019 and 31st January, 2020 respectively. The necessary quorum was present for all the Meetings.

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

(Amount in ₹)

Name of Member	Category/ Designation	No. of Meetings		Sitting fees paid
		Held	Attended	
Mrs. Vijayalakshmi Iyer (Chairperson)	Independent	3	1	20,000
Mr. S. C. Bhargava	Independent	3	3	60,000
Dr. Santrupt Misra	Non-Executive Non-Independent	3	1	-
Mr. Ajay Srinivasan	Chief Executive Officer	3	1	-
Mrs. Pinky Mehta	Chief Financial Officer	3	3	-

CORPORATE GOVERNANCE REPORT

8. IT STRATEGY COMMITTEE

Pursuant to Reserve Bank of India Circular on Information Technology Framework for Non-Banking Financial Companies, and in line with the Company's initiatives to implement information security management system at the Company, focus on IT Governance, IT policy along with Business Continuity, information and Cyber Security, an Information Technology and Information Security Steering Committee ("IT&ISSC") of the Company was constituted effective from 2nd August, 2019. The Committee is primarily responsible for Information Security / Cyber Security / Business Continuity / Privacy related policies, incidents and providing guidance on the same. The Board at its Meeting held on 5th June, 2020, authorised the IT & ISSC Committee to constitute an execution level Committee viz. IT Steering Committee which shall report to the IT&ISSC Committee. The Board further approved the change in the nomenclature of "Information Technology and Information Security Steering Committee" (IT&ISSC) to "IT Strategy Committee" and redefined its scope.

During the financial year under review, the IT&ISSC Committee met twice on 16th December, 2019 and 26th March, 2020 respectively. The Meeting held on 26th March, 2020 was convened through video-conferencing mode, pursuant to the spread of COVID-19 pandemic resulting into restrictions on free movement of people in the Country.

The necessary quorum was present for all the Meetings.

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

(Amount in ₹)

Name of Member	Category/ Designation	No. of Meetings		Sitting fees paid
		Held	Attended	
Mr. P. H. Ravikumar (Chairman)	Independent	2	2	40,000
Mrs. Vijayalakshmi Iyer	Independent	2	1	20,000
Mr. Ajay Srinivasan	Chief Executive Officer	2	1	-
Mr. A. Dhananjaya	Chief Compliance and Risk Officer	2	2	-
Mrs. Pinky Mehta	Chief Financial Officer	2	2	-
Mr. Mukesh Malik	Chief Operating Officer	2	2	-
Mr. Subhro Bhaduri	Chief Human Resources Officer	2	-	-
Mr. Sailesh Kumar Daga	Company Secretary	2	2	-

III. Whistle Blower Policy / Vigil Mechanism

Pursuant to section 177(9) of the Act and Regulation 22 of SEBI Listing Regulations, 2015, the Company has framed its Whistle Blower Policy. Further in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Board at its Meeting held on 4th May, 2019 amended the Whistle Blower Policy. The Whistle Blower Policy/Vigil mechanism provides a mechanism for Directors and employees to report instances and concerns about unethical behaviour, actual or suspected fraud or violation of your Company's Code of Conduct. Adequate safeguards are provided against victimisation 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 at <https://www.adityabirlacapital.com/investor-relations/policies-and-codes>.

IV. 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, Aditya Birla Finance Limited, Aditya Birla Sun Life AMC Limited and Aditya Birla Housing Finance Ltd are the material subsidiaries of the Company.

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 as applicable. In compliance with the amendments to the SEBI Listing Regulations, this policy shall be reviewed by the Board at least once every three years.

Your Company and its material unlisted subsidiaries incorporated in India undertake secretarial audit and annex with its annual report, a secretarial audit report, given by a company secretary in practice.

The policy for determining material Subsidiary Companies of the Company is available on your Company's website at <https://www.adityabirlacapital.com/investor-relations/policies-and-codes>.

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V. OTHER DISCLOSURES

Related Party Transactions

During the financial year under review, your Company had entered into related party transactions which were on an arm's length basis and in the ordinary course of business. There were no material transactions with any related party as per the provisions of Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI Listing Regulations. There were no material transactions with any related party as defined under Section 188 of the Act. All related party transactions were approved by the Audit Committee of your Company.

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

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

Disclosure of accounting treatment

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

Management

1. The Management Discussion and Analysis forms part of this Annual Report and is in accordance with the requirements laid out in Regulation 34(2)(e) of SEBI Listing Regulations.
2. No material transaction has been entered into by the Company with its related parties that may have a potential conflict with interests of the Company.

Proceeds from Public Issues, Right Issues, Private Placement, Preferential Issues etc.

The Company discloses to the Audit Committee, the uses/applications of proceeds/funds raised from public issues, private placement of Equity Shares, etc., if any, as part of quarterly review of financial results and the details are also filed with the Stock Exchanges on a quarterly basis, as applicable.

Remuneration of Directors

Sitting fees of ₹ 50,000/- for each Meeting of the Board and ₹ 25,000/- for each Meeting of the Audit Committee and ₹ 20,000/- for each 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.

Further, the Company reimburses the out-of-pocket expenses incurred by the Directors for attending the Meetings.

During the financial year under review, in terms of ABCL

Incentive Scheme, 42,616 Stock Options have vested in Mr. Sushil Agarwal, Non-Executive & Non-Independent Director of the Company.

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

(Amount in ₹)

Name of the Director	No. of Shares held	Sitting Fees Paid
Mr. Kumar Mangalam Birla	1,77,398*	-
Dr. Santrupt Misra	-	-
Mr. Sushil Agarwal	48,895*	-
Mr. Arun Adhikari	-	4,30,000
Mr. P. H. Ravikumar	1,407	4,30,000
Mr. S. C. Bhargava	-	4,20,000
Mrs. Vijayalakshmi Iyer	2,000	2,95,000

* including shares held as a Karta of HUF.

There were no pecuniary relationships or significant material transactions between your Company and Non-Executive Directors during the financial year under review.

Confirmation of Criteria of Independence

The Board of Directors of your Company confirm that the Independent Directors fulfil the conditions specified in the SEBI Listing Regulations and are Independent of the Management.

CEO / CFO CERTIFICATION

Mr. Ajay Srinivasan, Chief Executive Officer of the Company and Mrs. Pinky Mehta, Chief Financial Officer of your Company have issued necessary certificate pursuant to the provisions of Regulation 17(8) of the SEBI Listing Regulations, which was placed before the Board at its Meeting held on 5th June, 2020, and the same is attached as part of this Annual Report.

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.

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.

CORPORATE GOVERNANCE REPORT

WEBSITE DISCLOSURES

The Company's website contains a separate section namely 'Investor Relations' at <https://www.adityabirlacapital.com/investor-relations> where Members can access 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.

ARCHIVAL POLICY FOR WEBSITE CONTENT

In terms of Regulation 30 of the SEBI Listing Regulations, the Company has formulated a policy on maintaining and preserving timely and accurate records uploaded on the website of the Company. The same is available on the website of your Company at <https://www.adityabirlacapital.com/investor-relations/policies-and-codes>.

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 this Annual Report.

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT/ CONTINUATION OF EXISTING TERM

The Company has provided the details of the Director seeking re-appointment in the Notice of the ensuing AGM.

GENERAL BODY MEETINGS

During the preceding three years, the Company's Annual General Meetings ("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
2016-17	19 th July, 2017	11:00 A.M.	Refer Note (a)
2017-18	27 th August, 2018	11:00 A.M.	-
2018-19	19 th August, 2019	11:00 A.M.	Refer Note (b)

Notes:

(a)

1. Appointment of Mrs. Pinky Mehta (DIN: 00020429) as a Whole-time Director & Chief Financial Officer of the Company.

2. Keeping index and Register of Members and other records, etc. at the office of M/s. Karvy Computershare Pvt. Limited (now M/s KFin Technologies Private Limited), Company's Registrar and Share Transfer Agents, at Hyderabad.
3. Approval and adoption of Aditya Birla Capital Limited Employee Stock Option Scheme 2017 ("Scheme 2017").
4. 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.

(b)

1. Issuance of Securities for an aggregate consideration of up to ₹ 3,500 Crore only (Rupees Three Thousand Five Hundred Crore only).
2. Approval of continuation of directorship of Mr. S. C. Bhargava (DIN: 00020021) as an Independent Director of the Company, up to 31st August, 2021.
3. Approval for delivery of documents through a particular mode as may be sought by the Members.

No resolution was passed through postal ballot during the year under review. Further, no Special Resolution is proposed to be conducted through Postal Ballot as on the date of this Report.

MEANS OF COMMUNICATION

Quarterly Results

The Company's quarterly/ half yearly/ annual financial results are submitted to the Stock Exchanges and published in Business Standard (all editions), Economic Times (all editions), The Hindu Business Line (all editions) and Sandesh (Rajkot edition, Gujarat).

Further, the quarterly/ half yearly/ annual financial results approved by the Board at its Meeting held for this purpose and the result presentations, are also sent via e-mail to the Members whose email address is registered with the Company and are also simultaneously made available on Company's website at <https://www.adityabirlacapital.com/investor-relations/quarterly-results>.

In addition to the above, after announcement of results, the Company holds conference calls with financial analysts. The transcript of the said conference calls is uploaded on the Company's website at <https://www.adityabirlacapital.com/investor-relations/quarterly-results>.

Website

The Company's website contains a separate section namely "Investor Relations" at <https://www.adityabirlacapital.com/investor-relations> where shareholders' related information

CORPORATE GOVERNANCE REPORT

is available. Further, the annual report of your Company and its Subsidiaries is available under this section on the website in a downloadable form.

Whether it also displays : Yes
official news releases

Presentations made to : Yes
investors/analysts

Shareholders' Information : Published as a separate
section in this report

NSE Electronic Application Processing System (NEAPS) and BSE Portal for Electronic filing

Apart from the financial results, shareholding pattern and quarterly report on Corporate Governance, other intimations/ disclosures required to be made to the Stock Exchanges are electronically filed through NSE Electronic Application Processing System (NEAPS) portal i.e. www.connect2nse.com/listing_and BSE portal i.e. <https://listing.bseindia.com>.

Adoption of Mandatory and Discretionary Requirements

During the financial year under review, the Company complied with all the mandatory requirements of Regulation 34 of the SEBI Listing Regulations.

The Company complied with the following discretionary requirements of the SEBI Listing Regulations:

1. For the Financial Year 2019-20, the Company's financial statements are with unmodified audit opinion.
2. The Internal Auditors directly report to the Audit Committee.

Other Disclosures:

1. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor of the Company viz. M/s Deloitte Haskins & Sells LLP, and all entities in the network firm/network entity of which the statutory auditor was a part during the financial year under review was as under:

(₹ in Crore)	
Particulars	FY 2019-20
Audit Fees	1.39
Limited Review	0.82
Tax Audit	0.10
Other Services	0.66
Reimbursement of Expenses	0.08
Total	3.05

2. During the financial year under review, no complaints were received/ cases filed/ disposed or pending under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
3. A certificate from M/s. Makarand M. Joshi & Co., Practicing Company Secretaries (FCS No. 5533; CP No. 3662), has been received stating / confirming that none of the Directors on the Board have been debarred or disqualified from being appointed or continuing as Directors of the Company by the SEBI/ Ministry of Corporate Affairs or any such statutory authority, is attached as a part of this report.

CORPORATE GOVERNANCE REPORT

CODE OF CONDUCT DECLARATION

As provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Members of the Board and Senior Management personnel of the Company have affirmed Compliance with the Code of Conduct for Board and Senior Management Personnel of the Company during the financial year ended 31st March, 2020.

Date: 5th June 2020

Place: Mumbai

Ajay Srinivasan

Chief Executive Officer

CEO - CFO CERTIFICATION

To,

The Board of Directors

Aditya Birla Capital 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 financial year ended 31st March, 2020 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. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended 31st March, 2020, which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken to rectify the deficiencies.
4. We have indicated to the Auditors and the Audit Committee:-
 - i. significant changes in the Company's internal control over financial reporting, if any, during the financial year ended 31st March, 2020;
 - ii. significant changes in accounting policies, if any, during the financial year ended 31st March, 2020 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: 5th June, 2020

Ajay Srinivasan

Chief Executive Officer

Pinky Mehta

Chief Financial Officer

CORPORATE GOVERNANCE REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34 (3) and Schedule V Para C Clause (10) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members

Aditya Birla Capital Limited

We have examined the relevant disclosures provided by the Directors (as enlisted in Table A) to **Aditya Birla Capital Limited**, having **CIN L67120GJ2007PLC058890** and having registered office at **Indian Rayon Compound, Veraval - 362266, Gujarat**, (hereinafter referred to as '**the Company**') for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para C clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and based on the disclosures of the Directors, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority for the period ended as on March 31, 2020.

Table A

Sr. No.	Name of the Directors	Director Identification Number	Date of appointment in Company
1	Mr. Kumar Mangalam Birla	00012813	26/10/2017
2	Dr. Santrupt Misra	00013625	26/10/2017
3	Mr. Subhash Chandra Bhargava	00020021	01/09/2016
4	Mr. Sushil Agarwal	00060017	26/10/2017
5	Mr. Hayagreeva Ravikumar Puranam	00280010	26/06/2017
6	Mr. Arun Adhikari Kumar	00591057	26/06/2017
7	Mrs. Vijayalakshmi Rajaram Iyer	05242960	26/06/2017

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

Kumudini Bhalerao

Partner
FCS No. 6667
CP No. 6690

Place : Mumbai
Date : 20/05/2020

UDIN- F006667B000260723

SHAREHOLDER INFORMATION

1. Annual General Meeting

Date and Time	: Monday, 31 st August, 2020 at 11.00 a.m.
Venue	: The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated 5 th May, 2020.

2. Financial Calendar for Reporting

Financial year of the Company	: 1 st April to 31 st March
For the quarter ending 30 th June, 2020	: On or before 10 th August, 2020*
For the quarter ending 30 th September, 2020	: On or before 10 th November, 2020*
For the quarter ending 31 st December, 2020	: On or before 10 th February, 2021*
For the quarter/ year ending 31 st March, 2021	: On or before 15 th May, 2021*
14 th Annual General Meeting for the year ended March 2021	: August 2021

*Tentative dates

3. Dividend Payment Date

: Not Applicable

4. Registered Office:

: Indian Rayon Compound,
Veraval – 362 266, Gujarat, India
Phone: +91 2876 243 257
Email: abc.secretarial@adityabirlacapital.com
Website: www.adityabirlacapital.com
CIN: L67120GJ2007PLC058890

5. (a) Listing Detail

Equity Shares	Global 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 Limited Exchange Plaza, Plot No. C-1, G- Block, Bandra-Kurla Complex, Bandra (East), Mumbai- 400 051	

Note: 1. Annual Listing Fees for the Financial Year 2020-21 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 2019.

2. During the year, the Company had its Commercial Paper listed on BSE Limited. There is no outstanding as on 31st March, 2020.

5. (b) Overseas Depository for GDSs

: Citibank N.A. Depository Receipt Services
388 Greenwich Street, 6th Floor, New York,
NY – 10013, USA
Tel: +212 816 9082, Fax: +212 816 6876

5. (c) Domestic Custodian of GDSs

: Citibank N.A. Custody Services FIFC,
11th Floor, C 54 & 55, G- Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051
Tel: +91 22 6175 7272 Fax: +91 22 2653 2205

6. Stock Code:

: Equity Shares - ISIN INE674K01013
: Global Depository Shares- ISIN US0070261070

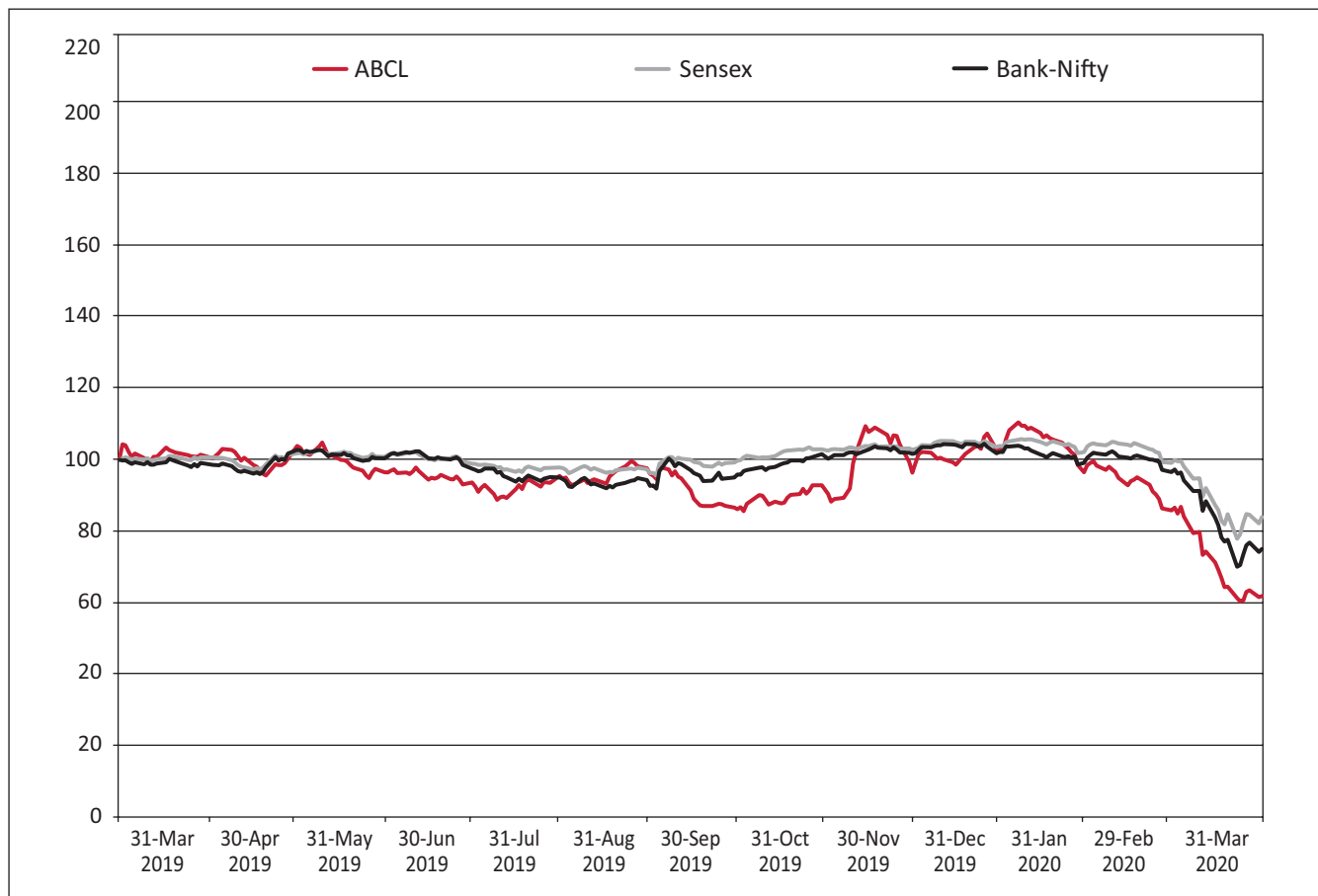
Stock Exchanges	Stock Code	Reuters	Bloomberg
BSE Limited	540691	ADTB.BO	-
National Stock Exchange of India Limited	ABCAPITAL	ADTB.NS	ABCAP:IN
Luxembourg Stock Exchange	-	ABCLY	ABCLY:US

SHAREHOLDER INFORMATION

7. 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-'19	104.90	95.50	97.80	1,17,98,82,456	104.90	95.50	97.75	5,63,62,70,856	1.49	1.40	1.40
May-'19	103.90	90.55	98.90	51,60,62,389	103.80	90.50	99.10	4,43,83,72,444	1.48	1.29	1.42
Jun-'19	105.80	87.85	91.90	37,23,01,711	105.80	87.80	91.80	2,50,45,99,947	1.50	1.29	1.34
July-'19	95.95	79.95	82.00	23,49,52,062	95.70	80.00	82.05	2,17,79,92,467	1.37	1.18	1.18
Aug-'19	93.50	80.25	89.15	22,32,51,983	93.50	80.10	89.30	2,28,26,96,748	1.27	1.17	1.25
Sep-'19	98.90	84.50	84.80	25,80,64,583	98.95	84.55	84.85	2,68,23,47,494	1.35	1.20	1.14
Oct-'19	88.00	75.60	81.85	34,23,77,595	86.00	75.50	81.85	3,04,39,91,708	1.17	1.07	1.13
Nov-'19	114.60	79.15	109.40	1,32,19,47,933	114.60	79.00	109.45	13,66,40,24,583	1.54	1.12	1.53
Dec-'19	110.95	89.90	102.70	50,90,51,363	111.00	88.55	102.70	4,74,03,53,574	1.50	1.30	1.43
Jan-'20	115.30	98.65	99.15	66,00,48,695	115.35	98.50	99.20	6,00,01,90,086	1.59	1.39	1.39
Feb-'20	102.10	77.30	77.50	41,92,03,435	102.10	77.30	77.50	3,68,16,20,011	1.36	1.07	1.07
Mar-'20	89.00	37.45	42.20	32,37,82,197	79.80	37.35	42.15	2,47,49,82,763	1.06	0.53	0.55

8. Indexed Stock Performance :



SHAREHOLDER INFORMATION

9. Registrar and Transfer Agents (RTA)

(For share transfers and other communication relating to share certificates, change of address etc.) :

KFin Technologies Pvt. Limited ("KFin")
(formerly known as Karvy Fintech Pvt. Limited)
Unit: Aditya Birla Capital Limited
Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Serilingampally
Hyderabad – 500 032
Tel: +91 40 6716 1611, Toll Free no- 1800-572-4001
E-mail Id- adityacapital@kfintech.com

10. Share Transfer System

: Trading in equity shares of the Company is permitted only in dematerialised form. However, for those cases which were received before 1st April, 2019 and in which there were some discrepancies in the documents submitted by the shareholders, have been re-lodged and processed during the year

Details of Shares Transferred during the Financial Year 2019-20

Transfer Period (in Days)	No. of Transfers	No. of Shares	%
1 – 5	196	35,701	51.50
6 – 15	254	33,615	48.50
16 and above	-	-	-
Total	450	69,316	100.00

11. Investor Complaints details:

Nature of Complaints	2019-20		2018-19	
	Received	Redressed	Received	Redressed
Complaints relating to Transfer, Transmission, Demat, Non- receipt of Shares on amalgamation / demerger, Non- Receipt of Annual Report etc.	35	35	36	36

12. Distribution of Shareholding as on 31st March, 2020:-

No. of Shares Held	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1 - 100	2,55,519	48.46	1,16,32,220	0.48
101 - 200	80,343	15.24	1,29,78,815	0.54
201 - 500	98,974	18.77	3,42,24,031	1.42
501 - 1000	45,961	8.72	3,54,80,281	1.47
1001 - 5000	39,163	7.43	8,30,62,434	3.44
5001 - 10000	4,354	0.82	3,13,82,464	1.30
10001 and above	2,932	0.56	2,20,50,00,463	91.35
TOTAL	5,27,246	100.00	2,41,37,60,708	100.00

13. Categories of Shareholding as on 31st March, 2020:-

Category of Shareholders	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
Promoter and Promoter Group*	25	-	1,70,12,88,195	70.48
Banks, Mutual Funds Financial Institutions and Insurance Companies				
UTI and other Mutual Funds	50	0.02	3,79,49,528	1.57
Alternate Investment Funds	4	0.00	9,90,24,773	4.10
Banks, Financial Institutions	182	0.04	38,18,373	0.16
Insurance Companies	16	0.01	6,26,29,495	2.59

SHAREHOLDER INFORMATION

Category of Shareholders	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
Foreign Investors				
FII and FPIs	125	0.02	5,25,10,447	2.18
NRIs/OCBs/Foreign Nationals	10,967	2.11	3,32,47,379	1.38
GDSs	1	0.00	1,69,40,934	0.70
Foreign Bodies - Corporate	1	0.00	10,00,00,000	4.14
Bodies Corporate	2,922	0.62	4,00,12,967	1.66
Trusts	69	0.01	9,93,112	0.04
Central/ State Government	2	0.00	11,068	0.00
NBFCs	16	0.00	2,85,324	0.01
Other - Individual/ Clearing Members	5,12,278	97.16	26,50,49,113	10.98
Total	5,27,250	100.00	2,41,37,60,708	100.00

* Includes 3,36,16,128 (1.39%) GDSs held by 5 Promoter Group entities.

14. Dematerialisation of Shares and Liquidity

98.72% of outstanding equity shares have been dematerialised as on 31st March, 2020. 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 Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL").

• Shares held in Demat mode in NSDL	: 94.55%
• Shares held in Demat mode in CDSL	: 4.17%
Total	: 98.72%

15. 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 ₹ 703.88 Crore to PI Opportunities Fund - 1 ("Investor") in pursuance of the subscription agreement entered into between the Company and the Investor. The allotment of the aforesaid shares was made on 30th June, 2017. The amount received is used towards growth, expansion, marketing and general corporate activities, repayment of borrowings and investment in Subsidiaries of the Company.
- The Company has issued and allotted 21,00,00,000 Equity Shares of face value of ₹ 10 each on preferential basis at a per share price of ₹ 100, fully paid-up, which inter-alia includes a share premium of ₹ 90 aggregating to 2,100 crore out of which ₹ 1,000 crores received by the Promoter and members of the Promoter Group Companies, ₹ 100 Crore PI Opportunities Fund - 1 ("PIOF") and

₹ 1,000 crores received by Jomei Investments Limited ("JIL") in pursuance of the subscription agreement. The allotment of the aforesaid shares was made on 16th October, 2019 to Promoter and members of the Promoter Group Companies and PIOF and on 27th February, 2020 to JIL. The amount received is used for repayment of borrowings and investments in Subsidiaries of the Company and as on 31st March, 2020, ₹ 1,690 Crore were utilised out of the aforesaid proceeds of ₹ 2,100 Crore.

16. Outstanding GDSs/ADRS/ Warrants or any Convertible instruments, Conversion date and likely impact on Equity:

There were 5,05,57,062 outstanding GDSs as on 31st March, 2020. Each GDS represents one underlying Equity Share. There are no ADRs, Warrants/Convertible Bonds outstanding as at the year end.

17. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities :

The Company does not have any exposure to commodity price risks and foreign exchange risk.

18. Credit Rating :

CRISIL Limited has assigned a rating of "CRISIL A1+" and ICRA Limited has assigned a rating of "[ICRA] A1+" for the Commercial Paper Programme of the Company for the amount of ₹ 2,700 Crore and ₹ 1,000 Crore respectively. ICRA Limited has assigned a [ICRA] AAA (stable) rating for issue of ₹ 800 Crore Non- Convertible Debenture Programme of the Company, if any.

19. Other useful information for the shareholders:

Share Transfer/Dematerialisation

Pursuant to amendment to Regulation 40 of SEBI (LODR) Regulations read along with BSE Circular dated 5th July,

SHAREHOLDER INFORMATION

2018 and 1st February, 2019, wherein with effect from 1st April, 2019 request for effecting transfer of securities have not be processed unless the securities are held in the Dematerialised form with the depository. Therefore, the RTA of the Company has not been accepting any request for transfer of shares in physical form with effect from 1st April, 2019 except in case of request received for transmission or transposition of physical shares. The Company has sent reminders dated 3rd September, 2018, 17th October, 2018, 1st February, 2019 and 16th January, 2020 to shareholders holding shares in physical form. Pursuant to above circular, the shareholders are therefore requested to dematerialise the said shares at the earliest to avoid any inconvenience in future for transferring those share.

Dematerialisation requests, duly completed in all respects, are normally processed within 21 days from the date of receipt by the 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 RTA 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 NSDL, so that no dematerialisation request remains pending beyond a period of 21 days.

Updating Permanent Account Number (PAN) and Bank details

SEBI, vide circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, read along with SEBI Circular no. SEBI/HO/MIRSD/DOS3/CIR/P/2018/115 dated 16th July, 2018, has mandated the Registrar and Transfer Agents to send a letter under Registered / Speed post seeking PAN and bank details and two reminders thereof by ordinary post/ courier.

Shareholders are requested to update their details such as PAN, Bank details and email ids with the concerned depository participants and in case of physical holding with the Registrar and Share Transfer Agent of the Company.

Nomination Facility for Shareholding

Section 72 of the Act, 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 at <https://www.adityabirlacapital.com/investor-relations/shareholder-centre> or obtained from the Company's RTA by sending a written request through any mode including e-mail on adityacapital@kfintech.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 send 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/ RTA (in case the shares are held in physical form) or their DPs (in case the shares are held in dematerialised form) for easier and faster correspondences. Considering the green initiative measures taken by the Government and SEBI, the Company has sent inland letters dated 16th January, 2020 to shareholders holding shares in demat form requesting them to update their e-mail address, PAN and bank details with the DPs.

Alternatively, shareholders holding shares in physical and demat mode, wanting to register their e-mail address can register the same by accessing the links provided below:

https://ris.kfintech.com/email_registration/ and <https://www.adityabirlacapital.com/investor-relations>.

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 and address proof viz. Aadhar card / electricity bill etc.

SHAREHOLDER INFORMATION

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.

A report in respect of the Equity Shares lying in the Unclaimed Suspense Account as on 31st March, 2020 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 April, 2019	8,274	8,62,544
2	Number of shareholders who have approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year	29	6,515
3	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	29	6,515
4.	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as at 31 st March, 2020	8,245	8,56,029

The voting rights on the shares in the suspense account as on 31st March, 2020, shall remain frozen till the rightful owners of such shares claim the shares.

In view of the above, the Company had sent three reminders dated 15th March 2018, 1st February 2019 and 16th September, 2019 to shareholders informing them the status of their shares and asking them to provide documents to claim the undelivered share certificates. Further, via letter dated 16th January 2020 the Company has tried to reach out to shareholders holding shares in physical form (including the undelivered shareholders) to dematerialize their holdings.

Company's Website

You are requested to visit the Company's website <https://www.adityabirlacapital.com/investor-relations/shareholder-centre> for

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

NECS Facility:

In terms of a notification issued by the Reserve Bank of India, with effect from 1st October, 2009, remittance of Dividend through ECS is replaced by National Electronic Clearing Service (NECS). Banks have been instructed to move to the NECS platform. The advantages of NECS over ECS include faster credit of remittance to the beneficiary's account, coverage of more bank branches and ease of operations. NECS essentially operates on the new and unique bank account number, allotted by bank post-implementation of Core Banking System of inward instructions and efficiency in handling bulk transactions.

Members are requested to provide their new account number allotted to them by their respective banks after implementation of Core Banking Solution. The account number must be provided to the Company in respect of shares held in physical form and to the depository participants in respect of shares held in electronic form.

Web-based Query Redressal System

Members may utilise the facility extended by the Registrar and Transfer Agent for redressal of queries, by visiting <https://karisma.kfintech.com/> and clicking on 'INVESTORS SERVICES' option for query registration through free identity registration process. Investors can submit their query in the 'QUERIES' option provided on the above website, which would generate the grievance a registration number. For accessing the status / response to the query submitted, the grievance registration number can be used at the option

SHAREHOLDER INFORMATION

'VIEW REPLY' after 24 hours. Investors can continue to put an additional query, if any, relating to the grievance till they get a satisfactory reply.

K-PRISM

Members are requested to take note that, KFin has launched K-PRISM, a secure mobile interface through which investors who utilise the corporate registry services of KFin will now be able to access their application status, allotment of shares, download Annual Reports, standard forms and keep track of upcoming General Meetings all on the go, in a hassle free, paper-less process. The mobile application is available for download on the Android Play Store and a desktop version can be accessed at <https://kprism.kfintech.com> Members can download the mobile application and register yourself (onetime) for availing host of services viz. consolidated portfolio view serviced by KFin, Dividends status and send requests for change of Address, change/update Bank Mandate

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 – KFin Technologies Private Limited, at Hyderabad. All correspondences regarding to shares of the Company should be addressed to KFin. KFin also has a designated exclusive e-mail ID adityacapital@kfintech.com for the Company and a designated toll free no. i.e. 1800-572-4001 for investor services where they can register their complaints/queries to facilitate speedy and prompt redressal.

Service of Documents in Electronic Form (Green Initiative in Corporate Governance)

In order to conserve paper and environment, the Ministry of Corporate Affairs ("MCA"), Government of India, has allowed and envisaged the companies to send Notices of General Meetings/other Notices, Audited Financial Statements, Board's Reports, Auditors' Reports, etc., henceforth to their shareholders electronically as a part of its Green Initiative in Corporate Governance.

Shareholders can avail e-communication facility by registering their e-mail address with the Company by sending the request on e-mail to abc.secretarial@adityabirlacapital.com / adityacapital@kfintech.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.

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 I,
18th Floor, Jupiter Mill Compound,
841 Senapati Bapat Marg,
Elphinstone Road, Mumbai- 400 013
Tel: +91 22 4356 7000
Fax: +91 22 4356 7111
E-mail: abc.secretarial@adityabirlacapital.com

(iii) Registrar & Transfer Agent:

KFin Technologies Private Limited
(formerly known as Karvy Fintech Pvt. Limited)
Unit: Aditya Birla Capital Limited
Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Serilingampally,
Hyderabad – 500 032
Tel: +91 40 6716 1611
Toll Free no: 1800-572-4001
E-mail : adityacapital@kfintech.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 ("the Company / Your Company")
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, 2019 to 31 st March, 2020
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 Ltd. ("the Company/ your Company") is the Holding Company of various subsidiaries having presence across several business sectors including non-banking financial companies (NBFC), asset management, life insurance, health insurance, housing finance, private equity, general insurance broking, wealth management, broking, pension fund management and asset reconstruction business.
9. Total number of locations where business activity is undertaken by the Company	As on 31st March, 2020, the Company and its Subsidiaries had 870 branches across 359 locations in India. The step down Subsidiaries of the Company have presence in Mauritius, Dubai and Singapore.
10. Markets served by the Company	The Company's Subsidiaries serve customers in India and international locations.

Section B: Financial Details of the Company

Sr. No.	Particulars	Standalone	Consolidated
1.	Paid-up Equity Capital as on 31st March, 2020	₹ 2,413.76 Crore	-
2.	Total Turnover	₹ 199.82 Crore	₹ 16,792.29 Crore
3.	Total Profits after taxes	₹ 29.85 Crore	₹ 866.11 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	In view of aggregate losses as per the calculation of net profits stipulated under the Companies Act, 2013, your Company was statutorily not required to spend any amount towards CSR during the financial year 2019-20. 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, 2020.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):

Yes, 6 (Six) Subsidiary Companies 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.

BUSINESS RESPONSIBILITY REPORT

Section D: BR Information

1. Details of Director/Directors responsible for BR

a) Details of the Director/Directors responsible for implementation of the BRR policy/ policies

DIN Number (if applicable)	00020021
Name	Mr. S. C. Bhargava
Designation	Independent Director

b) Details of the BR head –

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	00121181
2.	Name	Mr. Ajay Srinivasan
3.	Designation	Chief Executive Officer
4.	Telephone number	+91 22 4356 7000
5.	e-mail id	ajay.srinivasan@adityabirlacapital.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The National Voluntary Guidelines (NVGs) on Social,

2a. Details of compliances:

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any National/ International Standards? If yes, specify? (50 Words).	Yes. 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. Various policies of the Company are available on the website of the Company at https://www.adityabirlacapital.com/investor-relations/policies-and-codes								
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.								

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.

BUSINESS RESPONSIBILITY REPORT

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

2b. If answer to Sr. No.1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles									
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

1. Governance related to BR

- a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to 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 Company publishes Business Responsibility Report on an annual basis. The Business Responsibility reports are available on the website of the Company viz., <https://www.adityabirlacapital.com/investor-relations>

The Company has also published its first Sustainability Report in accordance with the Global Reporting Initiative (GRI) Standards. The Sustainability Report is available on the website of the Company at <https://www.adityabirlacapital.com/investor-relations/Sustainability-Reports>

Section E: Principle – wise performance

The Company and its Subsidiaries are a part of the 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 organisation keeping in mind the core values of Integrity, Commitment, Passion, Seamlessness and Speed. The Corporate Principles and Code of Conduct cover all employees of the Company (including probationers and trainees) and covers all its subsidiaries and joint venture companies.

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, Non-Governmental Organisation's etc., the Company along with 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, 35 (Thirty Five) complaints were received from the Members, all of which were attended to/resolved.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

BUSINESS RESPONSIBILITY REPORT

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, asset management, life insurance, health insurance, housing finance, private equity, general insurance broking, wealth management, broking, 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. However, the Company has recently implemented an internal 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.

Further details are elaborated in the Sustainability Report which is available on the website of the Company.

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 off 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 which is be traded in

for environment friendly office stationery made of recycled materials, contribution towards charitable causes and tree plantation drives or cash.

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

1. Please indicate the Total number of employees.

The Company had 29 (Twenty Nine) employees as on 31st March, 2020.

2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.

During the financial year under review, no employee was hired on temporary/ contractual/ casual basis by the Company.

3. Please indicate the Number of permanent women employees.

The Company had 6 (Six) permanent women employees as on 31st March, 2020.

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

The Company did not have any permanent employee having disability as on 31st March, 2020.

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 recognised by the Management.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No. of complaints filed during the financial year 2019-20	No. of complaints pending as on 31st March, 2020
1.	Child labour / forced Labour / involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

BUSINESS RESPONSIBILITY REPORT

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%	68%
2.	Permanent Women Employees	100%	67%
3.	Casual/ Temporary/ Contractual Employees	–	–
4.	Employees with Disabilities	–	–

Employee health and safety is of prime importance for the Company and its Subsidiaries. The Company conducts 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 during the financial year 2019-20. The Company has tie-ups with vendors to educate and demonstrate use of fire-fighting equipment to the staff. The Company also conducts safety training for women employees where they are trained on situation reaction and self-defense and briefed on legal provisions relevant to their safety. The Company has focus on skilling employees with the requisite knowledge and skill.

Your Company through its subsidiaries also conducted various programmes, designed to meet the changing skill requirements of the its 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. The Company also organised various sessions in-house on a regular basis and also sponsor our employees to attend training sessions organized 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

Your Company through its subsidiaries 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 reached 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 & marginalized stakeholders?

The Company through its Subsidiaries has identified the disadvantaged, vulnerable and marginalized stakeholders through need assessment and engagement with such marginalised communities under their 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 Company through its Subsidiaries remains committed to bettering the lives of the underprivileged, through its CSR efforts. We are focused around 4 areas of Healthcare, Education, Women Empowerment & Sustainable Livelihood and Sports. The CSR footprint of the Company's Subsidiaries extends across 12 states, through partnerships with 36 NGOs, while benefitting and bettering the lives of over 2.25 Lakh people. Our commitment, effort and work continues to win recognition and accolades.

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, the Aditya Birla Group has put in place a Human Rights Policy which extends to the Company and its Subsidiaries. The Company and its Subsidiaries adhere to all statutes which embody the principles of human rights such as prevention of child labour, prevention of sexual harassment, equal employment opportunities, rights to raise grievances over relevant issues etc.

The Company and its Subsidiaries are committed to foster a work environment in which all individuals are treated with respect and dignity.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company has not received any 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 the Aditya Birla Group's Sustainability Vision and is extended to our

BUSINESS RESPONSIBILITY REPORT

Subsidiaries 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/aboutus/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 identify and assess their portfolios' ESG risks.

- 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. Further, we also successfully installed our first rooftop solar panel at one of our Bengaluru offices and will be taking up similar renewable energy installations in other office buildings in the future.

The Company, in support of Ministry of Corporate Affairs 'Green Initiative', sends its various notices and documents, including Annual Report, to its Members through electronic mode 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 receive Annual Report and other communications through e-mail 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 are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

During the financial year under review, no show cause notice or legal notices were received by the Company 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), 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 along with its subsidiaries 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.

BUSINESS RESPONSIBILITY REPORT

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 CSR activities.

For more than a century, the Aditya Birla Group has been deeply engaged in community work. The Covid-19 pandemic presents an unprecedented challenge to the nation. This crisis calls for an even stronger and concerted action from corporate citizens to join the national effort and help the Government in the fight against the pandemic.

“Given the severity of the disruption, there is a compelling need for a multi-pronged response that includes financial and material support, healthcare assistance and community responsibility”

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

In this light, the Aditya Birla Group undertook the following initiatives:

- 1) Contribution of ₹ 400 crore to the PM-CARES Fund.
- 2) ₹ 50 crore grant to FICCI-Aditya Birla CSR Centre for Excellence for Covid relief measures.
- 3) Activated a 100-bed Covid-19 facility at Seven Hills Hospital in Mumbai, in partnership with BMC. This initiative was spearheaded by Mrs. Neerja Birla.
- 4) Earmarked more than 200 beds for Covid-19 patients across locations including Ujjain, Pune, Hazaribagh, Rayagada, Solapur and Kharach.
- 5) Allocated ₹ 50 crore towards supply of 1 million N95 masks, 2,80,000 personal protective equipment (PPE), as well as ventilators.
- 6) Commenced production of 1 million triple layer surgical masks and 1 lakh coverall garments with the support of the Textiles Ministry.
- 7) Involved community and self-help groups in home production of lakhs of masks across several locations.
- 8) Continuous and pro-active engagement with local communities and other stakeholders. This included awareness camps across 200 locations and door-to-door campaign to reinforce prevention message as well as social distancing.

The Aditya Birla Group recognises that no contribution can be too large or small, given the enormity of the pandemic. Every effort counts. The Group continues to extend whatever support is feasible to help fight the pandemic and restore normalcy.

Besides the above, employees of your Company and its subsidiaries have also contributed ₹ 70 lakhs for the PM-CARES Fund.

BUSINESS RESPONSIBILITY REPORT

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 partnership with Non-Governmental Organisations (NGOs).

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

Yes, the Subsidiaries of the Company 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.

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 ₹ 34.71 Crore during the financial year 2019-20 towards CSR 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 CSR projects undertaken by its Subsidiaries, it endeavours to ensure the sustainability of the project by making the community as one of the stakeholders 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 does not have any direct customer/ consumer being a Core- Investment Company. The Company has a well-defined system of addressing shareholder complaints. All complaints are appropriately addressed and resolved. There are no customer complaints/consumer cases pending against the Company as on 31st March, 2020.

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, including the Advertising Standards Code of India (ASCI) and Insurance Regulatory and Development Authority of India (IRDAI) guidance. Further, the Company is committed to ensure responsible promotion and communication regarding its financial services.

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 by 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 behaviour.

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. One such mechanism, is the Net Promoter Score (NPS) mechanism, which measures and improves customer satisfaction at key stages of customers' journey.

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 Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **ADITYA BIRLA CAPITAL LIMITED** (the "Company"), which comprise the Balance Sheet as at 31st March, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS"), and other accounting principles, generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note 57 to the Standalone Financial Statements in which the Company describes the uncertainties arising from the COVID-19 pandemic.

Our report is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p>Impairment of Investments</p> <p>Where impairment indicators have been identified, the quantification of impairment in the carrying value of investments is considered to be a risk area due to the judgmental nature of key assumptions. The estimated recoverable amount is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows. (Refer Note 2.3, 7 and 43 to the Standalone Financial Statements)</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> • Comparing the assumptions to externally derived data in relation to key inputs such as long-term growth rates and discount rates. • Assessing the appropriateness of the forecast cash flows within the budgeted period based on our understanding of the business. • Considering historical forecasting accuracy, by comparing previously forecasted cash flows to actual results achieved. • Involving our fair valuation experts to challenge the management's underlying assumptions for terminal growth rate and weighted average cost of capital and the appropriateness of the valuation model used. • Performing sensitivity analysis in relation to the key assumptions.

INDEPENDENT AUDITOR'S REPORT

Information other than the Financial Statements and Auditor's Report thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report (including annexures thereto), Business Responsibility Statement and Management discussion and analysis (MD&A) (collectively referred to as "other information"), but does not include the standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

INDEPENDENT AUDITOR'S REPORT

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report, because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by 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 including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020, 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 the requirements of Section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

INDEPENDENT AUDITOR'S REPORT

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
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. 39826
(UDIN: 20039826AAAADO1832)

Place: Mumbai
Date: 12th June, 2020

INDEPENDENT AUDITOR'S REPORT

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 (the "Company") as of 31st March, 2020, 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 judgment, 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

INDEPENDENT AUDITOR'S REPORT

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, 2020, 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. 39826

(UDIN: 20039826AAAADO1832)

Place: Mumbai

Date: 12th June, 2020

INDEPENDENT AUDITOR'S REPORT

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)

- (i) 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 share certificate provided to us, we report that, the title deed, comprising the immovable property in building (Apeejay House) which is freehold, is in the name of the Company as at the balance sheet date.
- (ii) 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.
- (iii) 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 year-end.
- (iv) According to the information and explanations given to us, the Company has not granted any loans, made investments, provided guarantees and security under provisions of Sections 185 and 186 of the Companies Act, 2013 and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and there are no unclaimed deposits as on the Balance Sheet date and hence reporting under clause (v) of the Order is not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.
- (vii) 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, Goods and Service Tax and other material 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, Customs duty and Cess during the year.
 - b) There were no undisputed amounts payable in respect of Provident Fund, Family Pension Fund, Income-Tax, Goods and Service Tax and other material statutory dues in arrears as at 31st March, 2020, for a period of more than six months from the date they became payable.
 - c) There were no dues in respect of Customs duty, Cess, Income-Tax and Goods and Service Tax which have not been deposited as on March 31, 2020 on account of disputes.
- (viii) 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. The Company has not borrowed any amounts from banks and government. The Company has not issued any debentures.
- (ix) 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.

INDEPENDENT AUDITOR'S REPORT

- (x) 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.
- (xi) 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 Companies Act, 2013.
- (xii) 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.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 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.
- (xiv) During the year the Company has made preferential allotment of Equity Shares and it is in compliance with the Section 42 of the Companies Act, 2013. The part of the amount raised through preferential allotment has been used for the purposes for which the funds were raised and balance is maintained in mutual fund as temporary investments pending utilisation for stated purposes.
- (xv) 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.
- (xvi) 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. 39826
(UDIN: 20039826AAAADO1832)

Place: Mumbai
Date: 12th June, 2020

STANDALONE BALANCE SHEET

as at 31st March, 2020

Particulars	Note No.	₹ crore	
		As at 31st March, 2020	As at 31st March, 2019
I ASSETS			
(1) Financial Assets			
(a) Cash and Cash Equivalents	3	6.21	4.26
(b) Bank Balance other than (a) above	4	0.26	0.26
(c) Receivables	5		
(i) Trade Receivables		-	-
(ii) Other Receivables		14.83	11.26
(d) Loans	6	22.91	120.84
(e) Investments	7	9,528.14	8,709.18
	Sub-Total	9,572.35	8,845.80
(2) Non-Financial Assets			
(a) Current Tax Assets (Net)		17.30	14.77
(b) Investment Properties	8	15.68	16.11
(c) Property, Plant and Equipment	9	6.00	8.26
(d) Capital Work-in-Progress		0.12	-
(e) Intangible Assets Under Development		0.05	-
(f) Right-to-Use of Assets		1.55	-
(g) Other Intangible Assets	10	1.86	3.78
(h) Other Non-Financial Assets	11	11.50	10.59
	Sub-Total	54.06	53.51
	Total Assets	9,626.41	8,899.31
II LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Trade Payables			
(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
(ii) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises (Refer Note No. 42)		8.74	8.62
(b) Debt Securities	12	-	1,439.88
(c) Lease Liabilities		1.24	-
(d) Other Financial Liabilities	13	18.44	22.04
	Sub-Total	28.42	1,470.54
(2) Non-Financial Liabilities			
(a) Provisions	14	34.95	28.24
(b) Deferred Tax Liabilities (Net)	15	101.44	103.65
(c) Other Non-Financial Liabilities	16	4.88	1.88
	Sub-Total	141.27	133.77
(3) Equity			
(a) Equity Share Capital	17	2,413.76	2,201.40
(b) Other Equity	18	7,042.96	5,093.60
	Total Equity	9,456.72	7,295.00
	Total Liabilities and Equity	9,626.41	8,899.31

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

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

Ajay Srinivasan
Chief Executive Officer

P. H. Ravi Kumar
Director
(DIN: 00280010)

S. C. Bhargava
Director
(DIN: 00020021)

Pinky Mehta
Chief Financial Officer

Sailesh Daga
Company Secretary

Mumbai, 12th June, 2020

Mumbai, 5th June, 2020

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2020

Particulars	Note No.	₹ crore	
		Year ended 31st March, 2020	Year ended 31st March, 2019
REVENUE FROM OPERATIONS			
Interest Income	19	19.10	18.45
Dividend Income	20	175.72	162.21
Net (Loss)/Gain on Fair Value Changes	21	5.00	(2.88)
Total Revenue from Operations		199.82	177.78
Other Income	22	1.46	0.71
Total Income		201.28	178.49
EXPENSES			
(a) Finance Costs	23	77.02	88.53
(b) Impairment on Financial Instruments including Loss on Derecognition of Financial Assets at Amortised Cost (Expected Credit Loss)	24	(0.05)	0.18
(c) Employee Benefits Expenses	25	22.03	27.05
(d) Depreciation and Amortisation	26	1.28	0.87
(e) Other Expenses	27	44.18	43.18
Total Expenses		144.46	159.81
Profit Before Exceptional Items and Tax		56.82	18.68
Exceptional Items (Refer Notes No 43 and 49)		(29.17)	(30.32)
Profit/(Loss) Before Tax		27.65	(11.64)
Tax Expenses			
Current Tax		-	-
(Excess)/Provision for Tax related to earlier years (Net)		-	(2.43)
Deferred Tax		(2.20)	0.39
Total Tax Expenses		(2.20)	(2.04)
Profit/(Loss) for the Year		29.85	(9.60)
Other Comprehensive Income			
(i) Items that will not be reclassified to Profit or Loss (Net of Tax)	28	(0.46)	0.03
Total Comprehensive Income for the Year		29.39	(9.57)
Earnings per Equity Share (Face Value of ₹ 10 each)			
Basic - (₹)	29	0.13	(0.04)
Diluted - (₹)		0.13	(0.04)
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, 12th June, 2020

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

Ajay Srinivasan
Chief Executive Officer

Pinky Mehta
Chief Financial Officer
Mumbai, 5th June, 2020

P. H. Ravi Kumar
Director
(DIN: 00280010)

Sailesh Daga
Company Secretary

S. C. Bhargava
Director
(DIN: 00020021)

STANDALONE STATEMENT OF CASH FLOWS

for the year ended 31st March, 2020

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	27.65	(11.64)
Adjustments for :		
Impairment on Financial Instruments	(0.05)	0.18
Net (Gain)/Loss on Fair Value Changes	(5.00)	2.88
Depreciation and Amortisation	1.28	0.87
Expense on Employee Stock Options Schemes	3.40	27.04
Finance Costs	77.02	88.53
Exceptional Item	29.17	30.32
Dividend Income	(175.72)	(162.21)
Interest Income on Financial Assets (Held at Amortised Cost)	(10.39)	(9.58)
Interest Income - Others	(0.66)	(0.35)
Rent Income on Investment Properties	(0.50)	(0.13)
Profit on Sale of Property, Plant and Equipment	(0.03)	(0.02)
	(81.48)	(22.47)
B OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(53.83)	(34.11)
Adjustments for:		
Decrease/(Increase) in Loans	98.76	(45.14)
Decrease/(Increase) in Other Bank Balance	-	(0.03)
Decrease/(Increase) in Receivables	33.22	105.39
Decrease/(Increase) in Other Non-Financial Assets	(1.29)	(3.89)
Increase/(Decrease) in Trade Payables	0.12	(12.01)
Increase/(Decrease) in Other Financial and Non-Financial Liabilities	(0.60)	(2.61)
Increase/(Decrease) in Provisions	6.25	(14.39)
	136.46	27.32
Cash Generated From Operations	82.63	(6.79)
Income Taxes Refund/(Paid)	(1.87)	(2.02)
Net Cash Generated From Operating Activities	80.76	(8.81)
C CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment and Intangible Assets	(1.02)	(5.28)
Sale of Property, Plant and Equipment	0.20	0.56
Acquisition of Additional Shares/Investments in Subsidiaries	(457.38)	(845.89)
Redemption of Shares in Subsidiary	10.00	8.20
Proceeds Received from Private Equity Fund on Redemption of Units	-	20.57
(Purchase)/Sale of Current Investments (Net)	(386.83)	(6.86)
Dividend Income from Subsidiaries/Joint Ventures	175.72	162.21
Interest Accrued on Loans to Subsidiaries (Held at Amortised Cost)	0.85	0.63
Rent Income on Investment Properties	0.50	0.13
Net Cash (Used in) Investing Activities	(657.96)	(665.73)

STANDALONE STATEMENT OF CASH FLOWS (Contd.)

for the year ended 31st March, 2020

₹ crore

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
D CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issue of Shares (including Securities Premium) (Net of Share Issue Expenses)	2,097.13	-
Proceeds from on account of ESOP Exercised (including Securities Premium)	2.36	0.68
Payment towards Lease Liabilities (including Interest thereon)	(3.47)	-
Proceeds from Debt Securities Issued	6,138.13	5,166.39
Debt Securities Repaid	(7,655.00)	(4,490.00)
Net Cash Generated from Financing Activities	579.15	677.07
Net Increase In Cash and Cash Equivalents	1.95	2.53
Cash and Cash Equivalents (Opening Balance)	4.26	1.73
Cash and Cash Equivalents (Closing Balance)	6.21	4.26

Notes:

1	Net cash used in operating activities includes the following:-		
	Interest Received	8.98	9.07
	Interest Paid on Borrowings	(77.02)	(73.25)
2	Previous year figures have been regrouped/reclassified, wherever applicable.		
	Significant Accounting Policies	2	

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

In terms of our report attached
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar
Partner

Mumbai, 12th June, 2020

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

Ajay Srinivasan
Chief Executive Officer

Pinky Mehta
Chief Financial Officer
Mumbai, 5th June, 2020

P. H. Ravi Kumar
Director
(DIN: 00280010)

Sailesh Daga
Company Secretary

S. C. Bhargava
Director
(DIN: 00020021)

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2020

(A) EQUITY SHARE CAPITAL

₹ crore

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the Year	2,201.40	2,201.04
Issued during the year	212.36	0.36
Balance at the end of the Year	2,413.76	2,201.40

(B) OTHER EQUITY

₹ crore

Particulars	Share Application Pending for Allotment	Special Reserve	Capital Reserve	Securities Premium Reserve	General Reserve	Other Reserves Share Option Outstanding Account	Retained Earnings Surplus as per the Statement of Profit and Loss	Equity attributable to Shareholders of the Company
Balance as at 1st April, 2018	-	13.14	801.35	4,142.20	-	82.41	(28.84)	5,010.26
Loss for the Year	-	-	-	-	-	-	(9.60)	(9.60)
Comprehensive Income/(Loss) during the Year	-	-	-	-	-	-	0.03	0.03
Total Comprehensive Income	-	-	-	-	-	-	(9.57)	(9.57)
Employee Stock Options Amortisation during the Year	-	-	-	-	-	92.59	-	92.59
Securities Premium on ESOPs Exercised	-	-	-	0.32	-	-	-	0.32
Transferred from Share Option Outstanding on ESOPs Exercised	-	-	-	1.77	-	(1.77)	-	-
Balance as at 31st March, 2019	-	13.14	801.35	4,144.29	-	173.23	(38.41)	5,093.60
Balance as at 1st April, 2019	-	13.14	801.35	4,144.29	-	173.23	(38.41)	5,093.60
Profit/(Loss) for the Year	-	-	-	-	-	-	29.85	29.85
Comprehensive (Loss)/Income during the Year	-	-	-	-	-	-	(0.46)	(0.46)
Total Comprehensive Income	-	-	-	-	-	-	29.39	29.39
Application Money Received*	β	-	-	-	-	-	-	β
Transfer to Special Reserve from the Statement of Profit and Loss	-	5.88	-	-	-	-	(5.88)	-
Employee Stock Options Amortisation for the Year	-	-	-	-	-	33.02	-	33.02
Transfer to General Reserve on ESOPs Lapses	-	-	-	-	5.16	(5.16)	-	-
Securities Premium on Issue of Equity Shares	-	-	-	1,890.00	-	-	-	1,890.00
Transferred from Share Option Outstanding on ESOPs Exercised	-	-	-	28.09	-	(28.09)	-	-
Transition Impact of Lease (Ind AS 116)	-	-	-	-	-	-	(0.18)	(0.18)
Share Issue Expenses Netted Off	-	-	-	(2.87)	-	-	-	(2.87)
Balance as at 31st March, 2020	-	19.02	801.35	6,059.51	5.16	173.00	(15.08)	7,042.96
Significant Accounting Policies	2							
The accompanying Notes are an integral part of the Financial Statements.								
*Amount less than ₹ 50,000 shown as β								

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

ICAI Firm Registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar
Partner

For and on behalf of the Board of Directors of

Aditya Birla Capital Limited

Ajay Srinivasan
Chief Executive Officer

P. H. Ravi Kumar
Director
(DIN: 00280010)

S. C. Bhargava
Director
(DIN: 00020021)

Pinky Mehta
Chief Financial Officer

Sailesh Daga
Company Secretary

Mumbai, 12th June, 2020

Mumbai, 5th June, 2020

NOTES

forming part of the Standalone Financial Statements for the year ended 31st March, 2020

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Aditya Birla Capital Limited (“the Company”) is a listed public company having its registered office at Indian Rayon Compound, Veraval – 362 266, Gujarat. The Company currently operates as a Non-Deposit Taking Systemically Important Core Investment Company (“CIC-ND-SI”) registered with the RBI vide certificate no. B.01.00555 dated 16th October, 2015. The Company is a majority owned subsidiary of Grasim Industries Limited.

Information on other related party relationship of the Company is provided Note No. 35.

The financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under Section 133 of the Companies Act, 2013 (the “Act”), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The financial statements are authorised for issue by the Board of Directors of the Company at its meeting held on 5th June, 2020.

The financial statements have been prepared and presented on the going concern basis and at historical cost, except for the following assets and liabilities, which have been subsequently measured at fair value:

- Derivative Financial Instruments measured at fair value.
- Certain financial assets and liabilities at fair value.
- Employee’s Defined Benefits Plans as per actuarial valuation.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Presentation of Financial Statements

The Company presents its financial statements to comply with Division III of Schedule III of the Companies Act, 2013, which provides general instructions for the preparation of financial statements of a non-banking financial company (NBFC to comply with Ind AS) and the requirements of Ind AS. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note No. 40.

Financial assets and financial liabilities are generally reported gross in the Balance Sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default

2.2 Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

2.3 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are added to the fair value. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments, mutual funds at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt Instruments at Amortised Cost

A ‘debt instrument’ is measured at the amortised cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income

NOTES

forming part of the Standalone Financial Statements for the year ended 31st March, 2020

in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt Instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI, if both of the following criteria are met:

- a) The objective of the business model is achieved, both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially, as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt Instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

Investments in Subsidiaries, Associates and Joint Ventures are out of scope of Ind AS 109 and, hence, the Company has accounted for its investments in Subsidiaries, Associates and Joint Ventures at cost.

All other equity investments are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For equity instruments, other than held for trading, the Company has irrevocable option to present in OCI, subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Where the Company classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Impairment of Financial Assets

The Company recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers;
- Debt investment securities;
- Trade and other receivables;
- Lease receivables;
- Irrevocable loan commitments issued; and
- Financial guarantee contracts issued.

With the exception of Purchased or Originated Credit-Impaired (POCI) financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e., that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e., lifetime ECL that result from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition (and consequently for credit impaired financial assets). For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Company's policy is always to measure loss allowances for lease receivables as lifetime ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

- for undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Company, if the holder of the commitment draws down the loan, and the cash flows that the Company expects to receive, if the loan is drawn down; and

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forming part of the Standalone Financial Statements for the year ended 31st March, 2020

- for financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Company expects to receive from the holder, the debtor or any other party.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Credit-impaired Financial Assets

A financial asset is 'credit-impaired' when one or more events, that have a detrimental impact on the estimated future cash flows of the financial asset, have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event, instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that, as a result of granting the concession, the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets, where concessions are contemplated but not granted, the asset is deemed credit-impaired when there is observable evidence of credit-impairment, including meeting the definition of default. The definition of default (see below) includes unlikelihood

to pay indicators and a back-stop, if amounts are overdue for 90 days or more.

Purchased or Originated Credit-Impaired (POCI) Financial Assets

POCI financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Company recognises all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognised in the Statement of Profit and Loss. A favourable change for such assets creates an impairment gain.

Definition of Default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD), which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Company considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Company; or
- the borrower is unlikely to pay its credit obligations to the Company in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

When assessing, if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example, in corporate lending a qualitative indicator used is the admittance of bankruptcy petition by National Company Law Tribunal (NCLT), which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty, are key inputs in this analysis. The Company uses a variety of sources of information to assess default, which are either developed internally or obtained from external sources. The definition of default is applied consistently to all financial instruments, unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial instrument.

Significant Increase in Credit Risk

The Company monitors all financial assets, issued irrevocable loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Company will measure the loss allowance based on lifetime rather than 12-month

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forming part of the Standalone Financial Statements for the year ended 31st March, 2020

ECL. The Company's accounting policy is not to use the practical expedient that the financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Company monitors all financial assets, issued irrevocable loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the probability of default (PD) will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

Modification and Derecognition of Financial Assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan may constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately, but may affect the cash flows depending on whether the covenant is or is not met (e.g., a change to the increase in the interest rate that arises when covenants are breached).

The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where, although, the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened, and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified the Company assesses whether this modification results in derecognition. In accordance with the Company's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms, the Company considers the following:

- Qualitative factors, such as contractual cash flows after modification, are no longer SPPI,
- change in currency or change of counterparty,
- the extent of change in interest rates, maturity, covenants.
- If these do not clearly indicate a substantial modification, then;
 - A. In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL, except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default, which has not been reduced by the modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.
 - B. When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:
 - the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
 - the remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Company's ability to collect the modified cash flows taking into account the Company's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance

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forming part of the Standalone Financial Statements for the year ended 31st March, 2020

against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL, when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition, the Company calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance).

Then the Company measures ECL for the modified asset, where the expected cash flows, arising from the modified financial asset, are included in calculating the expected cash shortfalls from the original asset.

The Company derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in the Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss.

On derecognition of a financial asset other than in its entirety (e.g., when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in the Statement of Profit and Loss. A cumulative gain/loss that

had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss.

Write-off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts, subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to the financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

Presentation of Allowance for ECL in the Statement of Balance Sheet

Loss allowances for ECL are presented in the Balance Sheet as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets; and
- for debt instruments measured at FVTOCI: no loss allowance is recognised in the Balance Sheet as the carrying amount is at fair value.

Where a financial instrument includes both a drawn and an undrawn component, and the Company cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Company presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component.

De-recognition of Financial Assets

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises an associated liability.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in

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forming part of the Standalone Financial Statements for the year ended 31st March, 2020

other comprehensive income and accumulated in equity, is recognised in profit and loss, if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial assets.

On de-recognition of a financial asset other than in its entirety (e.g., when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial assets between the part it continues to recognise under continuing involvement, and the part is no longer recognises on the basis of relative fair values of those parts on the date of transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial Liabilities and Equity Instruments

Classification as Debt or Equity

Debt and equity instruments, issued by the Company, are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are classified, at initial recognition:

- at fair value through profit or loss,
- Loans and borrowings,
- Payables, or
- as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, are recognised net of directly attributable transaction costs.

The Company's financial liabilities include trade and other

payables, loans and borrowings, including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent Measurements

The measurement of financial liabilities depends on its classification, as described below:

Financial Liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company, that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities, designated upon initial recognition at FVTPL, are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are de-recognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition of Financial Liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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2.4 Fair Value Measurements

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities (for which fair value is measured or disclosed in the financial statements) are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities, which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

2.5 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

2.6 Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects, if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

The Company, based on technical assessment made by the Management, depreciates the building over estimated useful lives of 60 years. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Asset Category	Useful Life as Prescribed by Schedule II of the Companies Act, 2013	Estimated Useful Life
Investment Properties	60 Years	60 Years

Though the Company measures investment properties using cost-based measurement, the fair value of investment property is disclosed in Note No. 52. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

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2.7 Property, Plant and Equipment (PPE) and Depreciation

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1st April, 2017, measured as per the previous GAAP, and use that carrying value as the deemed cost of the property, plant and equipment.

Property, plant and equipment are stated at acquisition or construction cost less accumulated depreciation and impairment loss. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods, and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repair and maintenance, expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Depreciation on tangible fixed assets is provided on Straight-Line Method using the rates arrived at based on the useful lives as specified in the Schedule II of the Companies Act, 2013, or estimated by the Management. The Company has used the following useful life to provide depreciation on its property, plant and equipment.

Asset Category	Useful Life as Prescribed by Schedule II of the Companies Act, 2013	Estimated Useful Life
Office equipment (computers)	3 Years	4 Years
Vehicles	6 Years	4 Years
Furniture and Fixtures	10 Years	5 Years

Useful life of assets different from the corresponding life specified in Schedule II has been estimated by the Management supported by technical assessments.

The estimated useful lives and residual values of the property, plant and equipment are reviewed at the end of each financial year.

Property, plant and equipment, individually costing less than Rupees five thousand, are fully depreciated in the year of purchase.

Depreciation on the property, plant and equipment added/discharged off/discarded during the year is provided from/upto the date when added/discharged off/discarded.

Gains or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

2.8 Intangible Assets and Amortisation

On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognised as at 1st April, 2017, measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss, unless such expenditure forms part of carrying value of another asset. Intangible assets are amortised on a straight-line basis over their estimated useful lives.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

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Intangible Assets and their useful lives are as under:

Assets	Estimate Useful Life
Exclusive Images	3 Years
Computer Software	3 Years

The estimated useful lives of the intangible assets and the amortisation period are reviewed at the end of each financial year, and the amortisation period is revised to reflect the changed pattern, if any.

Research and Development Costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefits. Amortisation expenses are recognised in the Statement of Profit and Loss, unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

2.9 Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment, at least annually, and whenever there is an indication then the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.10 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets, and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Finance Lease

The Company as a Lessee

Leases, where substantially all the risks and benefits incidental to ownership of the leased item are transferred to the Lessee, are classified as finance lease. The assets acquired under finance lease are capitalised at lower of fair value and present value of the minimum lease payments at the inception of the lease and disclosed as leased assets. Such assets are amortised over the period of lease or estimated life of such asset, whichever is less. Lease payments are apportioned between the finance charges and reduction of the lease liability based on implicit rate of return. Lease management fees, lease charges and other initial direct costs are capitalised.

Operating Lease

The Company as a Lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses

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whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset; (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes right-of-use ("ROU") asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis, unless the asset generates cash flows that are largely dependent of those from other assets. In such cases, the recoverable amount is determined for the Cash-Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use asset, if the Company changes its assessment on exercise of an extension or a termination option.

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

The Company as a Lessor

Leases, for which the Company is a lessor, is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

2.11 Employee Benefits

Short-Term Employee Benefits

Liabilities for salaries and wages, including non-monetary benefits and accumulating leave balance in respect of employees' services up to the end of the reporting period, are recognised as liabilities (and expensed) and are measured at the amounts expected to be paid when the liabilities are settled.

The Company also recognises a liability and records an expense for bonuses (including performance-linked bonuses) where contractually obliged or where there is a past practice that has created a constructive obligation.

Defined Contribution Plans

Provident Fund: The Company makes defined contributions to employee provident fund and employee pension schemes administered by government organisations, set up under the applicable statute.

Superannuation Fund: Superannuation schemes administered by a trust set up by Grasim Industries Limited ("the Holding Company").

Defined Benefits Plans (Gratuity Obligation)

The obligation in respect of defined benefits plans, which covers Gratuity, which is provided for on the basis of an actuarial valuation at the end of each financial year. Gratuity is funded with an approved trust.

In respect of Gratuity being post-retirement benefits, re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the Statement of Profit and Loss.

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Past service costs are recognised in the Statement of Profit and Loss, on the earlier of:

- the date of the plan amendment or curtailment, and
- the date that the Company recognises related restricting costs.

The Company recognises the following changes in the net defined benefit obligation under employee benefit expenses in the Statement of Profit and Loss:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); and
- net interest expense or income.

The Company presents the above two components of defined benefit costs in the Statement of Profit and Loss in the line item 'Employee Benefits Expense'.

The present value of the defined benefit plans liability is calculated using a discount rate, which is determined by reference to market yields at the end of the reporting period on government bonds.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

Other Long-Term Benefits

The expected costs of other long-term employee benefits such as long-term service incentive plan benefits (not being share-based payments) are accrued over the period of employment using the same accounting methodology as used for defined 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.

2.12 Employee Share-Based Payments

Equity-Settled Transactions

Equity-settled share-based payments to employees are measured by reference to the fair value of the equity instruments at the grant date using Black-Scholes Model.

The fair value, determined at the grant date of the equity-settled share-based payments, is charged to profit and loss on the straight-line basis over the vesting period of the option, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

In case of forfeiture/lapse stock option, which is not vested, amortised portion is reversed by credit to employee

compensation expense. In situation where the stock option expires unexercised, the related balance standing to the credit of the Employee Stock Options Outstanding Account is transferred within equity.

2.13 Foreign Currency Transactions

In preparing the financial statements of the Company, transactions in foreign currencies are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which these arise, except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences relating to qualifying effective cash flow hedges; and
- exchange difference arising on re-statement of long-term monetary items that in substance forms part of the Company's net investment in foreign operations, is accumulated in Foreign Currency Translation Reserve (component of OCI), until the disposal of the investment, at which time such exchange difference is recognised in the Statement of Profit and Loss.

2.14 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

- Dividend income is accounted for when the right to receive the income is established, which generally when the shareholders approves the dividend.
- Interest income is accounted for all financial instruments measured at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVTPL is recognised using the contractual interest rate in net gain on fair value changes.

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2.15 Borrowing Costs

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such assets up to the date when such assets are ready for its intended use.

Other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

2.16 Provision for Current and Deferred Tax

Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961, and the rules framed thereunder.

Deferred tax is recognised using the Balance Sheet approach on the temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset, if there is a legally enforceable right to offset current tax liabilities and assets, and these relate to income taxes levied by the same tax authority and are intended to settle current tax liabilities and assets on a net basis, or such tax assets and liabilities will be realised simultaneously.

In the event of unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets are recognised to the extent that it is probable that sufficient future taxable income will be available to realise such assets.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Current and deferred tax are recognised in the Statement of Profit and Loss, except when the same relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax relating to such items are also recognised in other comprehensive income or directly in equity, respectively.

2.18 Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

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

2.19 Statement of Cash Flows

Statement of Cash Flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The Statement of Cash Flows from operating, investing and financing activities of the Company are segregated.

2.20 Earnings Per Share (EPS)

The basic EPS is computed by dividing the profit after tax for the year attributable to the equity shareholders by the weighted-average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, profit after tax for the year attributable to the equity shareholders and the weighted-average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.21 Significant Accounting Judgments, Estimates and Assumptions

The preparation of financial statements, in conformity with the Ind AS, requires judgments, estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements.

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Although these estimates are based on the Management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results, and estimates are recognised in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Judgments

Aditya Birla Capital Limited holds either directly or through its subsidiaries, more than half of the equity shareholding in the following entities. However, as per the shareholders' agreement/statute, the Company needs to jointly decide with other shareholders of the respective entity on certain relevant activities.

Hence, the same are being accounted as per equity method of accounting.

- a) Aditya Birla Sun Life AMC Limited (Formerly Known as Birla Sun Life Asset Management Company Limited)
- b) Aditya Birla Sun Life Trustee Company Private Limited (Formerly Known as Birla Sun Life Trustee Company Private Limited.)
- c) Aditya Birla Wellness Private Limited

Estimates and Assumptions

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

Useful Lives of Property, Plant and Equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the Management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

Measurement of Defined Benefits Obligations

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination

of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Recognition of Deferred Tax Assets

Availability of future taxable profit against which the tax losses carried forward can be used.

Recognition and Measurement of Provisions and Contingencies

Key assumptions about the likelihood and magnitude of an outflow of resources.

Fair Value Measurement of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable market, where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include consideration of input such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Share-Based Payments

The Company measures the cost of equity-settled transactions with employees using Black-Scholes Model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Impairment of Financial Assets

The measurement of impairment losses across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgments and estimates include:

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- a. The Company's internal credit grading model, which assigns PDs to the individual grades.
- b. The Company's criteria for assessing, if there has been a significant increase in credit risk and so allowances for financial assets, should be measured on a LTECL basis and the qualitative assessment.
- c. The segmentation of financial assets when their ECL is assessed on a collective basis.
- d. Development of ECL models, including the various formulas and the choice of inputs.
- e. Determination of associations between macroeconomic scenarios and economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs.
- f. Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

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

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NOTE: 3 CASH AND CASH EQUIVALENTS

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Cash on Hand*	-	β
Balances with Banks		
Current Accounts	1.21	4.26
Deposit Accounts (with original maturity period of 3 months or less)	5.00	-
	6.21	4.26

*Amount less than ₹ 50,000 shown as β

NOTE: 4 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Money Due for Refund on Fractional Shares	0.26	0.26
	0.26	0.26

NOTE: 5 RECEIVABLES

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
i) Trade Receivables	-	-
ii) Other Receivables		
(Carried at Amortised Cost, except otherwise stated)		
Receivables from Related Parties	14.83	11.26
	14.83	11.26

NOTE: 6 LOANS

(Carried at Amortised Cost, except otherwise stated)

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Unsecured, Considered Good		
Security Deposits	2.84	2.65
Inter-Corporate Deposits (including Accrued Interest thereon)	20.15	115.48
Loans to Related Parties	-	10.11
Less: Impairment Loss Allowance	(0.08)	(7.40)
	22.91	120.84

NOTES

forming part of the Standalone Financial Statements for the year ended 31st March, 2020

NOTE: 7 INVESTMENTS

Particulars	As at		₹ crore	
	31st March, 2020	31st March, 2019	As at 31st March, 2019	As at 31st March, 2019
A. Investments in Subsidiaries Equity Instruments (At Cost)				
Quoted Investments				
Aditya Birla Money Limited (Refer Note No. 43)	248.30		248.30	
Less : Diminution in investment of Aditya Birla Money Limited	41.59	206.71	12.42	235.88
Unquoted Investments				
Aditya Birla PE Advisors Private Limited		3.50		3.50
Aditya Birla Financial Shared Service Limited		0.05		0.05
Aditya Birla Capital Technology Services Limited (Formerly known as Aditya Birla MyUniverse Limited) (Refer Note No. 47 and 48)	9.27		71.11	
Less : Diminution in Investment of Aditya Birla Capital Technology Services Limited (Formerly known as Aditya Birla MyUniverse Limited)	3.00	6.27	24.00	47.11
Aditya Birla Trustee Company Private Limited		0.05		0.05
Aditya Birla Insurance Brokers Limited		0.30		0.30
Aditya Birla Finance Limited (Refer Note No. 47)		5,612.65		5,463.62
Aditya Birla Money Mart Limited	93.20		0.10	
Less : Diminution in Investment of Aditya Birla Money Mart Limited	0.06	93.14	0.06	0.04
Aditya Birla Housing Finance Limited		1,217.66		1,117.66
Aditya Birla Sun Life Insurance Company Limited		1,206.93		1,206.93
Aditya Birla Health Insurance Co. Limited		466.11		284.55
ABCAP Trustee Company Private Limited		0.03		0.03
Aditya Birla ARC Limited		100.00		100.00
Aditya Birla Stressed Asset AMC Private Limited		14.80		0.25
Equity Component for Investment in Preference Shares of Aditya Birla Money Mart Limited	0.06		0.06	
Less : Impairment of Equity Component of Preference Shares of Aditya Birla Money Mart Limited	0.04	0.02	0.04	0.02
Total Subsidiary Equity Investments (A)		8,928.22		8,459.99
B. Investments in Joint Venture Equity Instruments (At Cost)				
Aditya Birla Sun Life AMC Limited		33.71		33.71
Aditya Birla Sun Life Trustee Private Limited		0.02		0.02
Aditya Birla Wellness Private Limited		17.75		17.75
Total Joint Venture Equity Investments (B)		51.48		51.48
C. Investments in Preference Shares (At Amortised Cost)				
8% Cumulative Redeemable Preference Shares of Aditya Birla Finance Limited		0.66		10.81
8% Redeemable Non-Convertible Non-Cumulative Preference Shares of Aditya Birla Money Limited		50.74		47.18
0.01% Redeemable Non-Convertible Cumulative Preference Shares of Aditya Birla Money Mart Limited	0.16		0.15	
Less : Diminution in Investment of Aditya Birla Money Mart Limited	0.14	0.02	0.13	0.02
Total Preference Investments (C)		51.42		58.01
D. Investments in Debentures (At Amortised Cost)				
Unquoted Investments				
0.1% Compulsory Convertible Debentures (CCD) :				
Aditya Birla Money Mart Limited (Refer Note No. 49)		36.79		33.75
Aditya Birla Finance Limited		33.93		31.13
Total Debenture Investments (D)		70.72		64.88

NOTES

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Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
E. Investments in Preference Shares and Private Equity Fund		
Unquoted Investments - (FVTPL)		
0.001% Compulsory Convertible Cumulative Preference Shares of Aditya Birla Capital Technology Services Limited (Formerly known as Aditya Birla MyUniverse Limited) (Refer Note Nos. 47 and 48)	14.98	60.00
0.01% Compulsory Convertible Preference Shares of Aditya Birla ARC Limited	5.00	-
Investment in Aditya Birla Private Equity - Fund I	-	0.33
(E)	19.98	60.33
F. Investments in Mutual Funds		
Unquoted Investments - (FVTPL)		
Aditya Birla Sun Life Cash Plus - Growth Units - 12,706,478.059 (31st March, 2019 Units 448,927.318)	406.07	14.49
Aditya Birla Sun Life Liquid Fund - Growth Units - 7,780.421 (31st March, 2019 Units NIL)	0.25	-
(F)	406.32	14.49
Total Investments (A)+(B)+(C)+(D)+(E)+(F)	9,528.14	8,709.18
Total Investments at Cost	8,979.70	8,511.47
Total Investments at Amortised Cost	122.14	122.89
Total Investments at FVTPL	426.30	74.82

Note :

- Aggregate Amount of Quoted Investment ₹ 206.71 Crore (31st March, 2019 ₹ 235.88 Crore) Market Value of ₹ 81.02 Crore (31st March, 2019 ₹ 195.91 Crore)
- Aggregate Book Value of Unquoted Investment ₹ 9,321.43 Crore (31st March, 2018 ₹ 8,473.30 Crore)
- Aggregate Amount of Diminution in Value of Investment ₹ 44.83 Crore (31st March, 2019 ₹ 36.65 Crore)
- All above investments are in India itself.

NOTE: 8 INVESTMENT PROPERTIES

Investment Property	₹ crore	
	Amount	
Gross Block		
As at 1st April, 2018		-
Additions during the year		-
Deletions during the year		-
Reclassify as Investment Properties (Refer Note No. 52)		16.87
As at 31st March, 2019		16.87
Additions during the year		-
Deletions during the year		-
As at 31st March, 2020		16.87
Accumulated Depreciation		
As at 1st April, 2018		-
Depreciation Expenses for the year		0.43
Deletions during the year		-
Reclassify as Investment Properties (Refer Note No. 52)		0.33
As at 31st March, 2019		0.76
Depreciation Expenses for the year		0.43
Deletions during the year		-
Reclassify as Investment Properties (Refer Note No. 52)		-
As at 31st March, 2020		1.19
Net Block as at 31st March, 2020		15.68
Net Block as at 31st March, 2019		16.11

NOTES

forming part of the Standalone Financial Statements for the year ended 31st March, 2020

NOTE: 9 PROPERTY, PLANT AND EQUIPMENT

Particulars					₹ crore
	Buildings	Furniture & Fixtures	Office Equipment	Vehicles	Total
Gross Block					
As at 1st April, 2018	16.87	6.46	1.71	4.38	29.42
Additions during the year	-	0.04	0.11	0.41	0.56
Deletions during the year	-	0.01	-	0.61	0.62
Reclassify as Investment Properties (Refer Note No. 52)	16.87	-	-	-	16.87
As at 31st March, 2019	-	6.49	1.82	4.18	12.49
Additions during the year	-	-	0.10	0.60	0.70
Deletions during the year	-	-	0.02	0.68	0.70
As at 31st March, 2020	-	6.49	1.90	4.10	12.49
Accumulated Depreciation					
As at 1st April, 2018	0.33	0.31	0.43	0.79	1.86
Depreciation Expenses for the year	-	1.23	0.49	1.06	2.78
Deletions during the year	-	-	-	0.08	0.08
Reclassify as Investment Properties (Refer Note No. 52)	0.33	-	-	-	0.33
As at 31st March, 2019	-	1.54	0.92	1.77	4.23
Depreciation Expenses for the year	-	1.23	0.46	1.10	2.79
Deletions during the year	-	-	0.01	0.52	0.53
As at 31st March, 2020	-	2.77	1.37	2.35	6.49
Net Block as at 31st March, 2020	-	3.72	0.53	1.75	6.00
Net Block as at 31st March, 2019	-	4.95	0.90	2.41	8.26

NOTE: 10 INTANGIBLE ASSETS

Particulars			₹ crore
	Exclusive Images	Computer Software	Total
Gross Block			
As at 1st April, 2018	4.94	2.17	7.11
Additions during the year	-	0.33	0.33
Deletions during the year	-	-	-
As at 31st March, 2019	4.94	2.50	7.44
Additions during the year	-	0.15	0.15
Deletions during the year	-	-	-
As at 31st March, 2020	4.94	2.65	7.59
Accumulated Amortisation			
As at 1st April, 2018	0.29	0.81	1.10
Depreciation Expenses for the year	1.65	0.91	2.56
Deletions during the year	-	-	-
As at 31st March, 2019	1.94	1.72	3.66
Depreciation Expenses for the year	1.65	0.42	2.07
Deletions during the year	-	-	-
As at 31st March, 2020	3.59	2.14	5.73
Net Block as at 31st March, 2020	1.35	0.51	1.86
Net Block as at 31st March, 2019	3.00	0.78	3.78

Foot Note:

The Company does not have any Internally Generated Intangible Assets.

NOTES

forming part of the Standalone Financial Statements for the year ended 31st March, 2020

NOTE: 11 OTHER NON-FINANCIAL ASSETS

(Unsecured, except otherwise stated)

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Advance for Expenses	0.51	-
Deferred Rent Expenses	-	0.39
Prepaid Expenses	1.84	1.97
Gratuity Fund Receivables	9.15	8.23
	11.50	10.59

NOTE: 12 DEBT SECURITIES

(Carried at Amortised Cost)

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Unsecured		
Commercial Papers	-	1,439.88
	-	1,439.88
Debt Securities:		
In India	-	1,439.88
Outside India	-	-

NOTE: 13 OTHER FINANCIAL LIABILITIES

(Carried at Amortised Cost, except otherwise stated)

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Money Due for Refund for ESOP Exercise*	β	-
Lease Rental Deposits	0.25	0.25
Payables Related to Employees	18.19	21.79
	18.44	22.04

*Amount less than ₹ 50,000 shown as β

NOTE: 14 PROVISIONS

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
For Employee Benefits		
Compensated Absence	2.11	2.15
Gratuity (Funded)	11.65	8.71
Long-Term Incentive Plan	21.19	17.38
	34.95	28.24

NOTES

forming part of the Standalone Financial Statements for the year ended 31st March, 2020

NOTE: 15 DEFERRED TAX LIABILITIES (NET)

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Deferred Tax Liabilities		
Equity Shares of Aditya Birla Finance Limited	98.81	100.61
Investment Properties	2.63	3.04
Gain on Fair Valuation of Investments in Units of Mutual Fund	0.67	-
Income from Preference Shares and Debentures held at Amortised Cost based on Effective Interest Rate	1.95	-
Gross Deferred Tax Liabilities	104.06	103.65
Deferred Tax Assets		
Unabsorbed Depreciation	0.95	-
Depreciation/Amortisation	1.14	-
Leave Encashment	0.53	-
Gross Deferred Tax Assets	2.62	-
Deferred Tax (Assets)/Liabilities (Net)	101.44	103.65

Basis amendment in Section 10(34) of the Income tax Act, w.e.f. AY 2021-22 that dividend income will be taxable in the hands of the Company, and therefore, it will have future taxable profits against which the unabsorbed depreciation would be set off. Accordingly, the Company has recognised Deferred Tax Asset on such unabsorbed depreciation and other items. However, no Deferred Tax Asset is recognised on brought forward business losses aggregating to ₹ 100.41 Crore and long-term capital loss of ₹ 35.58 Crore on conservative basis.

Deferred Tax Liabilities		
Gain on Fair Valuation of Investments in Units of Mutual Fund	-	0.01
Income from Preference Shares and Debentures held at Amortised Cost based on Effective Interest Rate	-	9.56
Gross Deferred Tax Liabilities	-	9.57
Deferred Tax Assets		
Unabsorbed Depreciation	-	0.35
Carry Forward Losses	-	21.95
Depreciation/Amortisation	-	0.80
Leave Encashment	-	0.63
Gross Deferred Tax Assets	-	23.73
Deferred Tax (Assets)/Liabilities (Net)*	-	(14.16)

* Hitherto, in terms of the provisions of the Income-tax Act, 1961, since the income by way of dividends from the investments of the Company was exempt, the Company did not have taxable profits, and had unabsorbed depreciation and carried forward business losses and capital losses. In the absence of future taxable profits against which the unused tax losses by way of unabsorbed depreciation and carried forward business losses and capital losses could be utilised, the Company did not recognise any Deferred Tax Assets/Liabilities.

NOTE: 16 OTHER NON-FINANCIAL LIABILITIES

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Statutory Dues	4.60	1.60
Employee's Deposit - OYCS Scheme	0.02	0.02
Unpaid Fractional Warrant FY 2017	0.26	0.26
	4.88	1.88

NOTES

forming part of the Standalone Financial Statements for the year ended 31st March, 2020

NOTE: 17 SHARE CAPITAL

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Authorised:		
4,000,000,000 (Previous Year 4,000,000,000) Equity Shares of ₹ 10/- each	4,000.00	4,000.00
	4,000.00	4,000.00
Issued, Subscribed and Paid-up:		
Equity Share Capital		
2,413,760,708 (Previous Year 2,201,404,363) Equity Shares of ₹ 10/- each fully paid-up	2,413.76	2,201.40
Share Capital	2,413.76	2,201.40

1) Reconciliation of the Number of Shares Outstanding at the beginning and at the end of the year

Sr. No.	Description	₹ crore	
		As at 31st March, 2020	As at 31st March, 2019
		Equity Shares	Equity Shares
1	Number of Shares Outstanding at the beginning of the year	2,201,404,363	2,201,039,348
2	Allotment of fully Paid-up Shares during the year	212,356,345	365,015
	a) Preferential Allotment (Refer Note No. 44)	210,000,000	-
	b) ABCL ESOP 2017 (Refer Note No. 34)	299,422	335,815
	c) Employee Stock Option Plan (Refer Note No. 33)	2,056,923	29,200
3	Number of Shares Outstanding at the end of the year	2,413,760,708	2,201,404,363

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, 2020		As at 31st March, 2019	
		No. of Shares Held	% of Total Paid-up Equity Share Capital	No. of Shares Held	% of Total Paid-up Equity Share Capital
1	Grasim Industries Limited	1,309,240,000	54.24%	1,232,240,000	55.98%

4) During the last five years there were no Bonus Shares were issued.

5) The Shares reserved for issue under Employee Stock Option Plan (ESOP) of the Company (Refer Note Nos. 33 and 34)

NOTES

forming part of the Standalone Financial Statements for the year ended 31st March, 2020

NOTE: 18 OTHER EQUITY

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
1) Share Application Pending for Allotment		
Opening Balance	-	-
Addition:		
Application Money Received*	β	-
*Amount less than ₹ 50,000 shown as β		
2) Special Reserve/Statutory Reserve		
Opening Balance (Refer Foot Note (a))	13.14	13.14
Addition:		
Transfer from Surplus in the Statement of Profit and Loss	5.88	-
	19.02	13.14
3) Capital Reserve	801.35	801.35
4) Securities Premium		
Opening Balance	4,144.29	4,142.20
Addition:		
Issue of Equity Shares (Refer Note No. 44)	1,890.00	-
Securities Premium on ESOP Exercised	-	0.32
Transferred from Share Option Outstanding on ESOPs Exercised	28.09	1.77
Deletion:		
Share Issue Expenses	2.87	-
	6,059.51	4,144.29
5) Share Option Outstanding Account		
Opening Balance	173.23	82.41
Addition:		
Employee Stock Options Amortisation for the year (Refer Note No. 33)	33.02	92.59
Deduction:		
Transferred to Securities Premium on ESOPs Exercised	28.09	1.77
Transfer to General Reserve on Account of Lapse of Vested Options	5.16	-
	173.00	173.23
6) General Reserve		
Opening Balance	-	-
Addition:		
Transfer from Share Option Outstanding Account on Account of Lapse of Vested Options	5.16	-
	5.16	-
7) Surplus/(Deficit) in the Statement of Profit and Loss		
Opening Balance	(38.41)	(28.84)
Addition:		
Profit/(Loss) for the year	29.85	(9.60)
Other Comprehensive (Loss)/Income for the year arising from remeasurement Gain/(Loss) on Defined Benefit Plans	(0.46)	0.03
Less: Appropriations :		
Transfer to Special Reserve	5.88	-
Transition Impact of Lease (Ind AS 116) (Refer Note No. 31)	0.18	-
	(15.08)	(38.41)
Total Other Equity	7,042.96	5,093.60

(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.

NOTES

forming part of the Standalone Financial Statements for the year ended 31st March, 2020

NOTE: 19 INTEREST INCOME

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest on Loans		
On Financial Assets Measured at Amortised Cost	8.98	9.07
Interest Income from Investments		
On Financial Assets classified at Fair Value Through Profit or Loss	10.12	9.38
	19.10	18.45

NOTE: 20 DIVIDEND INCOME

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
On Financial Assets Classified at Fair Value Through Profit or Loss (FVTPL)		
From Joint Ventures	168.30	153.00
From Subsidiaries	7.42	9.21
	175.72	162.21

NOTE: 21 NET (LOSS)/GAIN ON FAIR VALUE CHANGES

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Net (Loss)/Gain on Financial Instruments at Fair Value Through Profit or Loss (FVTPL)		
Investment at FVTPL	5.00	(2.88)
	5.00	(2.88)
Fair Value Changes :		
Realised	2.59	1.09
Unrealised	2.41	(3.97)
	5.00	(2.88)

NOTE: 22 OTHER INCOME

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest Income		
On Income Tax Refund	0.66	0.35
On Financial Assets Held at Amortised Cost	0.27	0.21
Profit on Sale of Property, Plant and Equipment	0.03	0.02
Rent Income on Investment Properties	0.50	0.13
	1.46	0.71

NOTE: 23 FINANCE COSTS

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest on Fair Value Held at Amortised Cost		
Debt Securities	76.99	88.53
Interest on Lease Liabilities	0.21	-
	77.20	88.53
Less : Recovery of Expenses	(0.18)	-
	77.02	88.53

NOTES

forming part of the Standalone Financial Statements for the year ended 31st March, 2020

NOTE: 24 IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
On Loans Held at Amortised Cost	(0.05)	0.18
	(0.05)	0.18

NOTE: 25 EMPLOYEE BENEFITS EXPENSES

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Salaries and Wages	71.91	77.71
Contribution to Provident and Other Funds (Refer Note No. 36 (B))	2.77	2.66
Contribution to Gratuity Fund (Refer Note No 36)	1.03	0.98
Expense on Employee Stock Options Scheme (Refer Note No. 33)	13.66	28.17
Staff Welfare Expenses	0.48	0.32
	89.85	109.84
Less : Recovery of Expenses	(67.82)	(82.79)
	22.03	27.05

NOTE: 26 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Depreciation on Property, Plant and Equipment	2.79	2.78
Depreciation on Investment Properties	0.43	0.43
Amortisation on Intangible Assets	2.06	2.56
Amortisation on Lease Assets	3.15	-
	8.43	5.77
Less: Recovery of Expenses	(7.15)	(4.90)
	1.28	0.87

NOTE: 27 OTHER EXPENSES

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Rent	0.69	4.40
Repairs and Maintenance	1.58	1.45
Insurance	1.12	0.86
Rates and Taxes	0.77	0.72
Advertisement and Sales Promotion Expenses	39.53	35.30
Legal and Professional Expenses	4.48	7.53
Auditors' Remuneration (Refer Note No. 32)	0.77	0.81
Directors' Sitting Fees	0.16	0.17
Travelling and Conveyance	1.86	1.45
Printing and Stationery	1.38	1.44
Communication Expenses	0.27	0.26
Electricity Charges	0.30	0.34
Listing Expenses	1.00	0.85
Postage Expenses	0.84	1.67
Miscellaneous Expenses	4.15	3.37
	58.90	60.62
Less: Recovery of Expenses	(14.72)	(17.44)
Total	44.18	43.18

NOTES

forming part of the Standalone Financial Statements for the year ended 31st March, 2020

NOTE: 28 OTHER COMPREHENSIVE INCOME

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Items that will not be reclassified to Profit or Loss		
Remeasurement of Post-Employment Benefit Obligations	(1.80)	0.13
	(1.80)	0.13
Less: Recovery of Income	(1.34)	0.10
	(0.46)	0.03

NOTE: 29 DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARDS (IND AS) 33-EARNINGS PER SHARE

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Earnings Per Share (EPS) is calculated as under:		
Weighted-Average Number of Equity Shares for calculation of Basic EPS	(A) 2,262,156,668	2,201,322,201
Add: Dilutive Impact of Employee Stock Options	4,605,445	1,830,962
Weighted-Average Number of Equity Shares for calculation of Diluted EPS	(B) 2,266,762,113	2,203,153,163
Nominal Value of Shares (₹)	10.00	10.00
Profit Attributable to Equity Holders	(C) 29.85	(9.60)
Basic EPS (₹)	(C/A) 0.13	(0.04)
Diluted EPS (₹)	(C/B) 0.13	(0.04)

30 CONTINGENT LIABILITIES AND COMMITMENTS

a) Contingent Liabilities

The Company has issued Corporate Guarantees to National Housing Bank on behalf of its subsidiary, Aditya Birla Housing Finance Limited (ABHFL), of ₹ 500 Crore against which the amount liable by ABHFL is ₹ 303.05 Crore as on 31st March, 2020. As per the terms of the Guarantee, on invocation, the Company's liability is capped at the outstanding amount.

For the previous period, Aditya Birla Capital Technology Services Limited (Formerly known as Aditya Birla MyUniverse 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 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.

b) Capital Commitments

- i) The Company has ₹ NIL as at 31st March, 2020 (Previous Year ₹ 2.00 Crore) as commitments towards Equity Participation in Subsidiary Company.
- ii) Pursuant to the Shareholders' Agreement entered into with Sun Life of Canada by Aditya Birla Capital Limited, in respect of Aditya Birla Sun Life Insurance Company Limited, the Company agreed to infuse its share of 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 Limited is restricted by the terms contained in Shareholders' Agreements entered into by the Aditya Birla Capital Limited.

31 LEASES

Effective 1st April, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1st April, 2019, using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right-of-use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31st March, 2019, have not been retrospectively adjusted and therefore, will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31st March, 2019.

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On transition, the adoption of the new standard resulted in recognition of 'Right-of-Use' Asset of ₹ 3.45 Crore and a lease liability of ₹ 3.63 Crore. The cumulative effect of applying the standard, amounting to ₹ 0.18 Crore was debited to retained earnings. The effect of this adoption is insignificant on the operating profit, net profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, for all contracts as on 1st April, 2019, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted-average incremental borrowing rate applied to lease liabilities as at 1st April, 2019, is 8.26%.

Critical accounting judgments and key sources of estimation uncertainty

Critical judgments required in the application of Ind AS 116 may include, among others, the following:

- Identifying whether a contract (or part of a contract) includes a lease;
- Determining whether it is reasonably certain that an extension or termination option will be exercised;
- Classification of lease agreements (when the entity is a lessor);
- Determination of whether variable payments are in-substance fixed;
- Establishing whether there are multiple leases in an arrangement;
- Determining the stand-alone selling prices of lease and non-lease components.

Key sources of estimation uncertainty in the application of Ind AS 116 may include, among others, the following:

- Estimation of the lease term;
- Determination of the appropriate rate to discount the lease payments;
- Assessment of whether a right-of-use asset is impaired.

Following are the changes in the Carrying Value of Right-of-Use Assets for the year ended 31st March, 2020:

Particulars	₹ crore	
	Category of ROU Asset - Leasehold Premises	
Balance as at 1st April, 2019		3.45
Additions		1.26
Less : Amortisation		3.15
Balance as at 31st March, 2020		1.55

Amounts recognised in Profit and Loss for the year ended March 31, 2020:

Particulars	₹ crore	
	31st March, 2020	
Amortisation Expense on Right-of-Use Assets		3.15
Less : Recovery of Expenses		2.71
Total		0.44
Interest Expense on Lease Liabilities		0.21
Less : Recovery of Expenses		0.18
Total		0.03
Grand Total		0.47

The following is the break-up of Current and Non-Current Lease Liabilities as at 31st March, 2020:

Particulars	₹ crore	
	31st March, 2020	
Current Lease Liabilities		0.83
Non-Current Lease Liabilities		0.41
Total		1.24

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The following is the movement in Lease Liabilities during the year ended 31st March, 2020:

Particulars	₹ crore
	Leasehold Premises
Balance as at 1st April, 2019	3.63
Additions	
Lease Premises	0.87
Finance Cost Accrued during the year	0.21
Deletions	
Payment of Lease Liabilities	3.47
Balance as at 31st March, 2020	1.24

The table below provides details regarding the Contractual Maturities of Lease Liabilities on an undiscounted basis:

Particulars	As at 31st March, 2020	As at 31st March, 2019*	₹ crore
Less than one year	0.86	-	
One to five years	0.46	-	
Total	1.32	-	

* There are no non-cancellable operating leases.

Future expected cash outflows to which the lessee is potentially exposed and are not reflected in the measurement of lease liabilities:

Particulars	31st March, 2020	31 March, 2019	₹ crore
Lessee utilises its extension option	-	-	
Amount of residual value guarantees	-	-	
Leases not yet commenced to which the lessee is committed	7.92	-	
Total	7.92	-	

Impact on Financial Statements

A reconciliation of the operating lease commitments at 31st March, 2019, disclosed in the Company's 2019 financial statements, to the lease liabilities recognised in the statement of financial position at 1st April, 2019 is provided below:

Particulars	₹ crore
	Amount
Operating Lease Commitments Disclosed as at 31st March, 2019	-
Add: Cancellable Lease Considered after Discounting Impact	3.63
Lease Liabilities Recognised as at 1st April, 2019	3.63

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

NOTE: 32 PAYMENTS TO STATUTORY AUDITORS

Particulars	31st March, 2020	31st March, 2019	₹ crore
During the year, the Company made following payments to statutory auditors:			
Audit Fees	0.39	0.41	
Limited Review	0.25	0.29	
Tax Audit	0.03	0.03	
Other Services	0.08	0.06	
Reimbursement of Expenses	0.02	0.03	
Total	0.77	0.81	

The above disclosed figures are excluding Goods and Services Tax.

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33 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 3,22,86,062 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 2,40,62,864 ESOPs and 57,42,636 RSUs under the Scheme titled "Aditya Birla Capital Limited Employee Stock Option Scheme 2017" in 3 categories of Long Term Incentive Plans ("LTIP") identified as LTIP 1, LTIP 2, and LTIP 3. The Scheme allows the Grant of Stock options to employees of the Company (whether in India or abroad) that meet the eligibility criteria. Each option comprises one underlying Equity Share.

Features	LTIP 1	LTIP 2	LTIP 3
Instrument	RSU	ESOP	ESOP
Plan Period	2017-2019	2017-2021	2017-2019
Quantum of Grant	4,343,750	11,557,872	1,398,886
Method of Accounting	Fair Value	Fair Value	Fair Value
Vesting Period	100% (2 years)	25% p.a. (4 years)	100% (2 years)
Vesting Condition(s)	Continued employment	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 the Date of Vesting	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	11.08.2017	11.08.2017	11.08.2017
Grant/Exercise Price (₹ Per Share)	10	115	10
Value of Equity Shares as on the Date of Grant of Original Option (₹ Per Share)	139	139	139

Pursuant to the "Aditya Birla Capital Limited Employee Stock Option Scheme 2017", the Company has granted 2,107,868 Options ("ESOPs") and 531,496 Restricted Stock Units ("RSUs") to the eligible employees of the Company and its subsidiary, the details of which are given hereunder:

Features	LTIP 2	LTIP 2	LTIP 3	LTIP 3	LTIP 2	LTIP 3
Instrument	ESOP	ESOP	ESOP	RSU	ESOP	RSU
Plan Period	2019-2023	2019-2023	2019-2024	2019-2021	2020-2024	2020-2023
Quantum of Grant	560,376	307,020	441,704	7,686	798,768	523,810
Method of Accounting	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Vesting Period	25% p.a. (4 years)	25% p.a. (4 years)	20% p.a. (5 years)	100% (2 years)	25% p.a. (4 years)	100% (3 years)
Vesting Condition(s)	75% of the Consolidated Profit Before Tax achievement against annual performance target	75% of the Consolidated Profit Before Tax achievement against annual performance target	75% of the Consolidated Profit Before Tax achievement against annual performance target	Continued employment	75% of the Consolidated Profit Before Tax achievement against annual performance target	Continued employment
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting	5 years from the Date of Vesting	5 years from the Date of Vesting	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	02.08.2019	18.10.2019	18.10.2019	18.10.2019	25.02.2020	25.02.2020
Grant/Exercise Price (₹ Per Share)	82.4	76.4	76.4	10	87.1	10

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During the Previous year the Company has granted 1,623,834 Options ("ESOPs") and 300,000 Restricted Stock Units ("RSUs") to the eligible employees of the Company and its subsidiary, the details of which are given hereunder:

Features	LTIP 3	LTIP 3
Instrument	ESOP	RSU
Plan Period	2018-2023	2018-2020
Quantum of Grant	1,623,834	300,000
Method of Accounting	Fair Value	Fair Value
Vesting Period	20% p.a. (5 years)	100% (2 years)
Vesting Condition(s)	75% of the Consolidated Profit Before Tax achievement against annual performance target	Continued employment
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	09.04.2018	09.04.2018
Grant/Exercise Price (₹ Per Share)	115	10

Details of Activity in the Plan as on 31st March, 2020

Features	LTIP 1	LTIP 2	LTIP 3	
Instrument	RSU	ESOP	RSU	ESOP
Options/RSUs Outstanding at the beginning of the year	3,449,500	10,524,085	1,698,886	14,128,826
Granted during the year	-	1,666,164	531,496	441,704
Exercised during the year	1,450,042	-	615,431	-
Lapsed during the year	320,708	819,401	183,187	1,822,626
Options/RSUs Outstanding at the end of the year	1,678,750	11,370,848	1,431,764	12,747,904
Options/RSUs invested at the end of the year	-	6,587,801	831,496	8,042,534
Options/RSUs exercisable at the end of the year	1,678,750	4,783,047	600,268	4,705,370

Details of Activity in the Plan as on 31st March, 2019

Features	LTIP 1	LTIP 2	LTIP 3	
Instrument	RSU	ESOP	RSU	ESOP
Options/RSUs Outstanding at the beginning of the year	4,004,750	11,445,739	1,398,886	12,504,992
Granted during the year 1st April, 2018	-	-	300,000	1,623,834
Exercised during the year	-	29,200	-	-
Lapsed during the year	555,250	892,454	-	-
Options/RSUs Outstanding at the end of the year	3,449,500	10,524,085	1,698,886	14,128,826
Options/RSUs invested at the end of the year	3,449,500	7,841,942	1,698,886	11,627,828
Options/RSUs exercisable at the end of the year	-	2,682,143	-	2,500,998

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	
Instrument	RSU	ESOP	RSU	ESOP
Risk-Free Interest Rate (%)	6.50%	6.2% to 6.8%	6.5% to 7.2%	6.5% to 7.6%
Option Life (Years)	4.5	3.5 to 6.5	4.5	3.5 to 7.5
Historical Volatility	38.50%	36.2% to 38.5%	35.4% to 38.5%	37.0% to 38.5%
Expected Volatility	-	-	-	-
Expected Dividend Yield (%)	0.00%	0.00%	0.00%	0.00%
Weighted-Average Fair Value per Option (₹)	131.6	70.4	131.6	73.1

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34 ABCL INCENTIVE PLAN 2017

The Scheme titled as “ABCL Incentive Scheme for Stock Options and Restricted Stock Units – 2017 (ABCL Incentive Scheme)” was approved by the shareholders through postal ballot on 10th April, 2017. The Nomination, Remuneration and Compensation Committee of the Company at its meeting held on 15th January, 2018, granted 1,465,927 ESOPs and 252,310 Restricted Stock Units (RSUs) (Collectively called as “Stock Options”) to the eligible grantees pursuant to the Composite Scheme of Arrangement between erstwhile Aditya Birla Nuvo Limited (now merged with Grasim Industries Limited), Grasim Industries Limited and Aditya Birla Capital Limited (Refer Note No. 33). 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 Schemes 2006 and 2013.

Particulars	ABCL Incentive Scheme	
	Options	RSUs
Plan Period	As per Grasim Employee Benefit Scheme 2006 and 2013	
Quantum of Grant	1,465,927	252,310
Method of Accounting	Fair Value	Fair Value
Vesting Period	The Options and RSUs shall deemed to have been vested from the original date of grant under the Grasim ESOP Schemes 2006 and 2013, and shall be subject to a minimum vesting period of one year from the date of original grant and would vest not earlier than one year and not later than five years from the date of grant of Options and RSUs or such other period as may be determined by the Nomination, Remuneration and Compensation Committee.	
Vesting Condition(s)	Achievement of threshold level of budgeted annual performance target.	
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	15.01.2018	15.01.2018
Grant/Exercise Price (₹ Per Share)	10	10

Details of Activity in the Plan

Particulars	ABCL Incentive Scheme			
	31st March, 2020		31st March, 2019	
	Options	RSUs	Options	RSUs
Options/RSUs Outstanding at the beginning of the year	1,034,389	195,955	1,354,590	218,389
Granted during the year	-	-	-	-
Exercised during the year	272,524	26,898	313,381	22,434
Lapsed during the year	-	-	6,820	-
Options/RSUs Outstanding at the end of the year	761,865	169,057	1,034,389	195,955
Options/RSUs unvested at the end of the year	25,585	-	93,787	33,472
Options/RSUs exercisable at the end of the year	736,280	169,057	940,602	162,483

35 RELATED PARTY DISCLOSURES

Names of related parties where control exists

Holding Company

Grasim Industries Limited

Subsidiaries

Aditya Birla PE Advisors Private Limited

Aditya Birla Capital Investments Private Limited

Aditya Birla Capital Technology Services Limited (Formerly known as Aditya Birla MyUniverse Limited)

Aditya Birla Financial Shared Services Limited

Aditya Birla Trustee Company Private Limited

Aditya Birla Money Limited

Aditya Birla Money Mart Limited

Aditya Birla Insurance Brokers Limited

Aditya Birla Finance Limited

Aditya Birla Housing Finance Limited

Aditya Birla Health Insurance Co. Limited

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ABCAP Trustee Company Private Limited
 Aditya Birla Stressed Asset AMC Private Limited
 Aditya Birla Commodities Broking Limited (Merge to Aditya Birla Money Limited w.e.f. 1st April, 2018)
 Aditya Birla Money Insurance Advisory Services Limited (100% Subsidiary of Aditya Birla Money Mart Limited)
 Aditya Birla Sun Life Insurance Company Limited
 Aditya Birla Sun Life Pension Management Limited (100% Subsidiary of Aditya Birla Sun Life Insurance Company Limited)
 Aditya Birla ARC Limited

Joint Ventures

Aditya Birla Sun Life AMC Limited
 Aditya Birla Sun Life Trustee Private Limited
 Aditya Birla Wellness Private Limited

Other Related Parties in which Directors are Interested

Aditya Birla Management Corporation Private Limited (w.e.f. 1st January, 2019)

Fellow Subsidiaries

UltraTech Cement Limited

Entity in which Holding Company has Joint Control

Vodafone Idea Limited (Associate of Ultimate Parent Company upto 31st August, 2018)
 Aditya Birla Idea Payments Bank Limited (Under Liquidation w.e.f. 18th September, 2019)

Post-Employment Benefit Plans

Grasim Industries Ltd. Unit Indian Rayon
 Grasim Industries Ltd. - Employee's Gratuity Fund

Key Managerial Personnel

Mr. Ajay Srinivasan (Chief Executive Officer)
 Mr. Arun Kumar Adhikari (Independent Director)
 Mr. P. H. Ravikumar (Independent Director)
 Mr. S. C. Bhargava (Independent Director)
 Ms. Vijayalakshmi Rajaram Iyer (Independent Director)
 Refer **Annexure 1** for the transactions with related parties.

36 RETIREMENT BENEFITS

Disclosure in respect of Employee Benefits pursuant to Ind AS -19

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
A) Defined Benefit Plans:		
i) Amounts recognised in the Balance Sheet in respect of Gratuity		
Present Value of the funded Defined Benefits Obligations at the end of the year	11.65	8.71
Fair Value of Plan Assets	9.15	8.22
Net (Assets)/Liabilities	2.50	0.49
Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity		
Current Service Cost	0.99	0.87
Interest on Net Defined Benefits Liabilities/(Assets)	0.04	0.11
Net Gratuity Cost	1.03	0.98
Amount recognised in Other Comprehensive Income (OCI) for the year		
Actual Returns on Plan Assets excluding Interest Income	0.19	(0.61)
Actuarial Changes Arising from Changes in Demographic Assumptions	(0.92)	-
Actuarial Changes Arising from Changes in Financial Assumptions	0.90	0.22
Actuarial Changes Arising from Changes in Experience Assumptions	1.63	0.27
Closing Amount Recognised in OCI outside Profit and Loss Account	1.80	(0.12)

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Particulars	As at	
	31st March, 2020	31st March, 2019
ii) Reconciliation of Present Value of the Obligations and the Fair Value of the Plan Assets:		
Change in Net Liabilities/(Assets)		
Opening Net Defined Benefits Liabilities/(Assets)	(0.07)	0.73
Expense Charged to Profit and Loss	1.03	0.98
Amount Recognised Outside Profit and Loss - OCI	1.81	(0.12)
Employer Contribution	0.83	(1.66)
Closing Net Defined Benefits Liabilities/(Assets)	3.60	(0.07)
Change in Present Value of the Obligations:		
Opening Defined Benefits Obligations	8.71	7.14
Current Service Cost	0.99	0.87
Interest Cost	0.67	0.57
Actuarial Changes Arising from Changes in Demographic Assumptions	(1.00)	-
Actuarial Changes Arising from Changes in Financial Assumptions	1.35	0.22
Actuarial Changes Arising from Changes in Experience Assumptions	1.63	0.27
Benefits Paid	(0.34)	(0.36)
Closing Defined Benefits Obligations	12.01	8.71
Change in Fair Value of the Plan Assets:		
Opening Fair Value of the Plan Assets	8.22	5.83
Interest Income on Plan Assets	0.63	0.47
Actual Return on Plan Assets less Interest on Plan Assets	(0.19)	0.61
Contributions by the Employer	0.83	1.66
Benefits Paid	(0.34)	(0.35)
Closing Fair Value of the Plan Assets	9.15	8.22

iii) Funding Arrangement and Policy

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested.

The trustees of the plan are required to invest the funds as per the prescribed pattern of investments laid out in the income tax rules for such approved schemes. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively.

Estimated amount of contribution expected to be paid to the fund during the annual period being after the Balance Sheet date is ₹ 3.57 Crore (Previous Year ₹ 1.48 Crore).

Maturity Profile of Defined Benefits Obligations

Particulars	₹ crore	
	31st March, 2020	31st March, 2019
1 year	0.55	0.20
2 to 5 years	7.72	6.43
6 to 10 years	4.73	2.64
More than 10 years	5.52	7.35

The weighted-average duration to the payment of these cash flows is 8 years (Previous Year 8 years)

iv) Quantitative Sensitivity Analysis for Significant Assumption is as below :

Increase/Decrease in Present Value of Defined Benefits Obligations at the end of the year

Particulars	₹ crore			
	31st March, 2020		31st March, 2019	
	Amount	(%)	Amount	(%)
i) 50 Bps Increase in Discount Rate	11.30	(3.00%)	8.41	(3.50%)
ii) 50 Bps Decrease in Discount Rate	12.01	3.10%	9.03	3.70%
i) 50 Bps Increase in Rate of Salary Increase	12.01	3.10%	9.04	3.70%
ii) 50 Bps Decrease in Rate of Salary Increase	11.30	(3.00%)	8.41	(3.50%)
i) 50 % Increase in Employee Turnover Rate	11.06	(5.00%)	8.49	(2.60%)
ii) 50 % Decrease in Employee Turnover Rate	12.39	6.40%	8.97	2.90%
i) 50 % Increase in Employee Mortality Rate	11.66	0.10%	8.72	0.10%
ii) 50 % Decrease in Employee Mortality Rate	11.64	(0.10%)	8.71	(0.10%)

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v) Sensitivity Analysis Method

These sensitivities have been calculated to show the movement in defined benefits obligations in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

Disaggregation of Plan Assets	31st March, 2020	31st March, 2019
	Non-Quoted Value	Non-Quoted Value
Government Debt Instruments	5.04%	5.10%
Corporate Bonds	0.28%	0.29%
Deposit Schemes	0.00%	0.00%
Insurer Managed Funds	39.63%	38.49%
Others	55.05%	56.12%
Grand Total	100.00%	100.00%

There are no amount included in the Fair Value of Plan Assets for:

- Company's own financial instrument
- Property occupied by or other assets used by the Company

Particulars	As at	As at
	31st March, 2020	31st March, 2019

vi) Principal Actuarial Assumptions at the Balance Sheet Date

Discount Rate	6.55%	7.65%
Salary Escalation		
Salary Escalation - Staff	7.00%	7.00%
Mortality Rate during Employment	100.00%	100.00%
Rate of Employee Turnover		
Age - Upto 30 Years	5.00%	5.00%
Age - 31 to 40 Years	5.00%	3.00%
Age - 40 and above	5.00%	2.00%

Disability :- Leaving service due to disability is included in the provision made for all causes of leaving service (as above).

The estimates of future salary increase, considered in actuarial valuation, takes in to account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

B) Defined Contribution Plans:

Particulars	₹ crore	
	31st March, 2020	31st March, 2019
Contribution to Employee Provident Fund and Pension	1.72	1.69
Contribution to Superannuation Fund	1.05	0.97
Total	2.77	2.66

37 FAIR VALUES

The Management assessed that Fair Values of Financial Assets and Liabilities are approximately their carrying values.

38 FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Principles for Estimating Fair Value

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table.

Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method at 31st March, 2020. The different levels have been defined as follows:

Level 1: category includes financial assets and liabilities that are measured in whole or in significant part by reference to published quotes in an active market.

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Level 2: Category includes financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. These include assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes and assets that are valued using the Company's own valuation models whereby the material assumptions are market observable. The majority of the Company's over-the-counter derivatives and several other instruments not traded in active markets fall within this category.

Level 3: Category includes financial assets and liabilities measured using valuation techniques based on non-market observable inputs. This means that fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. However, the fair value measurement objective remains the same, that is, to estimate an exit price from the perspective of the Company. The main asset classes in this category are unlisted equity investments as well as unlisted funds.

As at 31st March, 2020

Particulars	Total	Fair Value		
		Level 1	Level 2	Level 3
₹ crore				
Financial Assets at Fair Value Through Profit or Loss				
Investments in Mutual Funds	406.32	-	406.32	-
Investments in Preference Shares	19.98	-	19.98	-
Total Financial Assets	426.30	-	426.30	-

As at 31st March, 2019

Particulars	Total	Fair Value		
		Level 1	Level 2	Level 3
₹ crore				
Financial Assets at Fair Value Through Profit or Loss				
Investments in Mutual Funds	14.49	-	14.49	-
Investments in Preference Shares and Private Equity Fund	60.33	-	60.33	-
Total Financial Assets	74.82	-	74.82	-
Financial Liabilities at Amortised Cost				
Debt Securities	1,439.88	-	1,439.88	-
Total Financial Liabilities	1,439.88	-	1,439.88	-

The carrying amount of trade receivables, trade payables, other financial liabilities, loans, other financial assets, cash and cash equivalents as at 31st March, 2020 and 31st March, 2019, are considered to be the same as fair values, due to their short-term nature. These are classified as Level 3 fair value hierarchy due to inclusion of unobservable inputs including counter party credit risk.

During the reporting period ending 31st March, 2020, there were no transfers between Level 1 and Level 2 fair value measurements.

Assumptions to above:

- * The Fair Valuation of Preference Shares is based on independent valuers report.
- * The Fair Valuation of Unquoted Mutual Fund Units is done based on NAV of units.
- * The Fair Valuation of Private Equity Fund is done based on certified NAV of funds.

39 FINANCIAL RISK MANAGEMENT

The Company, being a Core Investment Company as per the Core Investment Companies (RBI) Directions 2016, is required to invest or lend majority of its funds to its Subsidiaries and Joint Ventures. The Company's principal financial liabilities comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets include inter-corporate deposits, loans, cash and cash equivalents and other receivables.

The Company is exposed to market risk, credit risk, liquidity risk and operational and business risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Risk Management Committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The Risk Committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The major risks are summarised below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. In the case of the Company, market risk primarily impacts financial instruments measured at fair value through profit or loss. These are primarily unquoted Compulsorily Convertible Preference Shares of subsidiaries and investments in mutual funds and other alternate funds where investments are not significant in relation to the size of its total investments. The fair value investments of these investments are regularly monitored.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have exposure to the risk of changes in market interest rate as it has debt obligations with fixed interest rates, which are measured at amortised cost.

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Credit Risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. The Company is exposed to credit risk from its financing activities towards inter-corporate deposits to subsidiaries where no significant impact on credit risk has been identified.

Equity Price Risk

The Company's investments in non-listed equity securities are accounted at cost in the financial statements net of impairment. The expected cash flows from these entities are regularly monitored to identify impairment indicators.

Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The Company manages its liquidity requirement by analysing the maturity pattern of the Company's cash flows of financial assets and financial liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through issuance of equity shares, commercial papers, etc. The Company invests its surplus funds in debt schemes of mutual funds, which carry low mark-to-market risks. Also Refer Note No. 40 for maturity analysis of assets and liabilities.

The table below summarises the maturity profile of the undiscounted cash flows of the Company's liabilities.

	₹ crore				
As at 31st March, 2020	Less than 3 Months	3 Months to 12 Months	12 Months to 36 Months	36 Months to 60 Months	More than 60 Months
Financial Liabilities					
Trade Payables	8.74	-	-	-	-
Lease Liabilities	0.14	0.72	0.46	-	-
Other Financial Liabilities	-	18.19	0.25	-	-
Total	8.88	18.91	0.71	-	-

	₹ crore				
As at 31st March, 2019	Less than 3 Months	3 Months to 12 Months	12 Months to 36 Months	36 Months to 60 Months	More than 60 Months
Financial Liabilities					
Trade Payables	8.62	-	-	-	-
Debt Securities (at Face Value)	1,450.00	-	-	-	-
Other Financial Liabilities	0.85	20.94	0.25	-	-
Total	1,459.47	20.94	0.25	-	-

40 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

Particulars	₹ crore					
	31st March, 2020			31st March, 2019		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Financial Assets						
(a) Cash and Cash Equivalents	6.21	-	6.21	4.26	-	4.26
(b) Bank Balances other than (a) above	-	0.26	0.26	0.26	-	0.26
(c) Receivables- Others	14.83	-	14.83	11.26	-	11.26
(d) Loans	20.07	2.84	22.91	115.03	5.81	120.84
(e) Investments	406.73	9,121.41	9,528.14	39.82	8,669.36	8,709.18
Non-Financial Assets						
(a) Current Tax Assets (Net)	-	17.30	17.30	-	14.77	14.77
(b) Investment Properties	-	15.68	15.68	-	16.11	16.11
(c) Property, Plant and Equipment	-	6.00	6.00	-	8.26	8.26
(d) Capital Work-in-Progress	0.12	-	0.12	-	-	-
(e) Right-of-Use Assets	-	1.55	1.55	-	-	-
(f) Intangible Assets Under Development	0.05	-	0.05	-	-	-
(g) Other Intangible Assets	-	1.86	1.86	-	3.78	3.78
(h) Other Non-Financial Assets	10.60	0.90	11.50	9.32	1.27	10.59
Total Assets	458.61	9,167.80	9,626.41	179.95	8,719.36	8,899.31

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Particulars	31st March, 2020			31st March, 2019			₹ crore
	Within	After	Total	Within	After	Total	
	12 Months	12 Months		12 Months	12 Months		
Financial Liabilities							
(a) Trade Payables	8.74	-	8.74	8.62	-	8.62	
(b) Debt Securities	-	-	-	1,439.88	-	1,439.88	
(c) Lease Liabilities	0.83	0.41	1.24	-	-	-	
(d) Other Financial Liabilities	18.19	0.25	18.44	21.79	0.25	22.04	
Non-Financial Liabilities							
(a) Provisions	21.25	13.70	34.95	20.03	8.21	28.24	
(b) Deferred Tax Liabilities (Net)	-	101.44	101.44	-	103.65	103.65	
(c) Other Non-Financial Liabilities	4.88	-	4.88	1.88	-	1.88	
Equity							
(a) Equity Share Capital	-	2,413.76	2,413.76	-	2,201.40	2,201.40	
(b) Other Equity	-	7,042.96	7,042.96	-	5,093.60	5,093.60	
Total Liabilities	53.89	9,572.52	9,626.41	1,492.20	7,407.11	8,899.31	

Note: In the previous year, the current liabilities of the Company exceed its current assets. The Company has "AAA" long-term rating from ICRA (which is the highest long-term rating) and therefore high acceptability in the market. Given the track record of the Company the Management is confident to reduce the mismatch by raising long-term funds through equity or other long-term instrument(s) and planning accordingly.

41 IMPAIRMENT ON FINANCIAL INSTRUMENTS

Background of Expected Credit Loss

Expected Credit loss is a calculation of the present value of the amount expected to be lost on a financial asset, for financial reporting purposes. Credit risk is the potential that the obligor and counterparty will fail to meet its financial obligations to the lender. This requires an effective assessment and management of the credit risk at both individual and portfolio level.

The key components of Credit Risk Assessment are:

1. Probability of Default (PD): represents the likelihood of default over a defined time horizon.
2. Exposure at Default (EAD): represents how much the obligor is likely to be borrowing at the time of default.
3. Loss Given Default (LGD): represents the proportion of EAD that is likely to be lost post-default.

The definition of default is taken as 90 days past due for all retail and corporate loans.

Delinquency buckets have been considered as the basis for the staging of all loans in the following manner:

- 0-30 days past due loans classified as Stage 1;
- More than 30 - 90 days past due loans classified as Stage 2; and
- Above 90 days past due loans classified as Stage 3.

EAD is the total amount outstanding including accrued interest as on the reporting date.

The ECL is computed as a product of PD, LGD and EAD.

Non-Individual Loans

1.1 Credit Quality of Assets

The Non-individual/corporate book is assessed at the loan type level and the provisioning is done at an account level. In certain cases, the assessment is done at an account level based on past experience for future cash flows from the project.

The 12-month PD has been applied on Stage 1 loans. The PD term structure, i.e., Lifetime PD has been applied on the Stage 2 loans according to the repayment schedule for Stage 2 loans and PD is considered to be 1 for Stage 3 loans.

Particulars	31st March, 2020				31st March, 2019				₹ crore
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	
Internal Rating Grade									
Corporate Loans	20.07	-	-	20.07	118.18	-	-	118.18	

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1.2 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to corporate lending is, as follows:

Particulars	31st March, 2020				31st March, 2019				₹ crore
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	
	Gross Carrying Amount Opening Balance	118.18	-	-	118.18	79.43	-	-	79.43
New Assets Originated or Purchased	182.77	-	-	182.77	532.02	-	-	532.02	
Assets Derecognised or Repaid (excluding Write offs)	(280.88)	-	-	(280.88)	(486.78)	-	-	(486.78)	
Amounts Written off	-	-	-	-	(6.49)	-	-	(6.49)	
Gross Carrying Amount Closing Balance	20.07	-	-	20.07	118.18	-	-	118.18	

Reconciliation of ECL Balance is given below:

Particulars	31st March, 2020				31st March, 2019				₹ crore
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	
ECL Allowance - Opening Balance	(7.40)	-	-	(7.40)	(0.91)	-	-	(0.91)	
ECL Allowance Recognised during the year	7.32	-	-	7.32	(6.49)	-	-	(6.49)	
ECL Allowance - Closing Balance	(0.08)	-	-	(0.08)	(7.40)	-	-	(7.40)	

The increase in ECLs of the portfolio was driven by an increase in the gross size of the portfolio and movements between stages as a result of increases in credit risk.

A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109, as per circular issued by Reserve Bank of India (RBI/2019-20/170, DOR (NBFC).CC.PD.No.109/22.10.106/2019-20, dated 13th March, 2020):

Assets Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowance (Provision) as required under Ind AS 109	Net Carrying Value	Provisions required as IRACP norms	Difference	₹ crore
						between Ind AS 109 provisions and IRACP norms	
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)	
Performing Assets							
Standard	Stage 1	20.15	0.08	20.07	0.08	-	
	Stage 2	-	-	-	-	-	
Sub-total		20.15	0.08	20.07	0.08	-	
Non-Performing Assets (NPA)							
Substandard	Stage 3	-	-	-	-	-	
Doubtful - upto 1 year	Stage 3	-	-	-	-	-	
1 to 3 years	Stage 3	-	-	-	-	-	
More than 3 years	Stage 3	-	-	-	-	-	
Sub-total for Doubtful							
Loss	Stage 3	-	-	-	-	-	
Sub-total for NPA		-	-	-	-	-	
Other items such as guarantees, loan commitments, etc., which are in the scope of Ind AS 109, but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-	
	Stage 2	-	-	-	-	-	
	Stage 3	-	-	-	-	-	
Sub-total		-	-	-	-	-	
Total	Stage 1	20.15	0.08	20.07	0.08	-	
	Stage 2	-	-	-	-	-	
	Stage 3	-	-	-	-	-	

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42 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.

43 During the year ended 31st March, 2020, the Company has made an assessment of its value of investments in Aditya Birla Money Limited. Based on such assessments, board approved business plan and independent valuation report, an amount of ₹ 29.17 Crore (already provided ₹ 12.42 Crore) as impairment as at 31st March, 2014, has been provided as impairment loss.

44 During the current year, the Company has issued and allotted 210,000,000 Equity Shares (Previous Year NIL) of ₹ 10 each at a premium of ₹ 90 per share on preferential basis, which were subscribed by Jomei Investments Limited, promoter Grasim Industries, members of the promoter group and PI Opportunities Fund-I.

Further, The Company has allotted 2,356,345 Equity Shares of ₹ 10 each, fully paid-up, on exercise of options by eligible grantees, in accordance with the Employee Stock Option Schemes approved by the Company.

45 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.

As on 31st March, 2020, 50,557,062 (GDS) representing are outstanding (Previous Year 50,800,883).

46 The Company has approved the grant of 24,062,864 Employee Stock Options (ESOPs) and 5,742,636 Restricted Stock Units (RSUs) in accordance with the Employee Stock Option Scheme, 2017, to its employees and employees of subsidiary companies.

Further, in continuation to the existing Scheme, the Company additionally grant 2,107,868 (Previous Year 300,000) RSUs and ESOPs 531,496 (Previous Year 1,623,834) to the employees of subsidiary companies.

47 SCHEME OF ARRANGEMENT BETWEEN SUBSIDIARY COMPANIES

During the year, the Hon'ble National Company Law Tribunal (NCLT) has approved the Scheme, vide order dated 13th December, 2019, and upon filing of the Scheme with Registrar of Companies, whereby the transaction business of Aditya Birla Technology Services Limited (Formerly known as Aditya Birla MyUniverse Limited (“ABMU”)), a subsidiary of the Company, was demerged and transferred to Aditya Birla Finance Limited (ABFL), also a subsidiary of the Company. The Scheme of Arrangement was made effective on 1st January, 2020.

In consideration of the demerger,

- The Company has received 5,855,625 Equity Shares of ₹ 10 each of ABFL as per the share entitlement ratio determined based on an independent valuation report at 24 Equity Shares of ₹ 10 each in ABFL for every 215 Equity Shares of ₹ 10 each held in ABMU and 43 Equity Share of ₹ 10 each in ABFL for every 105 (0.001% Compulsorily Convertible Preference Shares) of ₹ 10 each held in ABMU.
- Further, out of the Inter Corporate Deposits (ICD) receivable as on 1st January, 2020, of ₹ 100.51 Crore from ABMU, ₹ 87.54 Crore have been transferred to ABFL (in proportion to the value of assets transferred by ABMU to ABFL) and balance ₹ 12.97 Crore is shown as receivable from ABMU.

The carrying value of the investments in ABMU ₹ 149.02 Crore (net of impairment of ₹ 21.01 Crore) is considered to be at fair value of asset given up for Equity Shares received from ABFL.

48 The Company has investment in Equity Shares and 0.001% Compulsory Convertible Cumulative Preference Shares of Aditya Birla Capital Technology Services Limited (Formerly known as Aditya Birla MyUniverse Limited) (“ABCTSL”) of ₹ 6.27 Crore (net of impairment of ₹ 3.00 Crore) (Previous Year ₹ 47.10 Crore net of impairment of ₹ 24.01 Crore) and of ₹ 14.98 Crore (Previous Year ₹ 60 Crore), respectively, and loan given to ABCSL-Employee Welfare Trust of ₹ NIL (Previous Year ₹ 3.17 Crore).

49 The Company has investment in 0.1%-Compulsory Convertible Debentures (CCD) of Aditya Birla Money Mart Limited (“ABMML”) of ₹ 36.79 Crore (Previous Year ₹ 33.75 Crore). Considering the plans and the investment being strategic and long-term in nature, no provision is required to be made in financial statements as at 31st March, 2020, in this regard.

50 The Company has long-term incentive plan for selective employees. Long-Term Incentive Plan includes future encashment or availment, at the option of the employee, subject to the rules framed by the Company, which are expected to be availed or encashed beyond 12 months from the end of the year and long-term incentive payable to employees on fulfilment of criteria prescribed by the Company. On the basis of the proposed scheme, the Company has made provision of ₹ 16 Crore (Previous Year ₹ 8.26 Crore).

51 The Company has short-term rating viz. “(ICRA) A1+” and “(CRISIL) A1+”. Accordingly, during the year, the Company raised funds through Commercial Paper to mitigate working capital requirements, which stands fully repaid as of the Balance Sheet date.

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52 INVESTMENT PROPERTY FAIR VALUE

The Company has let out its property on rent. During the previous period, the Company has reclassified its property under Investment Property, as per Ind AS 40. There is no change in method of calculation of depreciation, rate and useful life as specified earlier.

Due to COVID-19 and lockdown situation, valuation from Independent Valuer could not be carried out by the Company as on 31st March, 2020, to assess the fair value of its Investment Property. The fair value was ₹ 16.03 Crore as on 31st March, 2019, as per the report obtained from independent valuer. The fair value of Investment Property has been derived using the Direct Comparison Method based on recent market prices without any significant adjustments being made observable data. Accordingly, fair value estimates for Investment Property is classified as level 3. The Company has no restrictions on the realisability of its Investment Property, and has no contractual obligations to purchase, construct or develop Investment Property.

Information regarding Income and Expenditure of Investment Property

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Rental Income Derived from Investment Property	0.50	0.13
Direct Operating Expenses (including Repairs and Maintenance) associated with Rental Income	(0.06)	(0.07)
Profit arising from Investment Property before Depreciation and Indirect Expenses	0.44	0.06
Depreciation for the year	0.43	0.43
Profit arising from Investment Property before Indirect Expenses	0.01	(0.37)

- 53** The Company has reviewed all 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.

54 INCOME TAX DISCLOSURE

The Major Components of Income Tax Expense for the years ended 31st March, 2020 and 31st March, 2019 are:

1. Income Tax Recognised in Profit or Loss

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Current Income Tax:		
Current Income Tax Charge	-	-
Adjustments in respect of Current Income Tax of previous year	-	(2.43)
Deferred Tax:		
Effect on Deferred Tax Balances due to the changes in Income Tax Rate	(2.20)	0.39
Income Tax Expense Reported in the Statement of Profit and Loss	(2.20)	(2.04)

2. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate as follows:

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Accounting Profit Before Income Tax	27.65	(11.64)
Expense those are not deductible in determining taxable profit	101.10	64.63
Income taxed at different rates	0.34	1.38
Income not considered for tax purpose	(176.09)	(183.43)
Taxable profit/(loss)	(47.00)	(129.06)
Income tax expense calculated at 25.17% (31st March, 2019 : 29.12%)	-	-
Tax provision for earlier years	-	(2.43)
Effect on deferred tax balances due to the changes in income tax rate	(2.20)	0.39
Income Tax Expense Recognised in the Statement of Profit and Loss	(2.20)	(2.04)

- 55** The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses need to be provided as required under any law/accounting standards.

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56 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)

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 and others (Refer Annexure 3)
- b) Exposure to real estate sector, both direct and indirect – Nil
- c) Public disclosure on liquidity risk (Refer Annexure 4)
- d) Maturity pattern of assets and liabilities (Refer Annexure 5)

57 ESTIMATION UNCERTAINTY RELATING TO THE GLOBAL HEALTH PANDEMIC ON COVID-19

The Management has assessed the potential impact of the COVID-19 on the financial statements of the Company. In assessing the carrying value of its assets, the Company has considered internal and certain external information up to the date of approval of these financial statements, including economic forecasts. The Company expects to recover the carrying amount of these assets. The extent to which global health pandemic will impact the Company's assessment and resultant provision on investments will depend on future developments, which are highly uncertain. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements.

58 SEGMENT REPORTING

The main business of the Company is Investment activity, hence, there are no separate reportable segments as per Ind AS 108 on 'Operating Segment'.

59 The previous period's figures have been regrouped or rearranged, wherever necessary.

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

Ajay Srinivasan
Chief Executive Officer

P. H. Ravi Kumar
Director
(DIN: 00280010)

S. C. Bhargava
Director
(DIN: 00020021)

Pinky Mehta
Chief Financial Officer
Mumbai, 5th June, 2020

Sailesh Daga
Company Secretary

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Annexure 1 - Statement of Related Party Transaction and Balances for the year ended 31st March, 2020

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	₹ crore	
		Year ended 31st March, 2020	Year ended 31st March, 2019
Brief description - Company-wise and item-wise			
1	Issue of Equity Shares:-		
	Grasim Industries Limited	770.00	-
2	Investment Equity Shares		
	Aditya Birla Finance Limited	-	325.03
	Aditya Birla Housing Finance Limited	100.00	350.00
	Aditya Birla Wellness Private Limited	-	5.10
	Aditya Birla Health Insurance Co. Limited	181.56	165.49
	Aditya Birla Stressed Asset AMC Private Limited	14.55	0.25
	ABCAP Trustee Company Private Limited	-	0.01
	Aditya Birla Capital Technology Services Limited (Formerly known as Aditya Birla MyUniverse Limited)	3.17	-
	Aditya Birla Money Mart Limited	93.10	-
	Investment Preference Shares		
	Aditya Birla Capital Technology Services Limited (Formerly known as Aditya Birla MyUniverse Limited)	60.00	-
	Aditya Birla ARC Limited	5.00	-
3	Dividend Income		
	From Subsidiary		
	Aditya Birla Insurance Brokers Limited	7.42	9.21
	From Joint Venture		
	Aditya Birla Sun Life AMC Limited	168.30	153.00
	Rent Income		
	Aditya Birla Sun Life AMC Limited	0.50	0.13
	Interest Income from Investments	10.12	9.38
	Interest Income on Debentures		
	Aditya Birla Money Mart Limited	3.06	2.79
	Aditya Birla Finance Limited	2.83	2.57
	Interest Income on Preference Shares		
	Aditya Birla Finance Limited	0.66	0.80
	Aditya Birla Money Limited	3.55	3.21
	Aditya Birla Money Mart Limited	0.02	0.01
	Interest Income on Loans	8.98	9.07
	Aditya Birla Capital Technology Services Limited (Formerly known as Aditya Birla MyUniverse Limited)	6.47	5.52
	Aditya Birla Housing Finance Limited	1.47	2.81
	Aditya Birla Money Mart Limited	0.39	0.39
	Aditya Birla Money Insurance Advisory Services Limited	0.08	0.30
	Aditya Birla Finance Limited	0.57	0.03
	Aditya Birla Financial Shared Services Limited	-	0.02
	Payments Made to Provident Fund Trust and Gratuity Trust	0.50	1.62
	Grasim Industries Ltd Unit Indian Rayon	-	0.31
	Grasim Industries Ltd - Employee's Gratuity Fund	0.50	1.31
4	Expenses Reimbursement		
	ESOP Expenses (Transfer and Exit)	14.38	7.49
	Aditya Birla Insurance Brokers Limited	0.11	0.35
	Aditya Birla PE Advisors Private Limited	2.53	0.01
	Aditya Birla Finance Limited	0.62	1.59

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Sr. No.	Particulars	₹ crore	
		Year ended 31st March, 2020	Year ended 31st March, 2019
	Aditya Birla Sun Life Insurance Company Limited	9.44	2.19
	Aditya Birla Sun Life AMC Limited	0.75	0.96
	Aditya Birla Financial Shared Services Limited	0.01	0.01
	Aditya Birla Capital Technology Services Limited (Formerly known as Aditya Birla MyUniverse Limited)	0.05	0.52
	Aditya Birla Money Limited	0.58	0.44
	Aditya Birla Money Insurance Advisory Services Ltd.	-	0.01
	Aditya Birla Money Mart Limited	-	0.01
	Aditya Birla Wellness Private Limited	0.01	β
	Aditya Birla Health Insurance Co. Limited	0.14	0.85
	Aditya Birla Housing Finance Limited	0.14	0.55
	Salary Expenses	0.92	0.84
	Aditya Birla Sun Life Insurance Company Limited	0.92	0.05
	Employee Transfer (In)/Out	0.11	0.05
	Aditya Birla Capital Technology Services Limited (Formerly known as Aditya Birla MyUniverse Limited)	-	0.01
	Aditya Birla Health Insurance Co. Limited	0.11	-
	UltraTech Cement Limited	-	0.15
	Aditya Birla Finance Limited	-	0.02
	Aditya Birla Management Corporation Private Limited	(0.05)	(0.04)
	Aditya Birla Sun Life Insurance Company Limited	0.11	(0.08)
	Aditya Birla Idea Payments Bank Limited	(0.06)	-
	Vodafone Idea Limited	-	(0.01)
	Other Expenses	8.88	9.92
	Aditya Birla Financial Shared Services Limited	8.62	7.92
	Aditya Birla Sun Life AMC Limited	β	1.20
	Aditya Birla Money Limited	β	-
	Aditya Birla Management Corporation Private Limited	-	0.03
	Grasim Industries Limited	0.26	0.77
5	Expense Recovered		
	Salary and Wages	67.82	82.79
	Aditya Birla Insurance Brokers Limited	2.25	2.62
	Aditya Birla PE Advisors Private Limited	0.15	1.33
	Aditya Birla Finance Limited	23.99	35.42
	Aditya Birla Sun Life Insurance Company Limited	22.16	23.99
	Aditya Birla Sun Life AMC Limited	17.02	18.34
	Aditya Birla Housing Finance Limited	2.25	1.09
	Other Comprehensive Income	1.34	(0.10)
	Aditya Birla Insurance Brokers Limited	0.05	β
	Aditya Birla PE Advisors Private Limited	-	β
	Aditya Birla Finance Limited	0.31	(0.05)
	Aditya Birla Sun Life Insurance Company Limited	0.53	(0.03)
	Aditya Birla Sun Life AMC Limited	0.40	(0.02)
	Aditya Birla Housing Finance Limited	0.05	β
	Finance Costs	0.18	-
	Aditya Birla Insurance Brokers Limited	0.01	-
	Aditya Birla PE Advisors Private Limited	-	-
	Aditya Birla Finance Limited	0.06	-
	Aditya Birla Sun Life Insurance Company Limited	0.05	-
	Aditya Birla Sun Life AMC Limited	0.05	-
	Aditya Birla Housing Finance Limited	0.01	-

NOTES

forming part of the Standalone Financial Statements for the year ended 31st March, 2020

Sr. No.	Particulars	₹ crore	
		Year ended 31st March, 2020	Year ended 31st March, 2019
	Other Expenses	14.72	17.44
	Aditya Birla Insurance Brokers Limited	0.48	0.55
	Aditya Birla PE Advisors Private Limited	0.02	0.28
	Aditya Birla Finance Limited	5.29	7.46
	Aditya Birla Sun Life Insurance Company Limited	4.78	5.05
	Aditya Birla Sun Life AMC Limited	3.67	3.86
	Aditya Birla Housing Finance Limited	0.48	0.24
	Depreciation	7.15	4.90
	Aditya Birla Insurance Brokers Limited	0.24	0.16
	Aditya Birla PE Advisors Private Limited	0.01	0.08
	Aditya Birla Finance Limited	2.57	2.09
	Aditya Birla Sun Life Insurance Company Limited	2.32	1.42
	Aditya Birla Sun Life AMC Limited	1.78	1.09
	Aditya Birla Housing Finance Limited	0.23	0.06
	Statutory Dues	8.26	6.90
	Aditya Birla Insurance Brokers Limited	0.21	0.18
	Aditya Birla PE Advisors Private Limited	0.15	0.09
	Aditya Birla Finance Limited	2.37	2.41
	Aditya Birla Sun Life Insurance Company Limited	2.02	1.63
	Aditya Birla Sun Life AMC Limited	1.61	1.25
	Aditya Birla Housing Finance Limited	0.23	0.07
	Aditya Birla Capital Technology Services Limited (Formerly known as Aditya Birla MyUniverse Limited)	0.24	0.21
	Aditya Birla Money Limited	0.53	0.40
	Aditya Birla Health Insurance Co. Limited	0.63	0.46
	Aditya Birla Wellness Private Limited	0.27	0.20
	Other Transactions - Recovered		
	Deposit - Received	-	0.25
	Aditya Birla Sun Life AMC Limited	-	0.25
	ESOP Charges	33.73	71.69
	Aditya Birla PE Advisors Private Limited	1.15	2.54
	Aditya Birla Capital Technology Services Limited (Formerly known as Aditya Birla MyUniverse Limited)	0.10	0.49
	Aditya Birla Finance Limited	7.74	15.00
	Aditya Birla Financial Shared Services Limited	0.44	0.84
	Aditya Birla Housing Finance Limited	0.65	1.70
	Aditya Birla Health Insurance Co. Limited	2.02	4.12
	Aditya Birla Insurance Brokers Limited	1.81	3.75
	Aditya Birla Money Limited	0.76	2.37
	Aditya Birla Money Mart Limited	-	0.01
	Aditya Birla Wellness Private Limited	0.01	0.06
	Aditya Birla Sun Life AMC Limited	11.47	20.24
	Aditya Birla Sun Life Insurance Company Limited	7.43	19.96
	Aditya Birla Sun Life Pension Management Limited	0.10	0.18
	Aditya Birla Money Insurance Advisory Services Limited	β	0.01
	Grasim Industries Limited	0.05	0.42
	Other Expenses	1.00	0.74
	Aditya Birla Financial Shared Services Limited	0.10	0.14
	Aditya Birla Management Corporation Private Limited	0.11	-
	Aditya Birla Capital Technology Services Limited (Formerly known as Aditya Birla MyUniverse Limited)	0.79	0.60

NOTES

forming part of the Standalone Financial Statements for the year ended 31st March, 2020

Sr. No.	Particulars	₹ crore	
		Year ended 31st March, 2020	Year ended 31st March, 2019
6	Receivables	14.83	11.26
	Aditya Birla PE Advisors Private Limited	2.14	3.91
	Aditya Birla Insurance Brokers Limited	0.95	1.19
	Aditya Birla Finance Limited	5.00	2.49
	Aditya Birla Sun Life Insurance Company Limited	2.49	1.38
	Aditya Birla Sun life AMC Limited	3.63	1.03
	Aditya Birla Capital Technology Services Limited (Formerly known as Aditya Birla MyUniverse Limited)	β	-
	Aditya Birla Money Limited	0.12	0.42
	Aditya Birla Money Mart Limited	-	0.01
	Aditya Birla Housing Finance Limited	0.24	0.25
	Aditya Birla Health Insurance Co. Limited	0.19	0.54
	Aditya Birla Wellness Private Limited	0.05	0.02
	Aditya Birla Money Insurance Advisory Services Limited	β	-
	Aditya Birla ARC Limited	-	0.01
	Aditya Birla Management Corporation Private Limited	-	0.01
	Aditya Birla Capital Foundation	0.02	-
	Prepaid Balance		
	Aditya Birla Financial Shared Services Limited	0.05	0.04
	Deposits Payable		
	Aditya Birla Sun life AMC Limited	0.25	0.25
	Trade Payables	1.31	1.44
	Aditya Birla Financial Shared Services Limited	1.28	1.29
	Grasim Industries Limited	0.03	0.10
	Aditya Birla Money Mart Limited	β	-
	Aditya Birla MyUniverse Limited	-	0.05
	Aditya Birla Money Insurance Advisory Services Limited	-	β
7	Non-Current Investments		
	Quoted:		
	Equity Shares Capital held by the Company		
	Aditya Birla Money Limited	248.30	248.30
	Unquoted:		
	Equity Shares Capital held by the Company		
	Aditya Birla PE Advisors Private Limited	3.50	3.50
	Aditya Birla Financial Shared Services Limited	0.05	0.05
	Aditya Birla Capital Technology Services Limited (Formerly known as Aditya Birla MyUniverse Limited)	9.27	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	5,612.65	5,463.62
	Aditya Birla Money Mart Limited	93.20	0.10
	Aditya Birla Housing Finance Limited	1,217.66	1,117.66
	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	17.75	17.75
	Aditya Birla Health Insurance Company Limited	466.11	284.55
	ABCAP Trustee Company Private Limited	0.03	0.03
	Aditya Birla ARC Limited	100.00	100.00
	Aditya Birla Stressed Asset AMC Private Limited	14.80	0.25
	Equity Component for Investment in Preference Shares of Aditya Birla Money Mart Limited	0.06	0.06

NOTES

forming part of the Standalone Financial Statements for the year ended 31st March, 2020

Sr. No.	Particulars	₹ crore	
		Year ended 31st March, 2020	Year ended 31st March, 2019
Preference Shares Capital held by the Company			
Aditya Birla Finance Limited			
	8% Cumulative Redeemable Preference Shares	-	10.01
	Interest Income Accrued on Preference Shares	0.66	0.80
Aditya Birla Money Mart Limited			
	0.01% Redeemable Non-Convertible Non-Cumulative Preference Shares	0.10	0.10
	Interest Income Accrued on Non-Convertible Non-Cumulative Preference Shares	0.06	0.05
Aditya Birla Money Limited			
	8% Redeemable Non-Convertible Cumulative Preference Shares	30.00	30.00
	Interest Income Accrued Non-Convertible Cumulative Preference Shares	20.74	17.18
Aditya Birla Capital Technology Services Limited (Formerly known as Aditya Birla MyUniverse Limited)			
	0.001% Compulsory Convertible Cumulative Preference Shares	14.98	60.00
Aditya Birla ARC Limited			
	0.001% Compulsory Convertible Cumulative Preference Shares	5.00	-
Debentures held by the Company			
Aditya Birla Money Mart Limited			
	0.1% Cumulative Convertible Debentures (CCD)	26.01	26.01
	Interest Income Accrued on CCD	10.78	7.74
Aditya Birla Finance Limited			
	0.1% Cumulative Convertible Debentures (CCD)	23.99	23.99
	Interest Income Accrued on CCD	9.94	7.14
Investments in Private Equity Fund			
	Aditya Birla Private Equity - Fund I	-	0.17
	Mark-to-Market on Private Equity Fund	-	0.16
8	Loans	20.15	115.48
	Aditya Birla Capital Technology Services Limited (Formerly known as Aditya Birla MyUniverse Limited)	13.59	82.08
	Aditya Birla Housing Finance Limited	6.56	26.00
	Aditya Birla Money Mart Limited	-	4.16
	Aditya Birla Money Insurance Advisory Services Limited	-	3.24
9	ABCSL Employee Welfare Trust	-	10.11
10	Key Managerial Personnel		
	Mr. Ajay Srinivasan**		
	Remuneration	28.22	35.27
	ESOP Accounting Charge	7.85	13.99
	Mr. Arun Kumar Adhikari	0.04	0.04
	Mr. P. H. Ravikumar	0.04	0.04
	Mr. S. C. Bhargava	0.04	0.04
	Ms. Vijayalakshmi R. Iyer	0.04	0.05

* Figures of ₹ 50,000 or less have been denoted by β.

** Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall Company basis at the end of each year and, accordingly, have not been considered in the above information. Amounts shown here are before allocation to subsidiary companies.

** Variable pay is within 70% of the gross salary.

NOTES

forming part of the Standalone Financial Statements for the year ended 31st March, 2020

Annexure : 2

Sr. No.	Particulars	31st March, 2020		31st March, 2019	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
					₹ crore
1	Liabilities Side:				
	Loans and advances availed by the CIC inclusive of interest accrued thereon but not paid:				
(a)	Debentures : Unsecured	-	-	-	-
(b)	Deferred Credits	-	-	-	-
(c)	Term Loans	-	-	-	-
(d)	Inter-Corporate Loans and Borrowings	-	-	-	-
(e)	Commercial Paper	-	-	1,439.88	-
(f)	Other Loans (specify nature)	-	-	-	-
	Assets Side :				
2	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :				
(a)	Secured	-	-	-	-
(b)	Unsecured	51.71	-	157.45	-
3	Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities :				
(i)	Lease assets including lease rentals under sundry debtors:				
(a)	Financial Lease (Refer Note No. 31)	1.55	-	-	-
(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	406.32	-	14.49	-
(iv)	Government Securities	-	-	-	-
(v)	Private Equity Fund	-	-	0.33	-
	Long Term Investments :				
1.	Quoted :				
(i)	Shares : (a) Equity	206.71	-	235.88	-
	(b) Preference	-	-	-	-
(ii)	Debentures and Bonds	-	-	-	-
(iii)	Units of Mutual Funds	-	-	-	-
(iv)	Government Securities	-	-	-	-
(v)	Others (please specify)	-	-	-	-

NOTES

forming part of the Standalone Financial Statements for the year ended 31st March, 2020

Sr. No.	Particulars	31st March, 2020		31st March, 2019	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
₹ crore					
2.	Unquoted :				
	(i) Shares : (a) Equity	8,772.99	-	8,275.59	-
	(b) Preference	71.40	-	118.01	-
	(ii) Debentures and Bonds	70.72	-	64.88	-
	(iii) Units of Mutual Funds	-	-	-	-
	(iv) Government Securities	-	-	-	-
	(v) Private Equity Fund	-	-	-	-
5	Borrower group-wise classification of assets financed as in (2) and (3) above :	31st March, 2020		31st March, 2019	
	Category	Secured	Unsecured	Secured	Unsecured
1.	Related Parties				
	(a) Subsidiaries	-	20.07	-	126.15
	(b) Companies in the same Group	-	-	-	3.16
	(c) Other Related Parties	-	-	-	0.13
	(d) Other than Related Parties	-	22.48	-	19.78
	Total	-	51.71	-	157.45
6	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):	31st March, 2020		31st March, 2019	
	Category	Market Value/ Break-up or Fair Value or NAV	Book Value (Net of Provisions)	Market Value/ Break-up or Fair Value or NAV	Book Value (Net of Provisions)
1.	Related Parties				
	(a) Subsidiaries/Joint Ventures	11,770.56	9,121.82	10,514.96	8,694.36
	(b) Companies in the same Group	-	-	0.33	0.33
	(c) Other related parties	-	-	-	-
	(d) Other than related parties	406.32	406.32	14.49	14.49
	Total	12,176.88	9,528.14	10,529.78	8,709.18
7	Other Information				
	Gross Non-Performing Assets				
	(a) Related Parties	-	-	-	-
	(b) Other than Related Parties	-	-	-	-
	Net Non-Performing Assets				
	(a) Related Parties	-	-	-	-
	(b) Other than Related Parties	-	-	-	-

Annexure : 3

Break-up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account:

Sr. No.	Particulars	₹ crore	
		31st March, 2020	31st March, 2019
1	Provisions for Depreciation on Investment	-	-
2	Provision towards Non-Performing Assets	-	-
3	Provision made towards Income Tax (shown below Profit Before Tax)		
	Current Tax	-	-
	(Excess)/Provision for Tax related to earlier years (Net)	-	(2.43)
	Deferred Tax	(2.20)	0.39
4	Other Provisions and Contingencies		
	Provisions for Standard Assets	(0.05)	0.18

NOTES

forming part of the Standalone Financial Statements for the year ended 31st March, 2020

Annexure : 4

Public disclosure on liquidity risk

i) Funding Concentration based on significant counterparty (both deposits and borrowings) - Nil

Sr. No.	Number of Significant Counterparties	Amount (₹ crore)	% of Total Liabilities
-	-	-	-

ii) Top 20 large deposits (amount in ₹ Crore and % of total deposits) - Not Applicable

iii) Top 10 borrowings (amount in ₹ Crore and % of total borrowings) - Nil

Sr. No.	Nature of Borrowings	Amount (₹ crore)	% of Total Borrowings
-	-	-	-

iv) Funding Concentration based on significant instrument/product - Nil / Not Applicable

Sr. No.	Name of the instrument/product	Amount (₹ crore)	% of Total Liabilities
-	-	-	-

v) Stock Ratios:

Sr. No.	Particulars	As on 31st March, 2020
1	Commercial Papers to Total Liabilities	0.00%
2	Commercial Papers to Total Assets	0.00%
3	NCDs (Original Maturity <1 ys) to Total Liabilities	Not Applicable
4	NCDs (original Maturity <1 ys) to Total Assets	Not Applicable
5	Other Short-term Liabilities* to Total Liabilities	26.85%
6	Other Short-term Liabilities* to Total Assets	0.47%

* Total Liabilities does not include Net Worth.

vi) Institutional set-up for liquidity risk management

The Company has Board of Directors which has the overall responsibility of management of liquidity risk. The Board decides the strategy policies and procedures of the NBFC to manage liquidity risk in accordance with the liquidity risk tolerance/limits decided by it.

The Company also has Risk Management Committee, which reports to the Board and is responsible for evaluating the overall risks faced by the Company including liquidity risk.

Asset Liability Committee (ALCO) of the Company consisting of the Company's senior management and Directors is responsible for ensuring adherence to the risk tolerance/limits as well as implementing the liquidity risk management strategy of the Company.

The Company has also constituted Asset Liability Management (ALM) Support Group at execution level which is responsible for analysing, monitoring and reporting the liquidity risk profile to the ALCO.

NOTES

forming part of the Standalone Financial Statements for the year ended 31st March, 2020

Annexure : 5

₹ crore

Sr. No.	Particulars	As on 31st March, 2020								Total
		1 day to 30/31 days	Over 1 month to 2 months	Over 2 month to 3 months	Over 3 month to 6 months	Over 6 month to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	
1	Liabilities:									
	(a) Trade Payables	-	8.74	-	-	-	-	-	-	8.74
	(b) Debt Securities	-	-	-	-	-	-	-	-	-
	(c) Lease Liabilities	-	-	-	-	-	1.24	-	-	1.24
	(d) Other Financial Liabilities	-	0.05	-	7.74	10.39	0.25	-	-	18.44
2	Assets:									
	(a) Cash and Cash Equivalents	6.47	-	-	-	-	-	-	-	6.47
	(b) Receivables - Others	14.83	-	-	-	-	-	-	-	14.83
	(c) Loans	-	-	-	-	20.07	2.84	-	-	22.91
	(d) Investments	406.32	-	-	0.66	-	50.76	70.72	8,999.68	9,528.14

₹ crore

Sr. No.	Particulars	31st March, 2019								Total
		1 day to 30/31 days	Over 1 month to 2 months	Over 2 month to 3 months	Over 3 month to 6 months	Over 6 month to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	
1	Liabilities:									
	(a) Trade Payables	-	8.62	-	-	-	-	-	-	8.62
	(b) Debt Securities	1,141.87	223.32	74.69	-	-	-	-	-	1,439.88
	(c) Other Financial Liabilities	0.22	-	-	8.00	13.57	0.25	-	-	22.04
2	Assets:									
	(a) Cash and Cash Equivalents	4.52	-	-	-	-	-	-	-	4.52
	(b) Receivables - Others	11.26	-	-	-	-	-	-	-	11.26
	(c) Loans	-	-	-	-	118.18	2.65	-	-	120.84
	(d) Investments	14.49	-	-	0.80	0.33	-	122.09	8,571.47	8,709.18

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Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

To The Members of ADITYA BIRLA CAPITAL LIMITED Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Aditya Birla Capital Limited** (the "Holding Company") and its subsidiaries, (Holding Company and its subsidiaries together referred to as the "Group") which includes the Group's share of profit (net) in joint ventures, which comprise the Consolidated Balance Sheet as at 31st March, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 of the subsidiaries and joint ventures referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 60 to the Consolidated Financial Statements in which the Company describes the uncertainties arising from the COVID-19 pandemic.

Our report is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>Allowances for Expected Credit Losses</p> <p>As at 31st March, 2020, loan assets aggregated ₹ 58,064.53 crore measured at amortised cost, constituting 51% of the Group's total assets. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. The allowance for expected credit losses ("ECL") on such loan assets measured at amortised cost is a critical estimate involving greater level of management judgement.</p> <p>As part of our risk assessment, we determined that the allowance for ECL on loan assets (including undisbursed</p>	<p>Auditors of components and we performed the following audit procedures:</p> <p>Examined the policies approved by the Board of Directors of the Company that articulate the objectives of managing each portfolio and their business. Verified the methodology adopted for computation of ECL ("ECL Model") that addresses policies approved by the Board of Directors, procedures and controls for assessing and measuring credit risk on all lending exposures measured at amortised cost.</p>

INDEPENDENT AUDITOR'S REPORT

Sr. No.	Key Audit Matter	Auditor's Response
	<p>commitments) has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements.</p> <p>The elements of estimating ECL which involved increased level of audit focus are the following:</p> <ul style="list-style-type: none"> • Qualitative and quantitative factors used in staging the loan assets measured at amortised cost. • Basis used for estimating Probabilities of Default ("PD"). • Basis used for estimating Loss Given Default ("LGD"). • Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions. • Adjustments to model driven ECL results to address emerging trends. <p>(Refer Note 2.5 and 57 to the Consolidated Financial Statements)</p>	<p>Additionally, confirmed that adjustments to the output of the ECL Model is consistent with the documented rationale and basis for such adjustments and that the amount of adjustment has been approved by the Audit Committee of the Board of Directors.</p> <p>Procedures related to the allowance for ECL included the following, among others:</p> <ul style="list-style-type: none"> • Testing the design and effectiveness of internal controls over the: <ul style="list-style-type: none"> - completeness and accuracy of the Exposure at Default ("EAD") and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied. - Completeness, accuracy and appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio; and - computation of the ECL including methodology used to determine macro economic overlays and adjustments to the output of the ECL Model. • Also, for a sample of ECL on loan assets tested: <ul style="list-style-type: none"> - tested the input data such as ratings and period of default and other related information used in estimating the PD; - evaluated reasonableness of LGD estimates by comparing actual recoveries post the loan asset becoming credit impaired with estimates of LGD. - evaluated the incorporation of the applicable assumptions into the ECL Model and tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company. • tested the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL Model and ensured that the adjustment was in conformity with the amount approved by the Audit Committee. <p>Assessed the disclosures made in relation to the ECL allowance to confirm compliance with the provisions of Ind AS 107.</p>
2.	<p>Impairment of the carrying value of Goodwill on consolidation</p> <p>There is a risk that the goodwill attributed to certain cash-generating units which are under performing, may be impaired. The Group annually carries out an impairment assessment of goodwill using a value-in-use model or on the basis of value-on-sale. The value-in-use model is based on the net present value of the forecast earnings of the cash-generating units. This is calculated using certain assumptions around discount rates, growth rates and cash flow forecasts.</p> <p>(Refer Note 2.4 and 16 to the Consolidated Financial Statements)</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> • Comparing the Group's assumptions to externally derived data in relation to key inputs such as long-term growth rates and discount rates. • Assessing the appropriateness of the forecasted cash flows within the budgeted period based on our understanding of the business. • Considering historical forecasting accuracy, by comparing previously forecasted cash flows to actual results achieved. • Involving our fair valuation experts to challenge the management's underlying assumptions for terminal

INDEPENDENT AUDITOR'S REPORT

Sr. No.	Key Audit Matter	Auditor's Response
		<p>growth rate and weighted average cost of capital and the appropriateness of the valuation model used.</p> <ul style="list-style-type: none"> Performing sensitivity analysis in relation to the key assumptions.
3.	<p>Information Technology and General Controls</p> <p>The Group is highly dependent on technology due to the significant number of transactions that are processed daily across multiple and discrete Information Technology ("IT") systems. The audit approach relies extensively on automated controls and therefore on the effectiveness of controls over IT systems.</p> <p>IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data.</p> <p>Management is in the process of implementing several remediation activities that are expected to contribute to reducing the risk over IT applications in the financial reporting process. These included implementation of the Group wide preventive and detective controls across critical applications and infrastructure. Due to the pervasive nature, in our preliminary risk assessment we will begin by assessing the risk of a material misstatement arising from technology as significant for the audit.</p>	<p>Auditors of components and we performed the following audit procedures:</p> <p>Access rights were tested over applications, operating systems and databases relied upon for financial reporting. Specifically, the tests were designed to cover the following:</p> <ul style="list-style-type: none"> Access requests for new recruits were properly reviewed and authorised; User access rights were removed on a timely basis when an individual left or moved role; Access rights to applications, operating systems and databases were periodically monitored for appropriateness; and Highly privileged access is restricted to appropriate personnel. <p>Other areas that were independently assessed included password policies, security configurations, controls over changes to applications and databases and that business users, developers and production support did not have access to change applications, the operating system or databases in the production environment.</p>

Information other than the Financial Statements and Auditor's Report thereon

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report (including annexures thereto), Business Responsibility Statement and Management Discussion and Analysis (MD&A) (collectively referred to as "other information"), but does not include the consolidated financial statements and our auditor's report thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and joint ventures audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and joint ventures, is traced from their financial statements audited by other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures 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 financial statements that give a true and fair view and are free from material misstatement,

INDEPENDENT AUDITOR'S REPORT

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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group and of its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements, of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of 16 subsidiaries, whose financial statements reflect total assets of ₹ 54,443.18 Crore as at 31st March, 2020, total revenues of ₹ 7,249.57 Crore and net cash inflows amounting to ₹ 1,887.04 Crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of profit after tax (net) of ₹ 250.92 Crore and total comprehensive income (net) of ₹ 250.80 Crore for the year ended 31st March, 2020, as considered in the consolidated financial statements, in respect of 6 joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above 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 and comparative financial information thereon.

(b) Determination of the following as at and for the quarter and year ended 31st March, 2020 is the responsibility of the Group's Appointed Actuaries:

(i) The actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at 31st March, 2020 in respect of subsidiary engaged in Life Insurance segment and the actuarial valuation of Claims Incurred But Not Reported (IBNR), Claims Incurred But Not Enough Reported (IBNER) and Premium Deficiency Reserve (PDR) as at 31st March, 2020 in respect of subsidiary engaged in Health Insurance segment is the responsibility of the subsidiaries' Appointed Actuaries. 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 charge of "Change in Valuation of Liabilities" includes charge for actuarial valuation of liabilities for life policies in force and charge for the policies in respect of which premium has been discontinued but liability exists as at 31st March, 2020 and "Benefits Paid" includes the estimate of IBNR and IBNER. These charges have been actuarially determined, based on the liabilities duly certified by the subsidiaries' Appointed Actuaries; and

(ii) Other adjustments for the purpose of preparation of the Statement, as confirmed by the Appointed Actuaries in the Life Insurance and Health Insurance segments are in accordance with Indian Accounting Standard 104 on Insurance Contracts:

- a. Assessment of contractual liabilities based on classification of contracts into insurance contracts and investment contracts;
- b. Valuation and Classification of Deferred Acquisition Cost and Deferred Origination Fees on Investment Contracts;
- c. Grossing up and classification of the Reinsurance Assets; and
- d. Liability adequacy test as at the reporting dates.

The respective auditors of these subsidiaries have relied on the certificates of the Appointed Actuaries in respect of the above matters in forming their opinion on the financial information of the said subsidiaries.

Our report is not modified in respect of the above matter.

INDEPENDENT AUDITOR'S REPORT

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries and joint ventures referred to in the Other Matters section 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 including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

- d) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Company, subsidiary companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- e) 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, subsidiary companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting.
- f) With respect to the Other Matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and joint ventures.
 - ii) The liability for insurance contracts is determined by the Subsidiary Companies' Appointed Actuaries', and is covered by the Subsidiary Companies' Appointed Actuaries', 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 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 required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and joint venture companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826
(UDIN: 20039826AAAADP1773)

Place: Mumbai
Date: 12th June, 2020

INDEPENDENT AUDITOR'S REPORT

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(e) 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 31st March, 2020, we have audited the internal financial controls over financial reporting of Aditya Birla Capital Limited (hereinafter referred to as the "Holding Company") and its Subsidiary Companies and Joint Ventures, 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 as at 31st March, 2020, 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 31st March, 2020. 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 and Joint Ventures, 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 and Joint Ventures, 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 of the Subsidiary Companies and Joint Ventures, 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 and its Joint Ventures, which are Companies incorporated in India.

INDEPENDENT AUDITOR'S REPORT

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 and Joint Ventures, 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 31st March, 2020, 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 Matters

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 in so far as it relates to 16 Subsidiary Companies and 3 Joint Ventures, 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 matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826
(UDIN: 20039826AAAADP1773)

Place: Mumbai
Date: 12th June, 2020

CONSOLIDATED BALANCE SHEET

as at 31st March, 2020

Particulars	Note No.	₹ crore	
		As at 31st March, 2020	As at 31st March, 2019
I ASSETS			
(1) Financial Assets			
(a) Cash and Cash Equivalents	3	2,825.19	738.91
(b) Bank Balance other than (a) above	4	302.08	347.04
(c) Derivative Financial Instruments	5	72.19	-
(d) Trade Receivables	6	476.65	374.39
(e) Loans	7	58,437.45	61,888.26
(f) Investments			
- Investments of Life Insurance Business			
- Investments of Life Insurance Policyholders'	8A	16,669.26	13,618.02
- Investments of Life Insurance Shareholders'	8B	2,459.41	2,130.32
- Investments of Health Insurance Business			
- Investments of Health Insurance Policyholders'	9A	628.31	352.47
- Investments of Health Insurance Shareholders'	9B	240.89	147.32
- Other Investments	10	4,906.42	1,905.22
(g) Assets Held to Cover Linked Liabilities of Life Insurance Business	11	22,828.79	25,166.34
(h) Other Financial Assets	12	341.56	342.90
	Sub-Total	110,188.20	107,011.19
(2) Non-Financial Assets			
(a) Current Tax Assets (Net)		356.29	89.92
(b) Deferred Tax Assets (Net)	13	271.58	222.03
(c) Investment Properties	14	15.67	16.11
(d) Property, Plant and Equipment	15	121.14	135.92
(e) Capital Work-in-Progress		2.71	1.09
(f) Goodwill	16	570.04	580.03
(g) Other Intangible Assets	17	165.74	159.96
(h) Right-to-use of Assets	42	308.04	-
(i) Intangible Assets under Development		71.61	33.08
(j) Investments in Joint Venture Companies		681.78	635.34
(k) Other Non-Financial Assets	18	1,016.20	807.28
	Sub-Total	3,580.80	2,680.76
Total Assets		113,769.00	109,691.95

CONSOLIDATED BALANCE SHEET (Contd.)

as at 31st March, 2020

₹ crore

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
II LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Derivative Financial Instruments	5	-	4.36
(b) Trade Payables	19		
(i) Total Outstanding dues of Micro Enterprises and Small Enterprises		6.99	3.56
(ii) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		501.55	514.29
(c) Debt Securities	20	20,264.40	26,280.68
(d) Borrowings (other than Debt Securities)	21	32,984.11	27,768.76
(e) Subordinated Liabilities	22	2,335.11	2,274.73
(f) Lease Liabilities	42	336.62	-
(g) Policyholders' Liabilities	23	41,264.54	40,150.02
(h) Other Financial Liabilities	24	1,089.85	1,172.02
	Sub-Total	98,783.17	98,168.42
(2) Non-Financial Liabilities			
(a) Current Tax Liabilities (Net)		28.72	15.74
(b) Provisions	25	261.00	231.59
(c) Deferred Tax Liabilities (Net)	13	288.35	231.04
(d) Other Non-Financial Liabilities	26	512.38	375.38
	Sub-Total	1,090.45	853.75
(3) Equity			
(a) Equity Share Capital	27	2,413.76	2,201.40
(b) Other Equity	28	10,162.03	7,310.95
Equity attributable to Owners of the Parent		12,575.79	9,512.35
(c) Non-Controlling Interests		1,319.59	1,157.43
Total Equity		13,895.38	10,669.78
Total Liabilities and Equity		113,769.00	109,691.95
Note : The assets and liabilities disclosed above consist of amount relating to both shareholders' and life insurance policyholders' fund. The Company identifies these assets and liabilities separately to comply with section 10 of Insurance Act, 1938, and are disclosed under Note No. 52.			
Significant Accounting Policies	2		
The accompanying Notes are an integral part of the Financial Statements.			

In terms of our report attached
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar
Partner

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

Ajay Srinivasan
Chief Executive Officer

P. H. Ravikumar
Director
(DIN: 00280010)

S. C. Bhargava
Director
(DIN: 00020021)

Pinky Mehta
Chief Financial Officer
Mumbai, 5th June, 2020

Sailesh Daga
Company Secretary

Mumbai, 12th June, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2020

Particulars	Note No.	₹ crore	
		Year ended 31st March, 2020	Year ended 31st March, 2019
REVENUE FROM OPERATIONS			
Interest Income	29	7,128.16	6,418.88
Dividend Income	30	19.38	11.20
Fees and Commission Income		943.49	823.98
Net Gain on Fair Value Changes	31	218.10	85.40
Policyholders' Income from Life Insurance Operations	52	7,601.93	7,227.94
Policyholders' Income from Health Insurance Operations	53	784.25	490.56
Sale of Service		96.98	105.55
Net Revenue from Operations		16,792.29	15,163.51
Other Income	32	18.12	8.46
Total Income		16,810.41	15,171.97
EXPENSES			
(a) Finance Costs	33	4,607.01	4,109.06
(b) Fees and Commission Expenses		408.01	358.17
(c) Impairment on Financial Instruments including Loss on Derecognition of Financial Assets at Amortised Cost (Expected Credit Loss)	34	778.05	227.75
(d) Employee Benefits Expenses	35	723.40	788.45
(e) Policyholders' Expense of Life Insurance Operations	52	7,604.62	7,212.08
(f) Policyholders' Expense of Health Insurance Operations	53	1,034.93	743.69
(g) Depreciation and Amortisation Expenses	36	102.56	57.89
(h) Other Expenses	37	513.02	520.07
Total Expenses		15,771.60	14,017.16
Profit Before Share of Joint Ventures, Exceptional Items and Tax		1,038.81	1,154.81
Share of Profit/(Loss) of Joint Venture Companies		250.92	225.84
Profit Before Exceptional Items and Tax		1,289.73	1,380.65
Exceptional Items		(9.99)	-
Profit Before Tax		1,279.74	1,380.65
Relating to other than Revenue Account of Life Insurance Policyholders'			
Current Tax		384.52	605.73
Short/(Excess) Provision for Tax Related to Earlier Years (Net)		(7.27)	(4.40)
Deferred Tax		2.81	(56.02)
Relating to Revenue Accounts of Life Insurance Policyholders'			
Current Tax		33.57	24.04
Total Tax Expenses		413.63	569.35
Profit for the Year		866.11	811.30

CONSOLIDATED STATEMENT OF PROFIT AND LOSS (Contd.)

for the year ended 31st March, 2020

₹ crore

Particulars	Note No.	Year ended 31st March, 2020	Year ended 31st March, 2019
OTHER COMPREHENSIVE INCOME	38		
Relating to Revenue Accounts of Life Insurance Policyholders'			
(i) Items that will not be reclassified to profit or loss in subsequent periods		(6.53)	0.48
(ii) Items that will be reclassified to profit or loss in subsequent periods		264.38	50.48
Less: Transferred to Policyholders' Fund in the Balance Sheet		(257.85)	(50.96)
Relating to Revenue Accounts of Health Insurance Policyholders'			
(i) Items that will not be reclassified to profit or loss in subsequent periods		1.24	(0.87)
(ii) Items that will be reclassified to profit or loss in subsequent periods		8.15	(0.52)
Related to Others			
(i) Items that will not be reclassified to profit or loss		(16.34)	(2.47)
Income Tax relating to items that will not be reclassified to profit or loss		2.87	2.47
(i) Items that will be reclassified to profit or loss		88.44	7.77
Income Tax relating to items that will be reclassified to profit or loss		(9.73)	(0.80)
Other Comprehensive Income for the Year		74.63	5.58
Total Comprehensive Income for the Year		940.74	816.88
Profit for the Year attributable to			
- Owners of the Company		919.78	870.94
- Non-Controlling Interest		(53.67)	(59.64)
Other Comprehensive Income for the Year attributable to			
- Owners of the Company		24.18	2.19
- Non-Controlling Interest		50.45	3.39
Total Comprehensive Income			
- Owners of the Company		943.96	873.13
- Non-Controlling Interest		(3.22)	(56.25)
Basic Earnings Per Share - (₹)	39	4.07	3.96
Diluted Earnings Per Share - (₹)		4.06	3.95
(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, 12th June, 2020

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

Ajay Srinivasan
Chief Executive Officer

Pinky Mehta
Chief Financial Officer
Mumbai, 5th June, 2020

P. H. Ravikumar
Director
(DIN: 00280010)

Sailesh Daga
Company Secretary

S. C. Bhargava
Director
(DIN: 00020021)

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2020

₹ crore

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	1,038.81	1,154.81
Adjustment For -		
Expense on Employee Stock Options Scheme	33.04	96.25
Impairment on Financial Instruments including Loss on Derecognition of Financial Assets at Amortised Cost (Expected Credit Loss)	780.31	230.03
Net Gain on Fair Value Changes	(100.46)	(217.58)
Change in Valuation of Liabilities in respect of Insurance Policies in force	1,032.26	1,353.79
Gain on Sale of Property, Plant and Equipment	0.72	(0.23)
Depreciation and Amortisation	204.31	96.26
	1,950.18	1,558.52
Operating Profit Before Working Capital Changes		
Adjustment For -		
Decrease/(Increase) in Trade Receivables	(104.04)	0.41
Decrease/(Increase) in Loans	2,674.54	(11,643.32)
Decrease/(Increase) in Other Financial and Non-Financial Assets	(220.22)	(24.17)
(Decrease)/Increase in Trade Payables	(9.31)	152.27
(Decrease)/Increase in Provisions	23.19	27.43
(Decrease)/Increase in Investment of Life Insurance and Health Insurance Policyholders'	(991.05)	(1,236.91)
(Decrease)/Increase in Other Financial and Non-Financial Liabilities	463.10	399.41
(Decrease)/Increase in Derivatives	(32.25)	0.50
	1,803.96	(12,324.38)
Cash Used in Operations	4,792.95	(9,611.05)
Income Taxes Refund/(Paid)	(627.88)	(644.76)
Net Cash (Used in)/From Operating Activities	4,165.07	(10,255.81)
B CASH FLOW FROM INVESTING ACTIVITIES		
Addition to Property, Plant and Equipment and Intangible Assets	(157.29)	(162.50)
Proceeds from Sale of Property, Plant and Equipment	2.82	5.09
Investments in Joint Venture Companies	-	(5.10)
Purchase of Long-Term Investments	(631.61)	(72.42)
Proceeds from Sale of Long-Term Investments	182.26	41.91
(Purchase)/Sale of Insurance Shareholders Investments (Net)	(310.17)	(276.64)
(Purchase)/Sale of Current Investments (Net)	(2,400.90)	(249.78)
Bank Deposits with original maturity greater than three months (Net)	44.96	(123.99)
Dividend Received	168.30	153.00
Net Cash (Used in)/From Investing Activities	(3,101.63)	(690.43)

CONSOLIDATED CASH FLOW STATEMENT (Contd.)

for the year ended 31st March, 2020

₹ crore

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
C CASH FLOW FROM FINANCING ACTIVITIES		
Exercise of Employee Stock Options	2.36	0.69
Share of Proceeds from Issue of Equity Shares, including Share Premium (Net of Share Issue Expenses)	2,097.13	-
Proceeds from Shares issued by Subsidiary Companies to Non-Controlling Interest	174.44	159.95
Proceeds from Long-Term Borrowings	15,210.07	20,640.23
Repayment of Long-Term Borrowings	(9,299.64)	(6,754.99)
Short-Term Borrowings (Net)	(7,047.99)	(3,184.84)
Repayment of Lease Liabilities (including Interest thereon)	(106.11)	-
Dividend Paid to Non-Controlling Interest	(7.42)	(9.21)
Net Cash (Used in)/From Financing Activities	1,022.84	10,851.83
D NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	2,086.28	(94.41)
E OPENING CASH AND CASH EQUIVALENTS	738.91	833.32
F CLOSING CASH AND CASH EQUIVALENTS (D+E)	2,825.19	738.91

Cash Flow from Operations includes:

₹ crore

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest Received	9,236.16	8,159.05
Interest Paid	4,292.57	3,913.66
Dividend Received	177.13	152.94

Additional Disclosure pursuant to Ind AS 7

₹ crore

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Opening Balance	56,324.17	45,427.15
Cash Flows	(1,137.56)	10,700.40
Others*	397.01	196.62
Closing Balance	55,583.62	56,324.17

* Includes fair value adjustment, foreign exchange fluctuation, interest accrued but not due, etc.

In terms of our report attached
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

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

Sanjiv V. Pilgaonkar
Partner

Ajay Srinivasan
Chief Executive Officer

P. H. Ravikumar
Director
(DIN: 00280010)

S. C. Bhargava
Director
(DIN: 00020021)

Mumbai, 12th June, 2020

Pinky Mehta
Chief Financial Officer
Mumbai, 5th June, 2020

Sailesh Daga
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2020

(A) EQUITY SHARE CAPITAL

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the Year	2,201.40	2,201.04
Changes in Equity Share Capital during the Year	212.36	0.36
Balance at the end of the Period	2,413.76	2,201.40

(B) OTHER EQUITY

For the year ended 31st March, 2019

₹ crore

Particulars	Reserves and Surplus				Items of Other Comprehensive Income				Equity at-tributable to Shareholders of the Company	Non-Controlling Interest	Total Other Equity			
	Special Reserve	Capital Reserve	Securities Premium Reserve	Other Reserve	Retained Earnings	Debt Instrument through Other Comprehensive Income	Equity Instrument through Other Comprehensive Income	Cash Flow Hedge Reserve				Foreign Currency Translation Reserve		
Balance as at 1st April, 2018	492.43	48.40	4,142.20	0.01	84.42	1,525.11	10.10	14.77	17.05	-	2.31	6,336.80	1,056.01	7,392.81
Profit for the Year	-	-	-	-	-	870.94	-	-	-	-	-	870.94	(59.64)	811.30
Other Comprehensive Income/(Loss) for the Year (Refer Note 38)	-	-	-	-	-	(1.37)	-	2.21	0.60	-	0.75	2.19	3.39	5.58
Total Comprehensive Income	-	-	-	-	-	869.57	-	2.21	0.60	-	0.75	873.13	(56.25)	816.88
Issue of Shares to Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	159.00	159.00
Dividend paid to Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	(9.21)	(9.21)
Transfer to General Reserve	-	-	-	-	-	(2.47)	2.47	-	-	-	-	-	-	-
Transfer to Special Reserve	188.70	-	-	-	-	(188.70)	-	-	-	-	-	-	-	-
Reclassification of Gain/Loss on Sale of FVTOCI Equity Instruments	-	-	-	-	-	38.21	-	-	(38.21)	-	-	-	-	-
Transfer to General Reserve on Account of Lapse of Vested Options	-	-	-	-	(0.19)	-	-	-	-	-	(0.19)	0.19	-	-
Exercise of ESOP including ESOP issued by Subsidiary Companies	-	-	2.08	-	(1.16)	0.41	-	-	-	-	-	1.33	0.07	1.40
ESOP Charge for the Year	-	-	-	-	91.95	-	-	-	-	-	-	91.95	-	91.95
Subvention Money received from Subsidiaries	-	-	-	-	-	7.93	-	-	-	-	-	7.93	7.62	15.55
Balance as at 31st March, 2019	681.13	48.40	4,144.28	0.01	175.02	2,250.06	12.57	16.98	(20.56)	-	3.06	7,310.95	1,157.43	8,468.38

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Contd.)

for the year ended 31st March, 2020

(B) OTHER EQUITY

For the year ended 31st March, 2020

₹ crore

Particulars	Reserves and Surplus				Items of Other Comprehensive Income				Equity at-tributable to Shareholders of the Company	Non-Controlling Interest	Total Other Equity			
	Special Reserve	Capital Reserve	Securities Premium Reserve	Other Reserve	Retained Earnings	Debt Instrument through Other Comprehensive Income	Equity Instrument through Other Comprehensive Income	Cash Flow Hedge Reserve				Foreign Currency Translation Reserve		
Balance as at 1st April, 2019	681.13	48.40	4,144.28	0.01	1,75.02	2,250.06	12.57	16.98	(20.56)	-	3.06	7,310.95	1,157.43	8,468.38
Profit for the Year	-	-	-	-	919.78	-	-	-	-	-	-	919.78	(53.67)	866.11
Other Comprehensive Income/(Loss) for the Year (Refer Note No. 38)	-	-	-	-	(5.84)	-	-	52.03	(3.40)	(19.67)	1.06	24.18	50.45	74.63
Total Comprehensive Income	-	-	-	-	913.94	-	-	52.03	(3.40)	(19.67)	1.06	943.96	(3.22)	940.75
Transition impact of Lease (Ind AS 116) [Refer Note No. 42]	-	-	-	-	(13.48)	-	-	-	-	-	-	(13.48)	(2.44)	(15.92)
Issue of Shares to Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	174.44	174.44
Dividend Paid to Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	(7.42)	(7.42)
Transfer to General Reserve	-	-	-	-	(1.98)	1.98	-	-	-	-	-	-	-	-
Transfer to Special Reserve	190.61	-	-	-	(190.61)	-	-	-	-	-	-	-	-	-
Addition during the Year	-	-	1,890.00	-	-	(18.72)	-	-	18.72	-	-	1,890.00	-	1,890.00
Reclassification of Gain/Loss on Sale of FVTOCI Equity Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to General Reserve on Account of Lapse of Vested Options	-	-	-	-	(5.16)	5.16	-	-	-	-	-	-	-	-
Exercise of ESOP including ESOP issued by Subsidiary Companies	-	-	28.09	-	(28.09)	-	-	-	-	-	-	-	-	-
ESOP Charge for the Year	-	-	-	-	33.02	-	-	-	-	-	-	33.02	-	33.02
Others	-	-	-	-	-	0.56	-	-	-	-	-	0.56	0.80	1.36
Share Issue Expenses netted off	-	-	-	-	-	(2.98)	-	-	-	-	-	(2.98)	-	(2.98)
Balance as at 31st March, 2020	871.74	48.40	6,059.39	0.01	174.79	2,939.77	19.71	69.01	(5.24)	(19.67)	4.12	10,162.03	1,319.59	11,481.62

In terms of our report attached
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

ICAI Firm Registration No. 117366W/W-100018

Sanjiv V. Pilgaonkar
Partner

Ajay Srinivasan
Chief Executive Officer

P. H. Ravikumar
Director
(DIN: 00280010)

S. C. Bhargava
Director
(DIN: 00020021)

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

Mumbai, 12th June, 2020

Pinky Mehta
Chief Financial Officer
Mumbai, 5th June, 2020

Sailesh Daga
Company Secretary

NOTES

forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Aditya Birla Capital Limited (“the Company” / “the Parent”) is a listed public company having its registered office at Indian Rayon Compound, Veraval – 362 266, Gujarat. The Company currently operates as a Non-Deposit Taking Systemically Important Core Investment Company (“CIC-ND-SI”) registered with the RBI vide certificate no. B.01.00555 dated 16th October, 2015. The Company is a majority owned subsidiary of Grasim Industries Limited.

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 No. 44.

The Group has prepared consolidated financial statements in compliance with Indian Accounting Standards (‘Ind AS’) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The financial statements are authorised for issue by the Board of Directors of the Company at its meeting held on 5th June, 2020.

The financial statements have been prepared and presented on the going concern basis and at historical cost, except for the following assets and liabilities, which have been subsequently measured at fair value:

- Derivative Financial Instruments measured at fair value.
- Certain financial assets and liabilities at fair value.
- Employee’s Defined Benefit Plan as per actuarial valuation.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Presentation of Financial Statements

The Group presents its financial statements to comply with Division III of Schedule III of the Companies Act, 2013, which provides general instructions for the preparation of financial statements of a non-banking financial company (NBFC to comply with Ind AS) and the requirements of Ind AS. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note No. 58.

Financial assets and liabilities are generally reported gross in the Balance Sheet. They are only offset and reported

net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default

2.2 Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Group and the currency of the primary economic environment in which the Group operates.

2.3 Principles of Consolidation

Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and its Subsidiaries. Subsidiaries are entities controlled by the Group. The Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items. Inter-Group transactions, balances and unrealised gains on transactions between the Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred assets.

Profit or Loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the Parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies. All inter-group assets and liabilities, equity,

NOTES

forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

income, expenses and cash flows relating to transactions between the members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest; and (ii) the carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in OCI in relation to the subsidiary are accounted for (i.e., reclassified to profit or loss or transferred directly to retained earnings) in the same manner, as would be required, if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

On account of the regulatory restrictions on transfer of surplus/funds from the life insurance fund to shareholders, no proportion of the surplus relating to life insurance fund (including in respect of contracts without discretionary participating features) arising out of the adjustments due to application of Ind AS principles can be attributed to shareholders. Under the Previous GAAP fair valuation changes relating to the life insurance fund assets is accumulated within the liability group "Policyholders' Funds" in a line item labelled "Credit/(Debit) Fair Value Change Account" separately from "Policy Liabilities", "Insurance Reserves" and "Provision for Linked Liabilities". Therefore, the differences arising from the application of the Ind AS principles to the assets and liabilities of the life insurance fund be retained within the "Life Insurance Policyholders' Fund" liability group as "Fair Valuation Differences of Policyholders' Investments" and "Policyholders' Fund – Other Adjustments".

Further, all income and expenses pertaining to the life insurance fund have been grouped under "Income from life insurance fund" and "Expense of the life insurance fund", respectively. Assets and liabilities of life insurance fund have been clubbed with respective assets and liabilities. Disclosure of the same is provided in Note No. 52.

Investment in Associates and Joint Ventures

Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Joint Ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its associates and joint ventures are accounted for using the equity method.

Under the equity method, the investment in the equity of an associate or a joint venture is initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits/losses of the investee in profit or loss, and the Group's share in other comprehensive income of the investee. Dividends received from associates and joint ventures are recognised as reduction in the carrying amount of the investments.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of Profit/Loss of an associate and a joint venture' in the Statement of Profit and Loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal, is recognised in the Statement of Profit and Loss. If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in OCI is reclassified to the Statement of Profit and Loss, where appropriate. Changes in investor's interest in other component of equity in such cases are being directly recognised in Equity.

Accounting policies of equity accounted investees have been changed where necessary to ensure consistencies with the policies adopted by the Group.

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

2.4 Business Combination and Goodwill

The Company uses the acquisition method of accounting to account for business combinations. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount of the identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed, and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in Other Comprehensive Income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to the settlement of pre-existing relationships. Any goodwill that arises on account of such business combination is tested annually for impairment.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured, and the settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recorded in the Statement of Profit and Loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Company recognises any

non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Company incurs in connection with a business combination, such as stamp duty for title transfer in the name of the Company, finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently, when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in the Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

2.5 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are added to the fair value. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market

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place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments, mutual funds at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially, as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI), except for changes with respect to Policyholders' investments under the life insurance business (except for assets held to cover-linked liabilities) relating to Revenue Account of Life Insurance Policyholders, wherein the fair value movements are included under "Policyholders' Liabilities (Life Insurance Contract Liabilities and restricted surplus)" in the Balance Sheet. However, the Group recognises interest income,

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

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss, except for changes with respect to Policyholders' investments under the life insurance business (except for assets held to cover-linked liabilities) relating to Revenue Account of Life Insurance Policyholders, wherein the fair value movements are included under "Policyholders' Liabilities (Life Insurance Contract Liabilities and restricted surplus)" in the Balance Sheet.

Equity investments

Investments in Associates and Joint Ventures are out of scope of Ind AS 109. As explained in item 2.3 above, such investments are accounted using the equity method.

All other equity investments are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. For equity instruments, other than held for trading, the Group has irrevocable option to present in OCI, subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Where the Group classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss, except for changes with respect to Policyholders' investments under the life insurance business (except for assets held to cover-linked liabilities) relating to Revenue Account of Life Insurance Policyholders, wherein the fair value movements are included under "Policyholders' Liabilities (Life Insurance Contract Liabilities and restricted surplus)" in the Balance Sheet.

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Impairment of financial assets

The Group recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers;
- Debt investment securities;
- Trade and other receivables;
- Lease receivables;
- Irrevocable loan commitments issued; and
- Financial guarantee contracts issued.

With the exception of POCI financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-Month ECL, i.e., that result from those default events on the financial instrument that are possible within 12 Months after the reporting date (referred to as Stage 1); or
- full lifetime ECL, i.e., lifetime ECL that result from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument, if the credit risk on that financial instrument has increased significantly since initial recognition (and consequently for credit impaired financial assets). For all other financial instruments, ECLs are measured at an amount equal to the 12-Month ECL.

The Group's policy is always to measure loss allowances for lease receivables as lifetime ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

- for undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Group if the holder of the commitment draws down the loan and the cash flows that the Group expects to receive, if the loan is drawn down; and
- for financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group expects to receive from the holder, the debtor or any other party.

The Group measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of

the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events, which have a detrimental impact on the estimated future cash flows of the financial asset, have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security, because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event, instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if corporate debt instruments are credit-impaired, the Group considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit-impaired, when there is observable evidence of credit impairment, including meeting the definition of default. The definition of default (see below) includes unlikelihood to pay indicators and a back-stop, if amounts are overdue for 90 days or more.

Purchased or originated credit-impaired (POCI) financial assets

POCI financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Group recognises all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognised in the Statement of Profit and Loss. A favourable change for such assets creates an impairment gain.

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Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD), which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Group considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Group; or
- the borrower is unlikely to pay its credit obligations to the Group in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

When assessing, if the borrower is unlikely to pay its credit obligation, the Group takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example, in corporate lending a qualitative indicator used is the admittance of bankruptcy petition by National Company Law Tribunal (NCLT), which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty, are key inputs in this analysis. The Group uses a variety of sources of information to assess default which are either developed internally or obtained from external sources. The definition of default is applied consistently to all financial instruments unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial instrument.

Significant increase in credit risk

The Group monitors all financial assets, issued irrevocable loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Group monitors all financial assets, issued irrevocable loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with

the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the probability of default (PD) will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are re-negotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows, either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan may constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately, but may affect the cash flows depending on whether the covenant is or is not met (e.g., a change to the increase in the interest rate that arises when covenants are breached).

The Group re-negotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where, although, the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified the Group assesses whether this modification results in derecognition. In accordance with the Group's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Group considers the following:

- Qualitative factors, such as contractual cash flows after modification, are no longer SPPI
- change in currency or change of counterparty
- the extent of change in interest rates, maturity, covenants

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- If these do not clearly indicate a substantial modification, then:
- A. In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL, except in the rare occasions where the new loan is considered to be originated-credit-impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount, because there remains a high risk of default which has not been reduced by the modification. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as, if the borrower is in past due status under the new terms.
- B. When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Group determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:
 - the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with; and
 - the remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Group's ability to collect the modified cash flows taking into account the Group's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Group calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Group measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

The Group derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in the Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss.

On derecognition of a financial asset other than in its entirety (e.g., when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part that no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in the Statement of Profit and Loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss.

Write off

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

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Presentation of allowance for ECL in the Balance Sheet

Loss allowances for ECL are presented in the Balance Sheet as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: no loss allowance is recognised in the Balance Sheet as the carrying amount is at fair value; and
- where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component.

Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments, issued by the Group, are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are classified, at initial recognition

- at fair value through profit or loss,
- Loans and borrowings,
- Payables, or
- as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, payables are recognised net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities, designated upon initial recognition at FVTPL, are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Derivatives and hedging activities

Derivatives are only used for economic hedging purposes and not as a speculative investments. However, where

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derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at FVTPL. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

The Group designates certain derivatives as either:

- a. hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value changes),
- b. hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- c. hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items, including whether the changes in the cash flows of the hedging instrument are expected to offset changes in cash flows of hedged items. The Group documents its risk management objective before undertaking hedge transactions.

The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income and accumulated under the heading cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within Other Income.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within 'finance cost', at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset.

When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

Embedded Derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar

to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Re-assessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value, if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the Statement of Profit and Loss, unless designated as effective hedging instruments.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts, and there is an intention to settle on a net basis, to realise the assets and to settle the liabilities simultaneously.

2.6 Fair Value Measurement

The Group measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a. In the principal market for the asset or liability, or
- b. In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities (for which fair value is measured or disclosed in the financial statements) are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities, which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

2.7 Cash and Cash Equivalents

Cash and Cash Equivalents comprise cash on hand and cash at bank including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less which are subject to insignificant risk of changes in value.

2.8 Property, Plant and Equipment (PPE) and Depreciation

On transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1st April, 2017, measured as per the previous GAAP, and use that carrying value as the deemed cost of the property, plant and equipment.

Property, plant and equipment are stated at acquisition or construction cost less accumulated depreciation and impairment loss. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Group in future periods and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Depreciation on Tangible Fixed Assets is provided on Straight-Line Method using the rates arrived at based on the useful lives as specified in the Schedule II of the Companies Act, 2013, or estimated by the Management. The Group has used the following useful life to provide depreciation on its Property, Plant and Equipment.

A. Assets where useful life differs from Schedule II:-

Assets	Useful Life as Prescribed by Schedule II of the Companies Act, 2013	Estimated Useful Life
Buildings/Investment Properties	30 Years	60 Years
Office Electronic Equipment	5 Years	4 Years
Office Computers (end user devices desktop, laptops)	3 Years	3 Years to 5 Years
Servers	6 Years	3 Years to 5 Years
Vehicles	8-10 Years	4 Years to 5 Years
Electrically Operated Vehicles	8 Years	5 Years
Furniture & Fixtures and Other Office Equipment	10 Years	2 Years to 10 Years

Useful life of assets different from the corresponding life specified in Schedule II has been estimated by the Management supported by technical assessments.

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The estimated useful lives and residual values of the tangible fixed assets are reviewed at the end of each financial year.

B. Leasehold Assets:

Leasehold Improvements	Period of Lease
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Property, Plant and Equipment, individually costing less than Rupees five thousand, are fully depreciated in the year of purchase.

Depreciation on the Property, Plant and Equipment added/discharged during the year is provided on pro-rata basis with reference to the month of addition/discharged/discharged.

Depreciation on the tangible fixed assets added/discharged during the year is provided on pro-rata basis with reference to the month of addition/discharged/discharged.

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.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and recognised as income or expense in the Statement of Profit and Loss.

Intangible Assets and their useful lives are as under:

Assets	Estimate Useful Life
Brands/Trademarks	5 to 10 Years
Computer Software	2 to 6 Years
Investment Management Rights	Over the period of 10 Years
Non-Compete Fees	3 Years
Exclusive Images	3 Years

The estimated useful lives of the intangible assets and the amortisation period are reviewed at the end of each financial year, and the amortisation period is revised to reflect the changed pattern, if any.

2.9 Intangible Assets Acquired Separately and Amortisation

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss, unless such expenditure forms part of carrying value of another asset. Intangible assets are amortised on a straight-line basis over their estimated useful lives.

2.10 Impairment of Non-Financial Assets

At the end of each reporting period, the Group reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication then the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the

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carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.11 Product Classification of Insurance Business

Insurance contracts are those contracts when the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders, if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Group determines whether it has significant insurance risk, if the benefit payable on death is higher by at least 5% of the fund value at any time during the term of the contract for unit-linked products or the benefit payable on death is higher by at least 5% of the premium at any time during the term of the contract for other than unit-linked products. Investment contracts are those contracts which are not Insurance Contracts.

2.12 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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 assets acquired under finance lease are capitalised at lower of fair value and present value of the minimum lease payments at the inception of the lease and disclosed as leased assets. Such assets are amortised over the period of lease or estimated life of such asset, whichever is less. Lease payments are apportioned between the finance charges

and reduction of the lease liability based on implicit rate of return. Lease management fees, lease charges and other initial direct costs are capitalised.

Operating Lease

As a Lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset,
- the Group has substantially all of the economic benefits from use of the asset through the period of the lease, and
- the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes right-of-use ("ROU") asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset generates cash flows that are largely dependent of those from other assets. In such cases, the recoverable amount is determined for the Cash-Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The

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lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use asset, if the Group changes its assessment on exercise of an extension or a termination option.

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

As a Lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

2.13 Employee Benefits

Short-Term Employee Benefits

Liabilities for salaries and wages, including non-monetary benefits and accumulating leave balance in respect of employees' services 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 Group also recognises a liability and records an expense for bonuses (including performance-linked bonuses) where contractually obliged or where there is a past practice that has created a constructive obligation.

The obligations are presented as a part of "Other Financial Liabilities" or "Provisions" in the Balance Sheet.

Defined Contribution Plans

The Group makes defined contributions to employee provident fund and employee pension schemes administered by government organisations set up under the applicable statute and those administered by a trust set up by Gasim Industries Limited ("the Holding Company") and superannuation schemes administered by a trust set up by the Holding Company. The Group has no further payment obligations once the contributions have been paid, except to contribute additionally any shortfall in the annual yield on the plan assets as compared to the annual return on such accumulated prescribed by the Central Government (there were no such additional contributions due from the Group as of 31st March, 2020,

31st March, 2019). The contributions are recognised as a part of "Employee Benefits Expenses" in the period in which the employee renders services against which such contributions are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. The liabilities are presented within "Other Financial Liabilities" or, as the case may be, within "Provisions" in the Balance Sheet.

Defined Benefit Plans (Gratuity Obligation)

The obligation is in respect of defined benefit plans, which covers Gratuity, which is provided for on the basis of an actuarial valuation at the end of each financial year. Gratuity is funded with an approved trust.

In respect of Gratuity being Post-Retirement benefits, re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet, with a charge or credit recognised in other comprehensive income in the period in which they occur.

Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the Statement of Profit and Loss, except with respect to life insurance business, which relates to restricted life insurance fund relating to Revenue Account of Life Insurance Policyholders, the same has been transferred under "Policyholders' Liabilities (Life Insurance Contract Liabilities and restricted surplus)" in the Balance Sheet, and the same will not be reclassified to revenue account of insurance business.

Past service costs are recognised in the Statement of Profit and Loss on the earlier of:

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

The Group recognises the following changes in the net defined benefit obligation under employee benefit expenses in the Statement of Profit and Loss:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); and
- net interest expense or income.

The Group presents the above components of defined benefit costs in the Statement of Profit and Loss in the line item 'Employee Benefits Expense'.

The present value of the defined benefit plan liability is calculated using a discount rate, which is determined by reference to market yields at the end of the reporting period on government bonds.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in

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the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

Other Long-Term Benefits

The expected costs of other long-term employee benefits, such as long-term service incentive plan benefits (not being share-based payments), are accrued over the period of employment using the same accounting methodology as used for defined 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 "Provisions" in the Balance Sheet.

2.14 Employee Share-based Payments

Equity-settled Transactions

Equity-settled share-based payments to employees are measured by reference to the fair value of the equity instruments at the grant date using Black-Scholes Model.

The fair value, determined at the grant date of the equity-settled share-based payments, is charged to the Statement of Profit and Loss on the straight-line basis over the vesting period of the option, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

In case of forfeiture/lapse stock option, which is not vested, amortised portion is reversed by credit to employee compensation expense. In situation where the stock option expires unexercised, the related balance standing to the credit of the Employee Stock Options Outstanding Account is transferred within equity.

2.15 Foreign Currency Transactions

In preparing the financial statements of the Group, transactions in foreign currencies, other than the Group's functional currency, are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which these arise, except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences relating to qualifying effective cash flow hedges; and
- exchange difference arising on re-statement of long-term monetary items, that in substance forms part of the Group's net investment in foreign operations, is accumulated in Foreign Currency Translation Reserve (component of OCI) until the disposal of the investment, at which time such exchange difference is recognised in the Statement of Profit and Loss.

2.16 Foreign Operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Indian Rupees, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Indian Rupee at the exchange rates at the dates of the transactions or an average rate, if the average rate approximates the actual rate at the date of the transaction. Exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI, is reclassified to the Statement of Profit and Loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary, but retains control, then the relevant proportion of the cumulative amount of foreign exchange differences is re-allocated to NCI. When the Group disposes of only a part of its interest in an Associate or a Joint Venture, while retaining significant influence or joint control, the relevant proportion of the cumulative amount of foreign exchange differences is reclassified to the Statement of Profit and Loss.

2.17 Revenue Recognition

Interest Income

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets, other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

For purchased or originated credit-impaired (POCI) financial assets, the Group calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted

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EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVTPL is recognised using the contractual interest rate in net gain on fair value changes.

Dividend Income

Dividend income (including from FVTOCI investments) is recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

Insurance Companies

A. Life Insurance Business

Premium Income of Insurance Business

Premium income on Insurance contracts and Investment contracts with Discretionary participative feature (DPF) is recognised as income when due from policyholders. For unit-linked business, premium income is recognised when the associated units are created. Premium on lapsed policies is recognised as income when such policies are reinstated. In case of linked-business, top-up premium paid by policyholders are considered as single premium and are unitized as prescribed by the Insurance Regulatory and Development Authority of India Financial Statements Regulations. This premium is recognised when the associated units are created.

Fees and Commission Income of Insurance Business

Insurance and investment contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. These fees are recognised as revenue over the period in which the related services are performed. If the fees are for services provided in future periods, then they are deferred and recognised over those future periods.

Reinsurance Premium

Reinsurance premium ceded is accounted for at the time of recognition of the premium income in accordance with the terms and conditions of the relevant treaties with the reinsurers. Impact on account of subsequent revisions to or cancellations of premium is recognised in the year in which they occur.

B. Health Insurance Business

Gross Premium

Premium (net of service tax) in respect of insurance contracts is recognised as income over the contract period or the period of risk, whichever is appropriate, after adjusting for reserve for unexpired risk. Any subsequent

revisions to or cancellations of premiums are recognised in the year in which they occur.

Reinsurance Premium

Premium (net of service tax) in respect of insurance contracts is recognised as income over the contract period or the period of risk, whichever is appropriate, after adjusting for reserve for unexpired risk. Any subsequent revisions to or cancellations of premiums are recognised in the year in which they occur.

Income from items other than to which Ind AS 109 Financial Instruments and Ind AS 104 Insurance contracts are applicable

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Group recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

- Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- Step 2: Identify performance obligation in the contract: A performance obligation is a promise in a contract with a customer to transfer a goods or services to the customer.
- Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

Brokerage Fee Income

Revenue recognition for brokerage fees can be divided into the following two categories:

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Brokerage fees – over time

Fees earned for the provision of services are recognised over time as the customer simultaneously receives and consumes the benefits, as the services are rendered. These include brokerage fees which is fixed at inception, irrespective of number of transactions executed. The revenue for such contracts is recognised over the term of the contract.

Brokerage fees – point in time

Revenue from contract with customer is recognised point in time when performance obligation is satisfied (when the trade is executed). These include brokerage fees which is charged per transaction executed.

2.18 Benefits Paid (including Claims) pertaining to Insurance Business

Claims and benefits paid for Life Insurance Business

Gross benefits and claims for life insurance contracts and for investment contracts with Discretionary Participation Features (DPF) include the cost of all claims arising during the year including internal and external claims handling costs that are directly related to the processing and settlement of claims and policyholder bonuses declared on DPF contracts, as well as changes in the gross valuation of insurance and investment contract liabilities with DPF.

Death and other claims are accounted for, when notified. Survival and maturity benefits are accounted when due. Surrenders/Withdrawals under linked policies are accounted in the respective schemes when the associated units are cancelled. Repudiated claims, disputed before judicial authorities, are provided for based on management prudence considering the facts and evidences available in respect of such claims.

Gross Claims incurred for Health Insurance Business

Claims incurred comprise of claims paid, change in estimated liability for outstanding claims made following a loss occurrence reported, change in estimated liability for claims incurred but not reported (IBNR), and claims incurred but not enough reported (IBNER) and specific settlement costs comprising legal and investigation fees, and other directly attributable expenses.

The provision is made for estimated value of outstanding claims at the Balance Sheet date on the basis of the ultimate amounts that are likely to be paid on each claim, established by the Management in light of past experience and progressively modified for changes as appropriate, on availability of further information and include claim settlement costs likely to be incurred to settle outstanding claims.

Claims are recognised on the date of intimation based on estimates from surveyors/insured in the respective revenue accounts.

The estimated liability for claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER) has been estimated by the Appointed Actuary, generally accepted actuarial methods for each product category as considered appropriate depending upon the availability of past data, as well as appropriateness of the different methods to the different lines of businesses.

Reinsurance claims

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

2.19 Acquisition Costs

Acquisition costs are costs that vary with and are primarily related to acquisition of insurance contracts. Acquisition costs mainly consist of commission, medical costs, policy printing expenses, stamp duty and other related expenses. These costs are expensed in the year in which they are incurred. Clawback of the first year commission paid, if any, in future is accounted in the year in which it is recovered.

2.20 Policy Liabilities

Insurance Contracts

The policy liabilities are calculated in accordance with the accepted actuarial practice, requirements of Insurance Act, 1938, as amended by the Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations"), notified by the Insurance Regulatory and Development Authority of India and Practice Standards prescribed by the Institute of Actuaries of India.

Investment Contracts

Liability in respect on Investment Contracts is recognised in accordance with Ind AS, taking into account accepted actuarial practices.

2.21 Deferred Acquisition Cost (DAC)/ Deferral Origination Fees (DOF)

The Group has identified Commission, Rewards and recognition paid to its agents pertaining to 1st year as acquisition costs. Such acquisition costs are amortised over the period of the policy contract.

The Origination Fees for Investment Contracts, being premium allocation charges pertaining to the 1st, 2nd and 3rd year has been deferred over the period of the policy contract and since the adjustment relates to restricted life insurance fund relating to Revenue Account of Life Insurance Policyholders, the same has been transferred under "Policyholders' Liabilities (Life Insurance Contract Liabilities and restricted surplus)" in the Balance Sheet.

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Acquisition cost and Origination Fees is deferred only for Investment Contracts.

2.22 Reinsurance Assets

Reinsurance Asset, being net contractual rights receivable under reinsurance contract, has been recognised on the basis of Actuarial Valuation.

2.23 Provision for Current and Deferred Tax

Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961, and the rules framed thereunder.

Deferred tax is recognised using the Balance Sheet approach on the temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset, if there is a legally enforceable right to offset current tax liabilities and assets, and these relate to income taxes levied by the same tax authority, and are intended to settle current tax liabilities and assets on a net basis or such tax assets and liabilities will be realised simultaneously.

In the event of unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets are recognised to the extent that it is probable that sufficient future taxable income will be available to realise such assets.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Current and deferred tax are recognised in the Statement of Profit and Loss, except when the same relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax relating to such items are also recognised in other comprehensive income or directly in equity respectively.

2.24 Provisions and Contingent Liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected

future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Claims against the Group, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

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

2.25 Segment Reporting

Identification of Segments

Operating Segments are identified based on monitoring of operating results by the chief operating decision maker (CODM) separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss, and is measured consistently with profit or loss of the Group.

Operating Segment is identified based on the nature of products and services, the different risks and returns, and the internal business reporting system.

Segment Policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments, which is primarily market based.

Unallocated Corporate Items include general corporate income and expenses, which are not attributable to segments.

2.26 Earnings Per Share (EPS)

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted-average number of equity shares outstanding during the period. The weighted-average number of equity shares outstanding during the period

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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.

2.27 Statement of Cash Flows

The Statement of Cash Flow is reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The Statement of Cash Flow from operating, investing and financing activities of the Group are segregated.

2.28 Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements, in conformity, with the Ind AS requires judgements, estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although, these estimates are based on the Management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialised. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Judgements

Aditya Birla Capital Limited holds either directly or through its subsidiary, more than half of the equity shareholding in the following entities. However, as per the shareholders' agreement, the Group needs to jointly decide with other shareholders of the respective entity on certain relevant activities. Hence, the same are being accounted as per equity method of accounting.

- a. Aditya Birla Sun Life AMC Limited
- b. Aditya Birla Sun Life Trustee Company Private Limited
- c. Aditya Birla Wellness Private Limited

Estimates and Assumptions

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

Useful Lives of Property, Plant and Equipment

The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the Management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

Measurement of Defined Benefit Obligations

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Recognition of Deferred Tax Assets

Availability of future taxable profit against which the tax losses carried forward can be used.

Recognition and Measurement of Provisions and Contingencies

Key assumptions about the likelihood and magnitude of an outflow of resources.

Fair Value Measurement of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable market where possible, but, where this is not feasible, a degree of judgement is required in establishing fair values. Judgement includes consideration of input such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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Share-based Payments

The Group measures the cost of equity-settled transactions with employees using Black-Scholes Model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield, and making assumptions about them.

Impairment of Financial Assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their

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

- The Group's internal credit grading model, which assigns PDs to the individual grades.
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs.
- Determination of associations between macro-economic scenarios and economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs.
- Selection of forward-looking macro-economic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust, when necessary.

Annexure 'A' to Note: 1 "Significant Accounting Policies"

Particulars	Country of Incorporation	Principal Business Activity	Proportion of Ownership Interest as on 31st March, 2020	Proportion of Ownership Interest as on 31st March, 2019
SUBSIDIARIES				
Aditya Birla PE Advisors Private Limited (ABPEAPL)	India	Private Equity Investment, Advisory & Management Services	100.00%	100.00%
Aditya Birla Capital Technology Services Limited (ABCTSL) (Formerly known as Aditya Birla MyUniverse Limited)	India	Financial & IT-enabled Services	100.00%	100.00%
Aditya Birla Trustee Company Private Limited (ABTCPL)	India	Trustee of Private Equity Fund	100.00%	100.00%
ABCAP Trustee Company Private Limited (ABCTPL)	India	-	100.00%	100.00%
Aditya Birla Money Limited (ABML)	India	Stock Broking, Depository Services, Portfolio Management Services	73.80%	73.80%
Aditya Birla Financial Shared Services Limited (ABFSSL)	India	Other Business Support Services	100.00%	100.00%
Aditya Birla Finance Limited (ABFL)	India	NBFC/Fund-Based Lending	100.00%	100.00%
Aditya Birla Housing Finance Limited (ABHFL)	India	Housing Finance	100.00%	100.00%

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Particulars	Country of Incorporation	Principal Business Activity	Proportion of Ownership Interest as on 31st March, 2020	Proportion of Ownership Interest as on 31st March, 2019
Aditya Birla Health Insurance Co. Limited (ABHICL)	India	Health Insurance	51.00%	51.00%
Aditya Birla Sun Life Insurance Company Limited (ABSLI)	India	Life Insurance	51.00%	51.00%
Aditya Birla Sun Life Pension Management Limited (ABSPM) (100% Subsidiary of Aditya Birla Sun Life Insurance Company Limited)	India	Pension Fund Management and Point of Presence	51.00%	51.00%
Aditya Birla Insurance Brokers Limited (ABIBL)	India	Insurance Broking and Risk Advisory Services	50.01%	50.01%
Aditya Birla Money Mart Limited (ABMML)	India	Value Added Services and Investments	100.00%	100.00%
Aditya Birla Money Insurance Advisory Services Limited (ABMIASL) (100% Subsidiary of ABMML)	India	Insurance Corporate Agent	100.00%	100.00%
Aditya Birla ARC Limited	India	Asset Reconstruction Company	100.00%	100.00%
ABCSL – Employee Welfare Trust	India	Trustee of Aditya Birla Capital Technology Services Limited (Formerly known as Aditya Birla MyUniverse Limited)	100.00%	100.00%
Aditya Birla Stressed Asset AMC Private Limited (w.e.f. 22nd May, 2018)	India	Fund Management	100.00%	100.00%
ABARC-AST-001-Trust	India	Asset Reconstruction Company	100.00%	100.00%
Aditya Birla Special Situation Fund – 1	India	Alternate Investment Fund	100.00%	NA
JOINT VENTURES				
Aditya Birla Sun Life Trustee Private Limited (ABSTPL)	India	Trustee of Aditya Birla Sun Life Mutual Fund	50.85%	50.85%
Aditya Birla Wellness Private Limited (ABWPL)	India	Providing and Servicing Incentivised Wellness and Related Programs	51.00%	51.00%
Aditya Birla Sun Life AMC Company Limited (ABSAMC)	India	Asset Management and Advisory	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 Asset Management Company Ltd., Dubai (100% Subsidiary of ABSAMC)	Dubai	Arranging Deals in Investments and Advising on Financial Products	51.00%	51.00%
Aditya Birla Sun Life Asset Management Company Pte. Ltd., Singapore (100% Subsidiary of ABSAMC)	Singapore	Asset Management	51.00%	51.00%

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NOTE: 3 CASH AND CASH EQUIVALENTS

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Cash on Hand	5.70	22.44
Balances with Banks		
Current Accounts	2,117.20	613.97
Deposit Accounts (with original maturity period of 3 months or less)	695.22	2.12
Cheques/Drafts on Hand and in Transit	7.07	100.38
	2,825.19	738.91

NOTE: 4 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Fixed Deposit Accounts (with original maturity period of more than 3 months)*	301.82	346.78
Others		
Money Due for Refund on Fractional Shares	0.26	0.26
	302.08	347.04
* Fixed Deposits include:		
Lien marked in favour of Insurance Regulatory Development Authority of India (IRDAI)	1.41	1.32
Margin with Exchange	193.09	182.75
Towards issue of Bank Guarantee	34.60	33.70

NOTE: 5 DERIVATIVE FINANCIAL INSTRUMENTS - ASSETS AND LIABILITIES

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Derivative Financial Instruments - Assets		
(Carried at Fair Value through Profit or Loss)		
Derivatives	72.19	-
	72.19	-
Derivative Financial Instruments - Liabilities		
(Carried at Fair Value through Profit or Loss)		
Derivatives	-	4.36
	-	4.36

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

NOTE: 6 TRADE RECEIVABLES

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Secured, Considered Good	63.56	112.28
Unsecured, Considered Good	413.66	262.92
Unsecured, Considered Doubtful	10.89	11.04
	488.11	386.24
Less: Impairment Loss Allowances	(11.46)	(11.85)
	476.65	374.39

Trade Receivables include pass through amounts representing dues from clients and exchange towards transactions not fully settled as at the reporting date of Stock and Securities Broking Business.

Trade Receivables include amount receivable from customers pertaining to amount funded to them for settlement of trade as part of normal business activity.

NOTE: 7 LOANS

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, except otherwise stated)		
(Carried at Amortised Cost)		
Security Deposits		
Unsecured	110.10	89.28
Less: Impairment Loss allowances	(0.20)	(0.19)
Loans and Advances of Financing Activities		
Secured		
Secured by Tangible Assets	35,967.03	48,626.87
Covered by Bank/Government Guarantees	1,817.85	244.08
Secured by Book debts, inventories, fixed deposit and other working capital items	13,268.94	4,157.89
Unsecured	7,998.79	9,153.13
Less: Impairment Loss Allowances	(988.01)	(574.83)
Inter-Corporate Deposits	18.00	20.00
Loans against Insurance Policies	166.29	114.06
Loans and Advances to Employees	0.23	6.67
Others	80.65	60.35
Less: Impairment Loss Allowances	(2.22)	(9.05)
	58,437.45	61,888.26
Public Sector	544.29	432.19
Others	58,883.60	62,040.14
Gross (A)	59,427.89	62,472.33
Less: Impairment Allowances (B)	(990.44)	(584.07)
Net (A) - (B)	58,437.45	61,888.26

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

NOTE: 8A INVESTMENTS OF LIFE INSURANCE POLICYHOLDERS'

Particulars	As at		₹ crore	
	31st March, 2020		As at 31st March, 2019	
A. Carried at Amortised Cost				
Quoted				
Investments in Government or Trust Securities		6,805.54		4,991.15
Investments in Debentures	3,953.29		2,880.02	
Less: Impairment Loss Allowances for Investments in Debentures	(3.11)	3,950.18	(1.88)	2,878.14
Unquoted				
Investments - Others		220.52		123.08
B. Carried at Fair Value through Other Comprehensive Income				
Quoted				
Investments in Government or Trust Securities		1,928.58		1,902.26
Investments in Debentures	2,519.23		2,381.09	
Less: Impairment Loss Allowances for Investments in Debentures	(2.39)	2,516.84	(1.34)	2,379.75
Unquoted				
Investments - Others		149.39		87.57
C. Carried Fair Value through Profit or Loss				
Quoted				
Investments in Mutual Funds		176.55		456.06
Investments in Equity Instruments		921.66		695.06
Unquoted				
Investments in Equity Instruments		-		104.95
		16,669.26		13,618.02
Investments outside India		-		-
Investments in India		16,669.26		13,618.02

NOTE: 8B INVESTMENTS OF LIFE INSURANCE SHAREHOLDERS'

Particulars	As at		₹ crore	
	31st March, 2020		As at 31st March, 2019	
A. Carried at Fair value through Other Comprehensive Income				
Quoted				
Investments in Government or Trust Securities		758.60		679.15
Investments in Debentures	1,325.93		1,121.99	
Less: Impairment Loss Allowances for Investments in Debentures	(2.49)	1,323.45	(1.75)	1,120.24
Investments in Equity Instruments		43.32		51.05
Unquoted				
Investments in Equity Instruments		0.77		0.60
Investments - Others	58.61		47.43	
Less: Impairment Loss Allowances on Investments in Others	(0.01)	58.60	(0.01)	47.42
B. Carried at Fair Value through Profit or Loss				
Quoted				
Investments in Debentures/Bonds		26.19		25.75
Investments in Mutual Funds		50.18		5.52
Investments in Equity Instruments		198.24		200.24
Unquoted				
Investments in Mutual Funds		0.06		0.35
		2,459.41		2,130.32
Investments outside India		-		-
Investments in India		2,459.41		2,130.32

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NOTE: 9A INVESTMENTS OF HEALTH INSURANCE POLICYHOLDERS'

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
A. Carried at Amortised Cost		
Unquoted		
Investments in Fixed Deposits	8.31	4.08
B. Carried at Fair Value through Other Comprehensive Income		
Quoted		
Investments in Government or Trust Securities	274.00	72.30
Investments in Debentures/Bonds	293.97	248.14
Less: Impairment Loss Allowances for Investments in Debentures/Bonds	(5.00)	(1.00)
C. Carried at Fair Value through Profit or Loss		
Quoted		
Investments in Mutual Funds	57.03	28.95
	628.31	352.47
Investments outside India	-	-
Investments in India	628.31	352.47

NOTE: 9B INVESTMENTS OF HEALTH INSURANCE SHAREHOLDERS'

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
A. Carried at Fair Value through Other Comprehensive Income		
Investments in Government or Trust Securities	203.65	116.13
Investments in Debentures/Bonds	27.05	31.19
B. Carried Fair Value through Profit or Loss		
Investments in Mutual Funds	10.19	-
	240.89	147.32
Investments outside India	-	-
Investments in India	240.89	147.32

NOTE: 10 OTHER INVESTMENTS

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
A. Carried at Fair Value through Other Comprehensive Income		
Equity Instruments	1.76	1.90
B. Carried at Fair Value through Profit or Loss		
Equity Instruments	0.25	0.39
Debentures/Bonds	633.44	1,470.47
Mutual Funds	3,491.65	47.82
Others:		
Private Equity Funds	-	0.33
Preference Shares	225.51	214.07
Portfolio Management Services Investments	-	16.85
Investments in Security Receipts	447.93	-
Investments in Alternate Funds	105.88	153.39
	4,906.42	1,905.22
Investments outside India	-	-
Investments in India	4,906.42	1,905.22

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

NOTE: 11 ASSETS HELD TO COVER LINKED LIABILITIES OF LIFE INSURANCE BUSINESS

(Carried at Fair Value through Profit or Loss)

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Mutual Funds	773.58	973.06
Equity Instruments	7,034.44	9,531.77
Government or Trust Securities	5,491.96	5,781.06
Debentures	7,285.04	7,695.91
Other Investments	2,120.51	1,011.82
Other Assets	123.26	172.72
	22,828.79	25,166.34
Investments outside India	-	-
Investments in India	22,828.79	25,166.34

NOTE: 12 OTHER FINANCIAL ASSETS

(Carried at Amortised Cost, except otherwise stated)

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Unclaimed Fund of Policyholders'	293.65	281.09
Other Receivables	47.91	61.81
	341.56	342.90

NOTE: 13 DEFERRED TAX ASSETS

Particulars	₹ crore								
	As on 31st March, 2018	Movement P&L	Movement OCI	MAT Credit Utilisation	As on 31st March, 2019	Movement P&L	Movement OCI	Movement Reserves	As on 31st March, 2020
Expected Credit Loss Allowances	88.66	39.47	-	-	128.13	6.83	-	-	134.96
Employee Benefit Provisions and Other Provisions	71.62	24.30	0.16	-	96.08	28.05	4.38	-	128.51
Others (including impact of Ind AS 116)	(3.57)	1.35	-	-	(2.22)	4.38	2.46	3.45	8.07
MAT Credit	1.59	(0.55)	-	(1.00)	0.04	-	-	-	0.04
Total	158.30	64.57	0.16	(1.00)	222.03	39.26	6.84	3.45	271.58

DEFERRED TAX LIABILITIES

Particulars	₹ crore								
	As on 31st March, 2018	Movement P&L	Movement OCI	MAT Credit Utilisation	As on 31st March, 2019	Movement P&L	Movement OCI	Movement Reserves	As on 31st March, 2020
DTL on Amortised Cost under Ind AS 109	0.01	(0.01)	-	-	-	-	-	-	-
Deferred Tax on re-measurement Gains/(Losses) on Defined Benefit Plans and others	0.23	(0.23)	-	-	-	1.45	-	-	1.45
Investment Properties	3.01	0.03	-	-	3.04	(0.41)	-	-	2.63
Equity Shares of Aditya Birla Finance Limited	100.01	0.60	-	-	100.61	(1.80)	-	-	98.81
Fair Value Changes of Investments	7.84	0.13	(1.62)	-	6.35	0.58	15.24	-	22.17
Deferred Tax on Undistributed Earnings	113.01	8.03	-	-	121.04	42.25	-	-	163.29
Total	224.11	8.55	(1.62)	-	231.04	42.07	15.24	-	288.35

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NOTE: 14 INVESTMENT PROPERTIES

Particulars	₹ crore Amount
Gross Block	
As at 1st April, 2018	
Transferred from Property, Plant and Equipment (Refer Note No. 63)	16.87
As at 31st March, 2019	16.87
As at 31st March, 2020	16.87
Accumulated Depreciation	
As at 1st April, 2018	-
For the Year	0.43
Transferred from Property, Plant and Equipment (Refer Note No. 63)	0.33
As at 31st March, 2019	0.76
For the Year	0.44
As at 31st March, 2020	1.20
Net Block as at 31st March, 2019	16.11
Net Block as at 31st March, 2020	15.67

NOTE: 15 PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold Land	Freehold Buildings	Leasehold Buildings	Leasehold Improvements	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Total
Gross Block									
As at 1st April, 2018	0.15	2.76	16.87	22.26	18.26	86.43	15.48	24.68	186.89
Additions	-	-	-	8.24	1.92	30.88	7.16	13.57	61.77
Deletions	-	-	-	2.45	0.35	11.69	1.18	4.84	20.51
Reclassified as Investment Properties	-	-	16.87	-	-	-	-	-	16.87
As at 31st March, 2019	0.15	2.76	-	28.05	19.83	105.62	21.46	33.41	211.28
Additions	-	-	-	3.93	4.10	16.86	2.47	10.58	37.94
Deletions	-	-	-	2.97	4.38	15.26	1.21	5.46	29.28
As at 31st March, 2020	0.15	2.76	-	29.01	19.54	107.22	22.72	38.53	219.94
Accumulated Depreciation									
As at 1st April, 2018	-	0.05	0.33	5.79	4.78	28.75	4.02	5.28	49.00
For the Year	-	0.05	-	6.89	5.51	19.52	3.93	6.99	42.89
Deletions	-	-	-	2.29	0.14	10.93	0.87	1.97	16.20
Reclassified as Investment Properties	-	-	0.33	-	-	-	-	-	0.33
As at 31st March, 2019	-	0.10	-	10.39	10.14	37.34	7.08	10.30	75.36
For the Year	-	0.05	-	6.70	5.57	24.38	4.43	8.14	49.27
Deletions	-	-	-	2.14	4.58	15.00	1.00	3.11	25.83
As at 31st March, 2020	-	0.15	-	14.95	11.13	46.72	10.51	15.33	98.80
Net Block as at 31st March, 2019	0.15	2.66	-	17.66	9.68	68.28	14.38	23.11	135.92
Net Block as at 31st March, 2020	0.15	2.61	-	14.06	8.41	60.50	12.21	23.20	121.14

A. Gross Block of Tangible Assets includes

The Company is in the process of getting the lands registered in its name, which is currently under dispute, but the Management expects a favourable outcome in this matter.

B. Details of Tangible Assets capitalised under Finance Lease:

Net Block of office equipment includes ₹ 0.70 Crore (Previous Year ₹ 1.78 Crore) acquired under Finance Lease.

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NOTE: 16 GOODWILL

Particulars	₹ crore
	Amount
As at 1st April, 2018	580.03
Impairment of Goodwill	-
As at 31st March, 2019	580.03
Impairment of Goodwill	9.99
As at 31st March, 2020	570.04

Note:

- a) Carrying Value of Goodwill pertaining to Life Insurance Business CGU as on 31st March, 2020 is ₹ 306.68 Crore (31st March, 2019 ₹ 306.68 Crore). Recoverable amount for units is based on fair value less cost of disposal calculated based on comparable Company multiple. An analysis of the sensitivity of the computation to a change in key parameters (market multiples), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.
- b) Carrying Value of Goodwill pertaining to Stock and Securities CGU as on 31st March, 2020 and 31st March, 2019 is ₹ 183.64 Crore and ₹ 193.63 Crore, respectively. Recoverable amount for units is based on discounted cash flow method under income approach. An analysis of the sensitivity of the computation to a change in key parameters, based on reasonably probable assumptions, an impairment of ₹ 9.99 Crore has been provided for in the FY 19-20.

NOTE: 17 OTHER INTANGIBLE ASSETS

Particulars			₹ crore
	Brands/Trade Marks	Computer Software	Total
Gross Block			
As at 1st April, 2018	0.19	184.68	184.87
Additions	-	93.88	93.88
Deletions	-	2.88	2.88
As at 31st March, 2019	0.19	275.68	275.87
Additions	-	72.99	72.99
Deletions	0.19	1.16	1.35
As at 31st March, 2020	-	347.51	347.51
Accumulated Amortisation			
As at 1st April, 2018	0.19	65.11	65.30
For the Year	-	52.92	52.92
Deletions	-	2.31	2.31
As at 31st March, 2019	0.19	115.72	115.91
For the Year	-	68.34	68.34
Deletions	0.19	2.29	2.48
As at 31st March, 2020	-	181.77	181.77
Net Block as at 31st March, 2019	-	159.96	159.96
Net Block as at 31st March, 2020	-	165.74	165.74

All intangibles are other than internally generated.

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NOTE: 18 OTHER NON-FINANCIAL ASSETS

(Unsecured, except otherwise stated)

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Capital Advances	7.85	2.36
Unbilled Revenue	2.13	3.56
VAT, Other Taxes Recoverable, Statutory Deposits and Dues from Government		
Unsecured, Considered Good	91.46	52.61
Unsecured, Considered Doubtful	1.15	1.45
Less: Impairment Loss Allowances	(1.15)	(1.45)
Advance for Expenses	18.47	30.75
Deferred Staff Cost	0.08	0.12
Receivable from Mutual Funds	-	0.08
Deferred Rent Expenses	0.88	12.60
Reinsurance Assets	688.58	546.28
Deferred Acquisition Cost	5.57	7.80
Prepaid Expenses	73.13	47.69
Others	128.05	103.43
	1,016.20	807.28

NOTE: 19 TRADE PAYABLES

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises (MSME)	6.99	3.56
(ii) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	501.55	514.29
	508.54	517.85

Note:

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2020, and no interest payment made during the year to any Micro, Small and Medium Enterprises. (Previous Year MSME/Interest: NIL). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTE: 20 DEBT SECURITIES

(At Amortised Cost)

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Secured		
Debentures	17,014.43	17,470.32
Sub-Total	17,014.43	17,470.32
Unsecured		
Commercial Papers	3,249.97	8,810.36
Sub-Total	3,249.97	8,810.36
Total	20,264.40	26,280.68
Debt Securities:		
In India	20,264.40	26,280.68
Outside India	-	-

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NOTE: 21 BORROWINGS (OTHER THAN DEBT SECURITIES)

(At Amortised Cost)

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Secured		
Rupee Term Loans from		
Banks	30,402.84	23,682.67
Loans Repayable on Demand from Banks	2,532.62	3,951.97
Term Loan/Loan Repayable on Demand from Others	20.20	27.77
Finance Lease Liabilities (Refer Note 42)	0.03	1.16
Sub-Total	32,955.69	27,663.57
Unsecured		
Rupee Term Loans from Financial Institutions	18.54	29.66
Loan Repayable on Demand/Term Loan from Banks	9.88	75.53
Sub-Total	28.42	105.19
Total	32,984.11	27,768.76
Borrowings:		
In India	30,046.54	26,737.86
Outside India	2,937.57	1,030.90

NOTE: 22 SUBORDINATED LIABILITIES

(At Amortised Cost)

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Preference Shares issued by Subsidiary Companies	11.00	71.00
Perpetual Debt Instruments to the extent they do not qualify as Equity Instruments	2,324.11	2,203.73
Total	2,335.11	2,274.73
Subordinated Liabilities:		
In India	2,335.11	2,274.73
Outside India	-	-

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Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
A Debt Securities		
Secured Debentures		
Redeemable Non-Convertible Debentures are secured by way of mortgage on the immovable property and first pari-passu charge on certain Financial Assets of the respective subsidiaries:		
The repayment terms and rate of interest of Debentures are as under-		
Repayment Terms : Maturing within 1 year, Rate of Interest 7.60% to 10.00% per annum	6,148.57	5,493.38
Repayment Terms : Maturing between 1 and 3 years, Rate of Interest 7.60% to 9.50% per annum	6,188.12	9,014.32
Repayment Terms : Maturing after 3 years, Rate of Interest 7.60% to 9.50% per annum	4,677.74	2,962.62
Commercial Papers		
Commercial Papers - Rate of Interest 5.90% to 9.30% per annum	3,249.97	8,810.36
B Borrowing (Other than Debt Securities)		
Secured Rupee Term Loan from Banks		
The term loan from banks are secured by way of first pari-passu charge on the receivables of the respective subsidiaries:		
The repayment terms and rate of interest of Term Loans are as under-		
Repayment Terms : Maturing within 1 year, Rate of Interest 8.27% to 9.50% per annum	4,329.41	2,225.17
Repayment Terms : Maturing between 1 and 3 years, Rate of Interest 7.69% to 9.50% per annum	18,527.31	12,725.90
Repayment Terms : Maturing after 3 years, Rate of Interest 7.69% to 9.50% per annum	7,533.37	8,731.60
Secured Loan repayable on demand		
Cash Credit secured by way of first pari-passu charge on the receivables of the respective subsidiaries	440.59	2,063.22
Working Capital Demand Loan secured by way of first pari-passu charge on receivables of the respective subsidiaries - Rate of Interest 7.50% to 8.95% per annum	2,086.04	1,691.00
Overdraft on account of cheques issued but not presented as on the Balance Sheet date are backed by cash credit facilities which are secured by way of first pari-passu charge on the receivables of the respective subsidiaries. The repayment terms and rate of interest is same as applicable to cash credit facilities	5.99	197.75
Term Loan from Others		
Repayment Terms : Between 1 - 16 Quarterly Instalments from 1st April, 2019 till 1st January, 2023, with interest ranging from 9.44% to 11.03% per annum	20.20	27.77
Finance Lease Liabilities		
Repayment Terms : Between 1 - 16 Quarterly Instalments from 1st April, 2019 till 1st January, 2023, with interest ranging from 8.41% to 13.33% per annum	0.03	1.16
Unsecured Rupee Term Loans from Financial Institutions		
Repayment Terms : Between 1 - 16 Quarterly Instalments from 1st April, 2019 till 1st January, 2023, with interest ranging from 10.50% to 11.03% per annum	31.29	29.66
Unsecured Loans repayable on Demand from Banks/Term Loans		
Overdraft on account of cheques issued but not presented as on the Balance Sheet date are backed by cash credit facilities	9.88	75.53
C Subordinated Liabilities		
The repayment terms and rate of interest of sub-debts are as under-		
Subordinate Debts - Debentures 8.25% to 10.60% p.a. (Redeemable from February 2022 to June 2029)	2,324.11	2,203.73

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

NOTE: 23 POLICYHOLDERS' LIABILITIES (LIFE INSURANCE CONTRACT LIABILITIES AND RESTRICTED SURPLUS)

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Insurance Contract Liabilities	29,150.56	28,874.81
Investment Contract Liabilities	11,471.84	10,830.64
Fair Value Changes of Policyholders' Investments		
Fair Value through Profit and Loss	(120.45)	67.67
Fair Value through Other Comprehensive Income	357.69	93.30
Policyholders' Fund Other Changes		
Amortised Cost (Others)	(8.80)	-
Fair Value through Profit and Loss	29.05	22.95
Fair Value through Other Comprehensive Income	(5.97)	0.56
Incurred but not reported (IBNR) Provision	46.07	24.72
Unexpired Premium Reserve	344.10	234.43
Freelook Reserve (Net)	0.45	0.94
	41,264.54	40,150.02

NOTE: 24 OTHER FINANCIAL LIABILITIES

(Carried at Amortised Cost, except otherwise stated)

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Book Overdraft	52.19	173.63
Payables for Capex Creditors	2.23	0.89
Margin Money from Customers	19.24	69.00
Deposits	6.00	5.63
Due to Life Insurance Policyholders'	668.59	579.50
Payable related to Employees	147.14	198.02
Other Obligations	194.46	145.35
	1,089.85	1,172.02

NOTE: 25 PROVISIONS

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Provision for Employee Benefits	261.00	231.59
Other Short-Term Provisions #	-	-
	261.00	231.59

Additional disclosure as per Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Assets"

A. Provision for Service Liabilities

Opening Balance	-	0.15
Arising during the Year	-	-
Utilised/Unused amounts reversed	-	(0.15)
Closing Balance	-	-

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NOTE: 26 OTHER NON-FINANCIAL LIABILITIES

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Income Received in Advance	199.01	210.86
Other Advances	120.13	51.04
Others		
Statutory Dues	103.39	76.20
Liabilities for Rent Straight Lining	-	7.15
Others	89.86	30.13
	512.38	375.38

NOTE: 27 SHARE CAPITAL

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Authorised:		
4,000,000,000 (Previous Year 4,000,000,000) Equity Shares of ₹ 10/- each	4,000.00	4,000.00
	4,000.00	4,000.00
Issued, Subscribed and Paid-up:		
EQUITY SHARE CAPITAL		
2,413,760,708 (Previous Year 2,201,404,363) Equity Shares of ₹ 10/- each fully paid-up	2,413.76	2,201.40
Share Capital	2,413.76	2,201.40

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

Sr. No.	Description	₹ crore	
		As at 31st March, 2020	As at 31st March, 2019
Equity Shares			
1	Number of Shares Outstanding at the beginning of the Year	2,201,404,363	2,201,039,348
2	Allotment of fully paid-up shares during the Year	212,356,345	365,015
	a) Preferential Allotment	210,000,000	-
	b) ABCL ESOP 2017 (Refer Note No. 47)	299,422	335,815
	c) Employee Stock Option Plan (Refer Note No. 46)	2,056,923	-
3	Number of Shares Outstanding at the end of the Year	2,413,760,708	2,201,404,363

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:

Sr. No.	Name of Shareholder	As at 31st March, 2020		As at 31st March, 2019	
		No. of Shares Held	% of Total Paid-up Equity Share Capital	No. of Shares Held	% of Total Paid-up Equity Share Capital
1	Grasim Industries Limited	1,309,240,000	54.24%	1,232,240,000	55.98%

4) During the last five years there were no Bonus Shares issued.

5) The shares reserved for issue under Employee Stock Option Plan (ESOP) of the Company (Refer Note No. 46).

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

NOTE: 28 OTHER EQUITY

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
1) Special Reserve^(a)		
Special Reserve u/s 45-IC of the Reserve Bank of India Act, 1934		
Opening Balance	681.13	492.43
Addition:		
Transfer from Surplus in the Statement of Profit and Loss	148.63	167.25
	829.76	659.68
Special Reserve u/s 29C of National Housing Bank Act, 1987		
Opening Balance	0.80	0.80
Addition:		
Transfer from Surplus in the Statement of Profit and Loss	2.49	-
	3.29	0.80
Reserve u/s 36(1)(viii) of the Income Tax Act, 1961		
Opening Balance	20.65	5.72
Addition:		
Transfer from Surplus in the Statement of Profit and Loss	18.04	14.95
Less: Amount withdrawn from the special reserve u/s 36(1)(viii) of Income Tax Act, 1961, taken into account for the purposes of provision u/s 29C of the National Housing Bank Act, 1987	-	(0.02)
	38.69	20.65
	871.74	681.13
2) Capital Reserve	48.40	48.40
3) Securities Premium Reserve^(b)		
Opening Balance	4,144.28	4,142.20
Addition:		
- During the Year	1,918.09	2.08
Less: Share Issue Expenses	(2.98)	-
	6,059.39	4,144.28
4) Capital Fund	0.01	0.01
5) Share Option Outstanding Account		
Opening Balance	175.02	84.42
Addition:		
Charge for the Period	33.02	91.95
Deduction:		
Transfer to General Reserve on account of lapse of vested options	(5.16)	(0.19)
Transfer to Securities Premium on exercise of options	(28.09)	(1.16)
	174.79	175.02
6) Surplus in Profit and Loss Accounts		
Opening Balance	2,250.06	1,525.11
Addition:		
Profit for the Year	919.78	870.94
Other Comprehensive Income/(Loss) for the Year arising from remeasurement gain/(loss) on defined benefit plans	(4.65)	(1.21)
Reclassification of gain/loss on sale of FVTOCI equity instruments	(18.72)	38.21
Share of Joint Ventures in Other Comprehensive Income	(1.19)	(0.16)
Others including subvention money received	0.56	7.93
Impact Due to Ind AS 116	(13.48)	-
Gain/(Loss) on stake change in Subsidiaries	-	0.41
Deduction:		
Transfer to General Reserve	(1.98)	(2.47)
Transfer to Special Reserve	(190.61)	(188.70)
	2,939.77	2,250.06

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Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
7) General Reserve^(c)		
Opening Balance	12.57	10.10
Addition:		
Transfer to Surplus in Profit and Loss	1.98	2.47
Transfer from Share Option Outstanding Account on account of lapse of vested options	5.16	-
	19.71	12.57
8) Fair Value Through Other Comprehensive Income^(d)		
Opening Balance	(3.58)	31.82
Addition:		
Reclassification of gain/loss on sale of FVTOCI equity instruments	18.72	(38.21)
Fair value gain/(loss) on Fair Value Through Other Comprehensive Income (FVTOCI) financial assets and Cash Flow Hedge	28.96	2.81
	44.10	(3.58)
9) Foreign Currency Translation Reserve		
Opening Balance	3.06	2.31
Addition:		
Addition during the Year	1.06	0.75
	4.12	3.06
Total Other Equity	10,162.03	7,310.95

(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.

(b) Securities Premium Reserve

Securities Premium Reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

(c) General Reserve

General Reserve is created by appropriation from profits of the current year and/or undistributed profits of previous years. There is no policy for regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

(d) Fair Value Through Other Comprehensive Income - Reserve

This reserve represents the cumulative gains and losses arising on the revaluation of equity and debt instruments measured at fair value through other comprehensive income. The Company transfers amounts from this reserve to retained earnings when the relevant equity instruments are derecognised/disposed off. In case of debt instruments, the same is reclassified to profit and loss.

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NOTE: 29 INTEREST INCOME

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest on Loans		
On Financial Assets Measured at Amortised Cost	6,781.35	6,102.74
Interest Income from Investments		
On Financial Assets Measured at Fair Value through OCI	171.87	146.31
On Financial Assets Measured at Amortised Cost	11.34	-
On Financial Assets classified at Fair Value through Profit or Loss	137.64	140.19
Interest on Deposits with Banks		
On Financial Assets Measured at Amortised Cost	25.96	29.64
	7,128.16	6,418.88

NOTE: 30 DIVIDEND INCOME

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
On Financial Assets classified at Fair Value through Profit or Loss	19.38	11.20
	19.38	11.20

NOTE: 31 NET GAIN ON FAIR VALUE CHANGES

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Net Gain/(Loss) on Financial Instruments at Fair Value through Profit or Loss		
On Trading Portfolio		
Equity Investment at FVTPL	47.27	43.28
Debt Instrument at FVTPL	160.72	27.80
Net Gain/(Loss) on Financial Instruments at Fair Value through OCI		
Debt Instrument at FVTOCI	5.97	15.68
Net Gain/(Loss) on Financial Instruments at Amortised Cost		
Equity Instrument at Amortised Cost	1.74	4.14
Others		
Gain/(Loss) on Sale of Debt FVTOCI Instrument	2.40	(5.50)
	218.10	85.40
Fair Value changes :		
Realised	214.53	77.34
Unrealised	3.57	8.06
	218.10	85.40

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

NOTE: 32 OTHER INCOME

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest Income on Financial Assets held at Amortised Cost	5.93	4.10
Foreign Exchange Gain	0.19	0.01
Profit on Sale of Property, Plant and Equipment	0.38	0.08
Miscellaneous Income (Net)	11.62	4.27
	18.12	8.46

NOTE: 33 FINANCE COST

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest on Fair Value Measured at Amortised Cost		
Debt Securities	1,992.46	1,999.68
Borrowings other than Debt Securities	2,418.95	1,937.11
Subordinated Liabilities	174.99	166.33
Other Borrowing Costs	9.25	5.94
Finance Costs - Lease Liabilities (Refer Note No. 42)	11.36	-
	4,607.01	4,109.06

NOTE: 34 IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
On Loans Held at Amortised Cost	776.27	225.65
On Trade Receivable	1.78	2.10
	778.05	227.75

NOTE: 35 EMPLOYEE BENEFITS EXPENSE

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Salaries and Wages	667.32	687.19
Contribution to Provident and Other Funds (Refer Note No. 45)	25.26	20.76
Contribution to Gratuity Funds (Refer Note No. 45)	8.82	7.77
Expense on Employee Stock Options Scheme (Refer Note No. 46)*	5.96	55.81
Staff Welfare Expenses	16.04	16.92
	723.40	788.45

* ESOP charges are net of recovery of ESOP Expense from Joint Venture Companies

10.72

19.50

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NOTE: 36 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Depreciation of Property, Plant and Equipment	30.00	26.67
Depreciation on Investment Properties	0.43	0.43
Amortisation of Intangible Assets	33.71	30.79
Depreciation of Lease Assets (Refer Note No. 42)	38.42	-
	102.56	57.89

NOTE: 37 OTHER EXPENSES

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Rent	23.36	68.31
Repairs and Maintenance - Buildings	0.77	0.91
Repairs and Maintenance - Others	41.94	42.48
Insurance	10.14	11.95
Rates and Taxes	10.89	10.96
Advertisement and Sales Promotion Expenses	43.79	51.88
Legal and Professional Expenses	125.43	80.33
Travelling and Conveyance	30.50	31.39
Printing and Stationery	6.56	8.11
Communication Expenses	11.92	12.24
Electricity Charges	6.99	7.88
Foreign Exchange Loss	-	0.62
Information Technology Expenses	20.34	17.14
Miscellaneous Expenses	180.39	175.87
	513.02	520.07

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

NOTE: 38 OTHER COMPREHENSIVE INCOME

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
A Relating to Revenue Account of Life Insurance Policyholders'		
(i) Items that will not be reclassified to Profit or Loss		
Remeasurement of Post-Employment Benefit Obligations	(6.53)	0.48
	(6.53)	0.48
Less: Transferred to Policyholders' Fund in the Balance Sheet	6.53	(0.48)
	-	-
(ii) Items that will be reclassified to Profit or Loss		
Changes in Fair Values of FVTOCI Debt Instruments	225.01	51.17
Cash Flow Hedge	39.37	(0.69)
	264.38	50.48
Less: Transferred to Policyholders' Fund in the Balance Sheet	(264.38)	(50.48)
	-	-
B Relating to Revenue Account of Health Insurance Policyholders'		
(i) Items that will not be reclassified to Profit or Loss		
Remeasurement of Post-Employment Benefit Obligations	1.24	(0.87)
	1.24	(0.87)
(ii) Items that will be reclassified to Profit or Loss		
Changes in Fair Values of FVTOCI Debt Instruments	8.15	(0.52)
	8.15	(0.52)
C Relating to Others		
(i) Items that will not be reclassified to Profit or Loss		
Remeasurement of Post-Employment Benefit Obligations	(7.46)	(0.83)
Changes in Fair Value of FVTOCI Equity Instruments	(7.69)	(1.50)
Share of Other Comprehensive Income of Associate and Joint Venture Companies accounted for using Equity Method of Accounting	(1.19)	(0.14)
	(16.34)	(2.47)
Income Tax relating to items that will not be reclassified to Profit or Loss		
Income Tax relating to Remeasurement of Post-Employment Benefit Obligations	1.73	0.17
Income Tax relating to Changes in Fair Values of FVTOCI Equity Instruments	1.14	2.30
	2.87	2.47
(ii) Items that will be reclassified to Profit or Loss		
Changes in Fair Values of FVTOCI Debt Instruments	113.65	7.02
Cash Flow Hedge	(26.28)	-
Share of Other Comprehensive Income of Associates and Joint Venture Companies accounted for using Equity Method of Accounting	1.07	0.75
	88.44	7.77
Income Tax relating to items that will be reclassified to Profit or Loss		
Income Tax effect - Net Movement on FVTOCI Debt Instruments	(16.34)	(0.80)
Income Tax effect - Net Movement on Cash Flow Hedge	6.61	-
	(9.73)	(0.80)
Other Comprehensive Income	74.63	5.58

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

NOTE: 39 DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 33 - EARNINGS PER SHARE

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Earnings Per Share (EPS) is calculated as under:		
Weighted-average number of Equity Shares for calculation of Basic EPS	(A) 2,262,156,668	2,201,322,201
Add: Dilutive Impact of Employee Stock Options	4,605,445	1,830,962
Weighted-average number of Equity Shares for calculation of Diluted EPS	(B) 2,266,762,113	2,203,153,163
Nominal Value of Shares (₹)	10.00	10.00
Profit attributable to Equity Holders of the Parent:	919.78	870.94
Continuing Operations	(C) 919.78	870.94
Basic EPS (₹)	(C/A) 4.07	3.96
Diluted EPS (₹)	(C/B) 4.06	3.95

NOTE: 40 CONTINGENT LIABILITIES NOT PROVIDED FOR

		₹ crore	
A) Claims against the Company not Acknowledge as Debts		As at 31st March, 2020	As at 31st March, 2019
Nature of Statute	Brief Description of Contingent Liabilities		
Goods and Services Tax Act, 2017/Service Tax, Finance Act, 1994	Various cases pertaining to like disallowance of CENVAT credit of Service Tax and show cause-cum-demand notices relating to Service Tax	59.55	61.48
Income Tax Act, 1961	Various cases pertaining to demand in tax assessment for various years	52.48	40.81
Others Statutes	Claims pending in Consumer Redressal Forums, Lok Adalat, National Commission, Motor Accidental Claims Tribunal, Arbitrator, in other Courts/authorities, other legal matter and claims against the Company not acknowledged as debts	73.04	49.51
Grand Total		185.07	151.80
B)	Letter of Comfort given by the Company on behalf of clients	29.02	72.97
C)	Corporate Guarantees given by the Company on behalf of clients*	315.49	13.23

D) For the previous period, Aditya Birla Capital Technology Services Limited (ABCTSL) (Formerly known as Aditya Birla MyUniverse Limited), a subsidiary of the Group, 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 Group 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 ABCTL 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 ABCTSL fails to fulfil its obligation, the Group will be obligated to fulfil this obligation.

*Includes Corporate Guarantees given to National Housing Bank by the Company on behalf of its subsidiary Aditya Birla Housing Finance Limited (ABHFL) of ₹ 500 Crore against which the amount liable by ABHFL is ₹ 303.05 Crore. As per the terms of the Guarantee, on invocation, the Company's liability is capped at the outstanding amount.

NOTE: 41 CAPITAL AND OTHER COMMITMENTS

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	106.84	46.70
b) Uncalled liabilities on shares and other investments partly paid	668.67	564.85
c) Other Commitments	4.69	2.00
d) Pursuant to the Shareholders' Agreement entered into with Sun Life Assurance Company of Canada by the Company, in respect of Aditya 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 Limited is restricted by the terms contained in Shareholders' Agreements entered into by the Company.		

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NOTE: 42 DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD 17 - LEASES

		₹ crore	
Particulars		Year ended 31st March, 2019	
A. Assets taken on Lease:			
i)	Operating Lease Payment recognised in the Statement of Profit and Loss		
	Minimum Lease Rent		130.82
			130.82
ii)	The Group has taken certain Office Premises, Leasehold Improvements, Furniture and Fixtures, Information Technology and Office Equipment, on non-cancellable/cancellable operating lease.		
			₹ crore
			As at 31st March, 2019
iii)	The future minimum rental payable in respect of non-cancellable operating lease are as follows:		
	Not later than one year		61.96
	Later than one year and not later than five years		122.07
	Later than five years		14.02
			198.05
iv)	The details of finance lease payments payable and their Present Value of the Company as at 31st March, 2019		
			₹ crore
			Interest
	Particulars	Total Lease Value	Present Value
	Charges Payable		
a)	Not later than one year	1.20	1.13
b)	Later than one year and not later than five years	0.03	0.03
	Total	1.23	1.16
			0.07

NOTE: 42 DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD 116 - LEASES

Effective 1st April, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1st April, 2019, using the modified retrospective method, and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate, and the right-of-use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31st March, 2019, have not been retrospectively adjusted and, therefore, will continue to be reported under the accounting policies included as part of our Annual Report for the year ended 31st March, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right-of-Use' asset of ₹ 286.20 Crore and a lease liability of ₹ 321.09 Crore. The cumulative effect of applying the standard, amounting to ₹ 13.48 Crore was debited to retained earnings, net of taxes and minority interest. The effect of this adoption is insignificant on the operating profit, net profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly for all contracts as on 1st April, 2019, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at 31st March, 2019, compared to the lease liability as accounted as at 1st April, 2019, is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Group has chosen to apply the practical expedient as per the standard.

The weighted-average incremental borrowing rate applied to lease liabilities as at 1st April, 2019, is from the range of 8.00% to 8.50% for a period varying from 1 to 10 years.

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Critical accounting judgements and key sources of estimation uncertainty

Critical judgements required in the application of Ind AS 116 may include, among others, the following:

- Identifying whether a contract (or part of a contract) includes a lease;
- Determining whether it is reasonably certain that an extension or termination option will be exercised;
- Classification of lease agreements (when the entity is a lessor);
- Determination of whether variable payments are in-substance fixed;
- Establishing whether there are multiple leases in an arrangement; and
- Determining the standalone selling prices of lease and non-lease components.

Key sources of estimation uncertainty in the application of Ind AS 116 may include, among others, the following:

- Estimation of the lease term;
- Determination of the appropriate rate to discount the lease payments; and
- Assessment of whether a right-of-use asset is impaired.

Following are the changes in the carrying value of Right-of-Use Assets for the year ended 31st March, 2020:

Particulars	₹ crore
	Category of ROU Asset Leasehold Premises
Balance as at 1st April, 2019	286.20
Additions	114.35
Deletions	(4.59)
Depreciation	(87.92)
Balance as at 31st March, 2020	308.04

Amounts recognised in Profit and Loss

Particulars	₹ crore
	Year ended 31st March, 2020
Depreciation Expenses on Right-of-Use Assets	87.92
Interest Expenses on Lease Liabilities	24.59
Expenses Relating to Short-Term Leases	9.89
Expenses Relating to Leases of Low Value Assets	18.26
Income from Subleasing Right-of-Use Assets	7.29
Others	0.85
Gains or Losses arising from Modification of Lease Agreements	0.42

The following is the break-up of current and non-current lease liabilities as at 31st March, 2020

Particulars	₹ crore
	Year ended 31st March, 2020
Current Lease Liabilities	91.57
Non-Current Lease Liabilities	245.05
Total	336.62

The following is the movement in lease liabilities during the year ended 31st March, 2020:

Particulars	₹ crore
	Year ended 31st March, 2020
Balance as at 1st April, 2019	321.09
Additions	98.94
Additions through Business Combinations	3.24
Deletions	(5.13)
Finance Cost accrued during the period	24.59
Payment of Lease Liabilities	(106.11)
Balance as at 31st March, 2020	336.62

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The table below provides details regarding the contractual maturities of lease liabilities as at 31st March, 2020, on an undiscounted basis:

Particulars	₹ crore As at 31st March, 2020
Less than one year	95.85
One to five years	248.00
More than five years	68.40
Total	412.25

Future expected cash outflows to which the lessee is potentially exposed and are not reflected in the measurement of lease liabilities:

Particulars	₹ crore As at 31st March, 2020
Lessee utilises its extension option	-
Amount of residual value guarantees	-
Leases not yet commenced to which the lessee is committed	14.33
Total	14.33

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The details of finance lease payments payable and their Present Value of the Company as at 31st March, 2020

Particulars	Total Lease Value	Present Value	₹ crore Interest
Charges Payable			
a) Not later than one year	0.03	0.03	-
b) Later than one year and not later than five years	-	-	-
Total	0.03	0.03	-

NOTE: 43 CURRENT INCOME TAX

Particulars	Year ended 31st March, 2020	₹ crore Year ended 31st March, 2019
Current Income Tax Charge	418.09	629.77
Adjustments in respect of Current Income Tax of Previous Year	(7.27)	(4.40)
Deferred Tax:		
Relating to origination and reversal of temporary differences (including MAT credit)	2.81	(56.02)
Income Tax Expense reported in the Statement of Profit or Loss	413.63	569.35
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2020		
Accounting Profit before Income Tax	1,279.74	1,380.65
At India's statutory income tax rate of 25.168% (31st March, 2019: 34.944%)	322.09	482.45
Adjustments in respect of current income tax of previous years	(7.27)	(4.40)
Differences other than temporary in nature on account of tax benefit u/s 36 (1)(viii) of the Income Tax Act, 1961	(4.17)	(5.21)
Income not considered for tax purpose	(36.44)	(45.35)
Allocation of bonus to policyholders	37.17	29.62
Income taxed at different rates	(10.45)	(25.67)
Deferred Tax on undistributed earnings of Subsidiaries and Joint Venture Companies	42.24	8.03
Tax effect of share of result of Joint Venture Companies	(63.15)	(78.90)
Tax impact of dividend income from Joint Venture Companies	37.64	34.68
Deferred Tax not created on loss making Companies	80.22	148.45
Others	15.75	25.65
At the effective income tax rate of 32.32% (31st March, 2019: 41.24%)	413.63	569.35

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NOTE: 44 LIST OF RELATED PARTIES WITH WHOM THE COMPANY HAS TRANSACTIONS

Holding Company:

Grasim Industries Limited

Joint Ventures:

Aditya Birla Sun Life AMC Limited

Aditya Birla Sun Life Trustee Private Limited

Aditya Birla Wellness Private Limited

Entities in which Holding Company has Significant Influence:

Vodafone Idea Limited (formerly known as Idea Cellular Limited) (Upto 31st August, 2018)

Aditya Birla Idea Payment Bank Limited (under liquidation w.e.f. 18th September, 2019)

Other related parties in which Directors are interested:

Aditya Birla Management Corporation Pvt. Ltd. (w.e.f. 1st January, 2019)

Fellow Subsidiaries

UltraTech Cement Limited

Post-Employment Benefit Plans:

Grasim Industries Limited Employee Gratuity Fund

Key Management Personnel:

Mr. Ajay Srinivasan (Chief Executive Officer)

Mr. Arun Adhikari (Independent Director)

Mr. P. H. Ravikumar (Independent Director)

Mr. S. C. Bhargava (Independent Director)

Ms. Vijayalakshmi R. Iyer (Independent Director)

During the year ended 31st March, 2020, following transactions were carried out with the related parties:

Particulars	₹ crore							
	Holding Company	Joint Ventures	Entities in which Holding Company has Significant Influence	Fellow Subsidiaries	Other related parties in which Directors are interested	Post-Employment Benefit Plans	Key Management Personnel	Grand Total
Interest Income								
Vodafone Idea Limited	-	-	-	-	-	-	-	-
	-	-	(1.71)	-	-	-	-	(1.71)
Grasim Industries Limited	4.41	-	-	-	-	-	-	4.41
	(4.34)	-	-	-	-	-	-	(4.34)
Total	4.41	-	-	-	-	-	-	4.41
	(4.34)	-	(1.71)	-	-	-	-	(6.05)
Dividend Income								
Aditya Birla Sun Life AMC Limited	-	168.30	-	-	-	-	-	168.30
	-	(153.00)	-	-	-	-	-	(153.00)
Total	-	168.30	-	-	-	-	-	168.30
	-	(153.00)	-	-	-	-	-	(153.00)
Brokerage Income								
Grasim Industries Limited	0.36	-	-	-	-	-	-	0.36
	-	-	-	-	-	-	-	-
Aditya Birla Sun Life AMC Limited	-	0.41	-	-	-	-	-	0.41
	-	(1.28)	-	-	-	-	-	(1.28)
Total	0.36	0.41	-	-	-	-	-	0.77
	-	(1.28)	-	-	-	-	-	(1.28)

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Particulars								₹ crore
	Holding Company	Joint Ventures	Entities in which Holding Company has Significant Influence	Fellow Subsidiaries	Other related parties in which Directors are interested	Post-Employment Benefit Plans	Key Management Personnel	Grand Total
Insurance Income								
Grasim Industries Limited	6.33	-	-	-	-	-	-	6.33
	(16.52)	-	-	-	-	-	-	(16.52)
UltraTech Cement Limited	-	-	-	9.87	-	-	-	9.87
	-	-	-	(9.03)	-	-	-	(9.03)
Total	6.33	-	-	9.87	-	-	-	16.20
	(16.52)	-	-	(9.03)	-	-	-	(25.55)
Rent Income								
Aditya Birla Wellness Private Limited	-	0.55	-	-	-	-	-	0.55
	-	-	-	-	-	-	-	-
Aditya Birla Sun Life AMC Limited	-	0.54	-	-	-	-	-	0.54
	-	(0.13)	-	-	-	-	-	(0.13)
Total	-	1.09	-	-	-	-	-	1.09
	-	(0.13)	-	-	-	-	-	(0.13)
Other Income								
Aditya Birla Sun Life AMC Limited	-	-	-	-	-	-	-	-
	-	(0.36)	-	-	-	-	-	(0.36)
Mr. Ajay Srinivasan	-	-	-	-	-	-	₹	₹
	-	-	-	-	-	-	(0.02)	(0.02)
Total	-	-	-	-	-	-	₹	₹
	-	(0.36)	-	-	-	-	(0.02)	(0.38)
Payment for Reimbursement of Revenue/Capital Expenditure								
Grasim Industries Limited	-	-	-	-	-	-	-	-
	(0.05)	-	-	-	-	-	-	(0.05)
Aditya Birla Sun Life AMC Limited	-	0.26	-	-	-	-	-	0.26
	-	(0.34)	-	-	-	-	-	(0.34)
Aditya Birla Idea Payment Bank Limited	-	-	0.17	-	-	-	-	0.17
	-	-	(0.01)	-	-	-	-	(0.01)
Aditya Birla Management Corporation Private Limited	-	-	-	-	31.22	-	-	31.22
	-	-	-	-	(7.59)	-	-	(7.59)
Vodafone Idea Limited	-	-	-	-	-	-	-	-
	-	-	(0.01)	-	-	-	-	(0.01)
UltraTech Cement Limited	-	-	-	-	-	-	-	-
	-	-	-	(0.26)	-	-	-	(0.26)
Total	-	0.26	0.17	-	31.22	-	-	31.65
	(0.05)	(0.34)	(0.02)	(0.26)	(7.59)	-	-	(8.26)
Receipts against Reimbursement of Expenses								
Grasim Industries Limited	0.31	-	-	-	-	-	-	0.31
	(1.18)	-	-	-	-	-	-	(1.18)
Aditya Birla Wellness Private Limited	-	0.29	-	-	-	-	-	0.29
	-	(1.49)	-	-	-	-	-	(1.49)
Vodafone Idea Limited	-	-	-	-	-	-	-	-
	-	-	(0.80)	-	-	-	-	(0.80)
Aditya Birla Management Corporation Private Limited	-	-	-	-	0.13	-	-	0.13
	-	-	-	-	-	-	-	-

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Particulars								₹ crore
	Holding Company	Joint Ventures	Entities in which Holding Company has Significant Influence	Fellow Subsidiaries	Other related parties in which Directors are interested	Post-Employment Benefit Plans	Key Management Personnel	Grand Total
Aditya Birla Sun Life AMC Limited	-	65.41	-	-	-	-	-	65.41
	-	(73.09)	-	-	-	-	-	(73.09)
Total	0.31	65.70	-	-	0.13	-	-	66.14
	(1.18)	(74.58)	(0.80)	-	-	-	-	(76.56)
Other Expenses								
Aditya Birla Management Corporation Private Limited	-	-	-	-	(0.03)	-	-	(0.03)
Aditya Birla Wellness Private Limited	-	7.58	-	-	-	-	-	7.58
	-	(4.86)	-	-	-	-	-	(4.86)
Total	-	7.58	-	-	-	-	-	7.58
	-	(4.86)	-	-	(0.03)	-	-	(4.89)
Contribution to PF/Gratuity Fund Trust								
Grasim Industries Limited Employee Gratuity Fund	-	-	-	-	-	1.88	-	1.88
	-	-	-	-	-	(1.89)	-	(1.89)
Total	-	-	-	-	-	1.88	-	1.88
	-	-	-	-	-	(1.89)	-	(1.89)
Payment to Key Management Personnel								
Mr. Ajay Srinivasan*								
Remuneration	-	-	-	-	-	-	28.22	28.22
	-	-	-	-	-	-	(35.27)	(35.27)
ESOP Accounting Charge	-	-	-	-	-	-	7.85	7.85
	-	-	-	-	-	-	(13.99)	(13.99)
Mr. Arun Adhikari	-	-	-	-	-	-	0.04	0.04
	-	-	-	-	-	-	(0.09)	(0.09)
Mr. P. H. Ravikumar	-	-	-	-	-	-	0.06	0.06
	-	-	-	-	-	-	(0.08)	(0.08)
Mr. S. C. Bhargava	-	-	-	-	-	-	0.04	0.04
	-	-	-	-	-	-	(0.12)	(0.12)
Ms. Vijayalakshmi R. Iyer	-	-	-	-	-	-	0.04	0.04
	-	-	-	-	-	-	(0.07)	(0.07)
Total	-	-	-	-	-	-	36.25	36.25
	-	-	-	-	-	-	(49.61)	(49.61)
Deposit Taken								
Aditya Birla Sun Life AMC Limited	-	-	-	-	-	-	-	-
	-	(0.25)	-	-	-	-	-	(0.25)
Total	-	-	-	-	-	-	-	-
	-	(0.25)	-	-	-	-	-	(0.25)
Deposit Given								
Aditya Birla Management Corporation Private Limited	-	-	-	-	8.88	-	-	8.88
	-	-	-	-	(1.28)	-	-	(1.28)
Total	-	-	-	-	8.88	-	-	8.88
	-	-	-	-	(1.28)	-	-	(1.28)
Payment Received for Non-Convertible Debentures								
Grasim Industries Limited	40.00	-	-	-	-	-	-	40.00
	-	-	-	-	-	-	-	-
Total	40.00	-	-	-	-	-	-	40.00
	-	-	-	-	-	-	-	-

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Particulars								₹ crore
	Holding Company	Joint Ventures	Entities in which Holding Company has Significant Influence	Fellow Sub-sidiaries	Other related parties in which Directors are interested	Post-Employment Benefit Plans	Key Management Personnel	Grand Total
Investment made in Equity Shares								
Aditya Birla Wellness Private Limited	-	-	-	-	-	-	-	-
	-	(5.10)	-	-	-	-	-	(5.10)
Total	-	-	-	-	-	-	-	-
	-	(5.10)	-	-	-	-	-	(5.10)
Equity Accounted Investment								
Aditya Birla Sun Life AMC Limited	-	671.55	-	-	-	-	-	671.55
	-	(623.86)	-	-	-	-	-	(623.86)
Aditya Birla Sun Life Trustee Limited	-	0.57	-	-	-	-	-	0.57
	-	(0.49)	-	-	-	-	-	(0.49)
Aditya Birla Wellness Private Limited	-	9.66	-	-	-	-	-	9.66
	-	(11.00)	-	-	-	-	-	(11.00)
Total	-	681.78	-	-	-	-	-	681.78
	-	(635.35)	-	-	-	-	-	(635.35)
Outstanding Balances								
Amount Receivable	11.26	8.22	-	-	10.16	-	-	29.64
	(53.51)	(5.37)	-	-	(1.38)	-	-	(60.26)
Amount Payable	-	3.39	0.04	-	3.91	-	-	7.34
	(6.47)	(0.34)	(0.01)	-	(4.32)	-	-	(11.14)
Total	11.26	11.61	0.04	-	14.07	-	-	36.98
	(59.98)	(5.71)	(0.01)	-	(5.70)	-	-	(71.40)

- Figures in brackets represent corresponding amount of Previous Year.

- Figures of ₹ 50,000 or less have been denoted by β.

- Related parties relationships have been identified by the Management and relied upon by auditors.

* Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall Company basis at the end of each year, and accordingly have not been considered in the above information.

* Variable pay is within 70% of the gross salary.

NOTE: 45 RETIREMENT BENEFITS

Disclosure in respect of Employee Benefits pursuant to Ind AS-19

A. The details of the Company's Defined Benefit Plans in respect of Gratuity (funded by the Group):

General description of the Plan

The Group operates gratuity plan through a trust wherein every employee is entitled to the 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 Company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972.

Nature of Benefits

The Group operates a defined benefit final salary gratuity plan, which is open to new entrants. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Group.

Regulatory Framework

There are no minimum funding requirements for a gratuity plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is Income Tax approved, the Group and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the Income Tax Act and Rules. Besides this, if the Company is covered by the Payment of Gratuity Act, 1972, then the Group is bound to pay the statutory minimum gratuity as prescribed under this Act.

Governance of the Plan

The Group has set up an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan.

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Inherent Risks

The plan is of a final salary defined benefit in nature, which is sponsored by the Group and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Group that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in the cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

Particulars	₹ crore	
	As at/For the Year ended 31st March, 2020	As at/For the Year ended 31st March, 2019
Amounts recognised in the Balance Sheet in respect of Gratuity		
Present Value of the funded Defined Benefit Obligations at the end of the period	114.64	91.40
Fair Value of the Plan Assets	94.70	81.78
Net (Assets)/Liabilities	19.94	9.62
Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity		
Current Service Cost	13.92	13.89
Interest on Net Defined Benefit Liabilities/(Assets)	0.48	(0.31)
Less: Recovery from Joint Venture Companies	(0.43)	(0.34)
Net Gratuity Costs	13.97	13.24
Amount recognised in Other Comprehensive Income (OCI) for the Year		
Actual return on Plan Assets excluding interest income	1.65	(2.39)
Actuarial changes arising from changes in demographic assumptions	(4.36)	0.17
Actuarial changes arising from changes in financial assumptions	9.50	1.34
Actuarial changes arising from changes in experience assumptions	6.66	2.85
Less: Amount recovered from Joint Venture Companies	(0.77)	(0.65)
Closing Amount recognised in OCI outside Profit and Loss Account	12.68	1.32
Reconciliation of Present Value of the Obligation and the Fair Value of the Plan Assets		
Change in Net Liabilities/Assets		
Opening Net Defined Benefit Liabilities or Assets	9.62	1.07
Expense charged to the Statement of Profit and Loss and recovery from Joint Venture Companies	14.40	13.58
Amount recognised outside the Statement of Profit and Loss and recovery from Joint Venture Companies	13.44	1.96
Employer Contributions	(18.03)	(7.10)
Impact of Liabilities assumed or (settled)	0.49	-
Opening Liabilities transferred from Unfunded to Funded	0.02	0.11
Closing Net Defined Benefit Liabilities or Assets	19.94	9.62
Change in Present Value of the Obligations		
Opening Defined Benefit Obligations	91.40	73.53
Current Service Cost	13.92	13.89
Interest Cost	6.27	5.19
Actuarial (Gain)/Loss	11.80	4.35
Benefits Paid	(9.26)	(5.67)
Liabilities assumed on Amalgamation	0.49	-
Opening Liabilities transferred from Unfunded to Funded	0.02	0.11
Closing Defined Benefit Obligations	114.64	91.40
Change in Fair Value of the Plan Assets		
Opening Fair Value of the Plan Assets	81.78	72.46
Interest Income on Plan Assets	5.79	5.50
Actual return on Plan Assets less interest on Plan Assets	(1.65)	2.39
Contributions by the Employer	18.04	7.10
Benefits Paid	(9.26)	(5.67)
Closing Fair Value of the Plan Assets	94.70	81.78

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Funding Arrangement and Policy

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested. The trustees of the plan are required to invest the funds as per the prescribed pattern of investments laid out in the Income Tax Rules for such approved schemes.

Particulars	₹ crore	
	As at/For the Year ended 31st March, 2020	As at/For the Year ended 31st March, 2019
Maturity Profile of Defined Benefit Obligations		
Within the next 12 months (next annual reporting period)	13.72	11.10
More than 1 and up to 5 years	44.78	37.49
More than 5 and up to 10 years	38.53	30.24
Above 10 years	99.20	69.29
The weighted-average duration to the payment of these cash flows	4 Years to 17 Years	4 Years to 17 Years

Quantitative sensitivity analysis for significant assumption is as below:

Increase/Decrease on Present Value of Defined Benefit Obligations for the Year

i) 50 bps increase in discount rate	-2.97%	-3.81%
ii) 50 bps decrease in discount rate	3.58%	4.13%
iii) 50 bps increase in the rate of salary increase	3.42%	4.17%
iv) 50 bps decrease in the rate of salary increase	-2.87%	-3.84%

Sensitivity Analysis Method

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation, and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

Disaggregation of the Plan Assets

Non-Quoted Value		
Government of India Securities	1.54%	1.70%
Corporate Bonds	0.11%	0.07%
Insurer Managed Fund	81.15%	81.33%
Others	17.20%	16.89%
	100%	100%

Fair Value of the Plan Assets include:

Company's own Financial Instruments	76.85	66.51
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Principal Actuarial Assumptions at the Balance Sheet Date

Discount Rate	5.4% - 6.95%	6.6% - 7.85%
Salary Escalation	6% - 10%	6% - 10%

B. The details of the Company's Defined Benefit Plans in respect of Gratuity (unfunded by the Group)

Particulars	₹ crore	
	As at/For the Year ended 31st March, 2020	As at/For the Year ended 31st March, 2019
Amounts recognised in the Balance Sheet in respect of Gratuity		
Present Value of the unfunded Defined Benefit Obligations at the end of the period	0.22	0.44
Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity		
Current Service Cost (unfunded)	0.02	0.09
Interest on Defined Benefit Obligations	0.03	0.04
Net Gratuity Cost	0.05	0.13
Amount recognised in Other Comprehensive Income (OCI) for the year		
Actuarial changes arising from changes in financial assumptions	β	0.01
Actuarial changes arising from changes in experience assumptions	0.06	(0.12)
	0.06	(0.11)

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Particulars	As at/For the Year ended 31st March, 2020	As at/For the Year ended 31st March, 2019
₹ crore		
Reconciliation of Present Value of the Obligation and the Fair Value of the Plan Assets		
Change in Net Liabilities/Assets		
Opening Net Defined Benefit Liabilities/(Assets)	0.45	0.71
Expense charged to the Statement of Profit and Loss	0.05	0.13
Amount recognised outside to the Statement of Profit and Loss	0.06	(0.11)
Benefits Paid	(0.32)	(0.29)
Closing Net Defined Benefit Liabilities/(Asset)	0.24	0.44
Reconciliation of Present Value of the Obligations		
Opening Defined Benefit Obligations	0.45	0.71
Current Service Costs	0.02	0.09
Interest Costs	0.03	0.04
Actuarial changes arising from changes in financial assumptions	β	0.01
Actuarial changes arising from changes in experience assumptions	0.06	(0.12)
Actuarial (Gain)/Loss	(0.08)	(0.10)
Liabilities in respect of Employees transferred from unfunded plan	(0.02)	-
Benefits Paid	(0.32)	(0.29)
Closing Defined Benefit Obligations	0.22	0.44
Maturity Profile of Defined Benefit Obligations		
Within the next 12 months (next annual reporting period)	0.04	0.07
More than 1 and up to 5 years	0.10	0.24
More than 5 and up to 10 years	0.07	0.15
Above 10 years	-	0.26
The weighted-average duration to the payment of these cash flows	3 Years to 6 Years	3 Years to 6 Years
Quantitative sensitivity analysis for significant assumption is as below:		
Increase/Decrease on present value of defined benefits obligation at the end of the year (in %)		
i) 50 bps increase in discount rate	-4.10%	-1.97%
ii) 50 bps decrease in discount rate	0.03%	3.68%
iii) 50 bps increase in the rate of salary increase	0.01%	3.98%
iv) 50 bps decrease in the rate of salary increase	-4.10%	-1.87%
Principal Actuarial Assumptions at the Balance Sheet Date		
Discount Rate	5.45% - 5.60%	6.75% - 6.90%
Salary Escalation	6.50% - 7.00%	6.50% - 7.00%
Estimated amount of contribution expected to be paid to the Gratuity Fund during the annual period after the Balance Sheet date is ₹ 35.78 Crore (31st March, 2019 ₹ 22.86 Crore).		
C. Defined Contribution Plan		
Amount recognised as an expense and included in the Note: as "Contribution to Provident and Other Fund"	64.61	46.63
Contribution to the Company's Provident Fund Trust	1.90	4.56

NOTE: 46 DISCLOSURE UNDER EMPLOYEE STOCK OPTIONS SCHEMES OF THE COMPANY

(A) Aditya Birla Capital Limited

At the Annual General Meeting held on 19th July, 2017, the shareholders of the Company approved the grant of not more than 32,286,062 Equity Shares by way of grant of Stock Options ("ESOPs") and Restricted Stock Units ("RSUs"). Out of these, the Nomination, Remuneration and Compensation Committee has granted 24,062,864 ESOPs and 5,742,636 RSUs under the Scheme titled "Aditya Birla Capital Limited Employee Stock Option Scheme 2017" in 3 categories of Long-Term Incentive Plans ("LTIP"), identified as LTIP 1, LTIP 2, and LTIP 3. The Scheme allows the grant of stock options to employees of the Company (whether in India or abroad) that meet the eligibility criteria. Each option comprises one underlying Equity Share.

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Features	LTIP 1		LTIP 2		LTIP 3	
	RSU	ESOP	RSU	ESOP	RSU	ESOP
Instrument						
Plan Period	2017-2019	2017-2021	2017-2019	2017-2022		
Quantum of Grant	4,343,750	11,557,872	1,398,886	12,504,992		
Method of Accounting	Fair Value	Fair Value	Fair Value	Fair Value		
Vesting Period	100% (2 years)	25% p.a. (4 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	75% of the consolidated Profit Before Tax achievement against annual performance target		
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting	5 years from the Date of Vesting	5 years from the Date of Vesting		
Grant Date	11th August, 2017	11th August, 2017	11th August, 2017	11th August, 2017		
Grant/Exercise Price (₹ Per Share)	10.00	115.00	10.00	115.00		
Value of Equity Shares as on the date of Grant of Original Option (₹ Per Share)	139.00	139.00	139.00	139.00		

Pursuant to the "Aditya Birla Capital Limited Employee Stock Option Scheme 2017", the Company has granted 2,107,868 Options ("ESOPs") and 531,496 Restricted Stock Units ("RSUs") to the eligible employees of the Company and its subsidiaries, the details of which are given hereunder:

Features	LTIP 2		LTIP 3		LTIP 3	
	ESOP	ESOP	ESOP	RSU	ESOP	RSU
Instrument						
Plan Period	2019-2023	2019-2023	2019-2024	2019-2021	2020-2024	2020-2023
Quantum of Grant	560,376	307,020	441,704	7,686	798,768	523,810
Method of Accounting	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Vesting Period	25% p.a. (4 years)	25% p.a. (4 years)	20% p.a. (5 years)	100% (2 years)	25% p.a. (4 years)	100% (3 years)
Vesting Condition(s)	75% of the consolidated Profit Before Tax achievement against annual performance target	75% of the consolidated Profit Before Tax achievement against annual performance target	75% of the consolidated Profit Before Tax achievement against annual performance target	Continued employment	75% of the consolidated Profit Before Tax achievement against annual performance target	Continued employment
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting	5 years from the Date of Vesting	5 years from the Date of Vesting	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	02.08.2019	18.10.2019	18.10.2019	18.10.2019	25.02.2020	25.02.2020
Grant/Exercise Price (₹ Per Share)	82.4	76.4	76.4	10	87.1	10

During the Previous year, the Company has granted 1,623,834 Options ("ESOPs") and 300,000 Restricted Stock Units ("RSUs") to the eligible employees of the Company and its subsidiaries, the details of which are given hereunder:

Features	LTIP 3	
	ESOP	RSU
Instrument		
Plan Period	2018-2023	2018-2020
Quantum of Grant	1,623,834	300,000
Method of Accounting	Fair Value	Fair Value
Vesting Period	20% p.a. (5 years)	100% (2 years)
Vesting Condition(s)	75% of the consolidated Profit Before Tax achievement against annual performance target	Continued employment
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	09.04.2018	09.04.2018
Grant/Exercise Price (₹ Per Share)	115.00	10

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Details of Activity in the Plan as at 31st March, 2020

Features	LTIP 1	LTIP 2	LTIP 3	
Instrument	RSU	ESOP	RSU	ESOP
Options/RSUs Outstanding at the beginning of the year	3,449,500	10,553,285	1,698,886	14,128,826
Granted during the year on 1st April, 2019	-	1,666,164	531,496	441,704
Exercised during the year	1,450,042	-	615,431	-
Lapsed during the year	320,708	848,601	183,187	1,822,626
Options/RSUs outstanding at the end of the year	1,678,750	11,370,848	1,431,764	12,747,904
Options/RSUs invested at the end of the year	-	6,587,801	831,496	8,042,534
Options/RSUs exercisable at the end of the year	1,678,750	4,783,047	600,268	4,705,370

Details of Activities in the Plan as at 31st March, 2019

Features	LTIP 1	LTIP 2	LTIP 3	
Instrument	RSU	ESOP	RSU	ESOP
Options/RSUs outstanding at the beginning of the year	4,004,750	11,445,739	1,398,886	12,504,992
Granted during the year	-	-	300,000	1,623,834
Exercised during the year	-	29,200	-	-
Lapsed during the year	555,250	892,454	-	-
Options/RSUs outstanding at the end of the year	3,449,500	10,524,085	1,698,886	14,128,826
Options/RSUs invested at the end of the year	3,449,500	7,841,942	1,698,886	11,627,828
Options/RSUs exercisable at the end of the year	-	2,682,143	-	2,500,998

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	
Instrument	RSU	ESOP	RSU	ESOP
Risk-Free Interest Rate (%)	6.50%	6.2% to 6.8%	6.5% to 7.2%	6.5% to 7.6%
Option Life (Years)	4.5	3.5 to 6.5	4.5	3.5 to 7.5
Historical Volatility	38.50%	36.2% to 38.5%	35.4% to 38.5%	37.0% to 38.5%
Expected Volatility	-	-	-	-
Expected Dividend Yield (%)	0.00%	0.00%	0.00%	0.00%
Weighted-Average Fair Value per Option (₹)	131.60	70.40	131.60	73.10

OF SUBSIDIARY COMPANIES

(B) Aditya Birla Money Limited

Stock Options granted under ABML – Employee Stock Option Scheme – 2014

The objective of the Employee Stock Option Scheme is to attract and retain talent and align the interest of employees with the Aditya Birla Money Limited (ABML), as well as to motivate them to contribute to its growth and profitability. The Company adopts Senior Executive Plan in granting stock options to its Senior Employees (Employee Stock Option Scheme – 2014)

During 2014, the Company had formulated the ABML Employee Stock Option Scheme – 2014 (ABML ESOP Scheme – 2014) with the approval of the shareholders at the Annual General Meeting dated September 09, 2014. The Scheme provides that the total number of options granted there under will be 2,770,000 and to follow the Market Value Method (Intrinsic Value) for valuation of the Options. Each option, on exercise, is convertible into one equity share of the Company having face value of ₹ 1 each. Subsequently, the Nomination and Remuneration Committee of the Board of Directors on December 2, 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 December 2, 2014 (the date of grant by the Nomination & Remuneration Committee) on the recognised stock exchanges on which the shares of the Company are listed with the highest trading volume.

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Summary of Stock Options granted under ABML ESOP Scheme – 2014 is as under	As at 31st March, 2020
Options Granted on 2nd December, 2014	2,509,341
Options Outstanding as on 1st April, 2019	520,312
No. of Options Granted during the Year	Nil
Method of Accounting	Intrinsic Value
Vesting Plan	25% every year
Exercise Period	Within 5 years from the date of vesting of respective options
Grant/Exercise price (₹ Per Share)	₹ 34.25/-
Market Price as on the date of the Grant	₹ 34.25/- (previous day closing price on the recognised stock exchange)
Options Forfeited/Lapsed during the Year	0
Options Exercised during the Year	0
Options Outstanding as at 31st March, 2020	520,312
Summary of Stock Options granted under ABML ESOP Scheme – 2014 is as under	As at 31st March 2019
Options Granted on 2nd December, 2014	2,509,341
Options Outstanding as on 1st April, 2018	699,531
No. of Options Granted during the Year	Nil
Method of Accounting	Intrinsic Value
Vesting Plan	25% every year
Exercise Period	Within 5 years from the date of vesting of respective options
Grant/Exercise Price (₹ Per Share)	₹ 34.25/-
Market Price as on the date of the grant	₹ 34.25/- (previous day closing price on the recognised stock exchange)
Options Forfeited/Lapsed during the Year	0
Options Exercised during the Year	179,219
Options Outstanding as at 31st March, 2019	520,312

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:

Risk-free Interest Rate (%)	8.13%
Expected Life (No. of Years)	5
Expected Volatility (%)	54.26%
Dividend Yield (%)	0.00
Weighted-Average Fair Value per Option (₹) Fair Value	₹ 34.25/-

NOTE: 47 ABCL INCENTIVE PLAN - 2017

The Scheme titled as “ABCL Incentive Scheme for Stock Options and Restricted Stock Units – 2017 (ABCL Incentive Scheme)” was approved by the shareholders through postal ballot on 10th April, 2017. The Nomination, Remuneration and Compensation Committee of the Company at its meeting held on 15th January, 2018, granted 1,465,927 ESOPs and 252,310 Restricted Stock Units (RSUs) (Collectively called as “Stock Options”) to the eligible grantees, pursuant to the Composite Scheme of Arrangement between erstwhile Aditya Birla Nuvo Limited (now merged with Grasim Industries Limited), Grasim Industries Limited and Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited) (Refer Note No. 46). 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.

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The vesting conditions and the vesting dates under the ABCL Incentive Scheme shall follow the same vesting conditions, as applicable to the Grantees under the corresponding Grasim Employee Benefit Schemes 2006 and 2013

Particulars	ABCL Incentive Scheme	
	Options	RSUs
Plan Period	As per Grasim Employee Benefit Scheme 2006 and 2013	
Quantum of Grant	1,465,927	252,310
Method of Accounting	Fair Value	Fair Value
Vesting Period	The Options and RSUs shall deemed to have been vested from the original date of grant under the Grasim ESOP Schemes 2006 and 2013 and shall be subject to a minimum vesting period of one year from the date of original grant, and would vest not earlier than one year and not later than five years from the date of grant of Options and RSUs, or such other period as may be determined by the Nomination, Remuneration and Compensation Committee.	
Vesting Condition(s)	Achievement of threshold level of budgeted annual performance target	
Exercise Period	5 years from the Date of Vesting	5 years from the Date of Vesting
Grant Date	15th January, 2018	15th January, 2018
Grant/Exercise Price (₹ Per Share)	10	10

Details of Activity in the Plan

Particulars	ABCL Incentive Scheme			
	31st March, 2020		31st March, 2019	
	Options	RSUs	Options	RSUs
Options/RSUs outstanding at the beginning of the year	1,034,389	195,955	1,354,590	218,389
Granted during the year	-	-	-	-
Exercised during the year	272,524	26,898	313,381	22,434
Lapsed during the year	-	-	6,820	-
Options/RSUs outstanding at the end of the year	761,865	169,057	1,034,389	195,955
Options/RSUs unvested at the end of the year	25,585	-	93,787	33,472
Options/RSUs exercisable at the end of the year	736,280	169,057	940,602	162,483

NOTE: 48 SEGMENT DISCLOSURES

Operating segments are defined as components of an enterprise for which discrete financial information so available that is evaluated regularly by Chief Operating Decision Maker (CODM), in deciding how to allocate resources and assessing performance.

The Group has considered business segment as reportable segment for disclosure. The products and services included in each of the reported business segments are as follows:

SEGMENT	ACTIVITIES
NBFC	Non-Banking Financial Services
Housing Finance	Housing Finance
Life Insurance	Life Insurance
Asset Management	Asset Management
General Insurance Broking	Insurance Broking
Stock and Securities Broking	Equity and Commodity Broking
Health Insurance	Health Insurance and Ancillary Services
Other Financial Services	Private Equity, Wealth Management, General Insurance Advisory and Asset Reconstruction

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Information about Business Segments

Segment Revenue	For the Year ended 31st March, 2020			For the Year ended 31st March, 2019		
	External	Inter-Segment	Total	External	Inter-Segment	Total
	₹ crore					
NBFC	6,198.67	3.07	6,201.74	5,599.48	7.79	5,607.27
Housing Finance	1,295.66	2.73	1,298.39	1,025.05	-	1,025.05
Life Insurance	7,763.39	28.13	7,791.52	7,406.96	4.72	7,411.68
Asset Management	1,234.56	-	1,234.56	1,407.18	-	1,407.18
General Insurance Broking	512.33	2.30	514.63	446.10	2.54	448.64
Stock and Securities Broking	168.96	1.76	170.72	169.49	2.03	171.52
Health Insurance	802.66	-	802.66	499.81	-	499.81
Other Financial Services	51.45	11.52	62.96	16.30	10.56	26.86
Segment Revenue	18,027.67	49.51	18,077.18	16,570.37	27.64	16,598.01
Less: Inter-Segment Revenue			(49.51)			(27.64)
Total Segment Revenue from Operations			18,027.67			16,570.37
Less: Revenue of Joint Venture Entities, profits of which are equity accounted under the Ind AS framework			(1,243.38)			(1,415.52)
Add: Elimination of Intra Group revenue from transactions with Joint Venture Entities			8.00			8.66
Total Revenue from Operation			16,792.29			15,163.51

Segment Result (PBT)	For the Year ended	For the Year ended
	31st March, 2020	31st March, 2019
₹ crore		
NBFC	1,052.91	1,328.01
Housing Finance	136.19	106.94
Life Insurance	137.47	131.46
Asset Management	660.73	646.76
General Insurance Broking	42.10	27.35
Stock and Securities Broking	16.50	14.00
Health Insurance	(245.51)	(256.89)
Other Financial Services	(113.20)	(200.71)
Total Segmental Results	1,687.19	1,796.92
Less: Share of joint venture partners (not included in share of Profits of the Group) in Joint Venture Companies	(407.45)	(416.27)
Profit Before Tax	1,279.74	1,380.65

Other Information	Carrying Amount of Segment Assets (including Goodwill) as on		Carrying Amount of Segment Liabilities as on	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
	₹ crore			
Segments				
NBFC	51,564.80	52,035.27	43,868.16	44,745.80
Housing Finance	13,126.60	11,474.47	11,778.63	10,308.91
Life Insurance	44,729.12	43,380.85	42,071.73	40,932.03
Asset Management	1,543.57	1,417.91	239.50	202.52
General Insurance Broking	127.19	114.79	123.36	91.85
Stock and Securities Broking	724.26	881.50	516.94	672.21
Health Insurance	1,109.22	670.71	796.97	478.01
Other Financial Services	1,288.96	412.66	593.19	1,749.81
Total Segment	114,213.72	110,388.16	99,988.48	99,181.14
Inter-Segment Elimination	(200.81)	(203.42)	(200.81)	(203.42)
Add: Unallocated Corporate Liabilities	656.98	328.13	331.71	254.81
Total Segment Assets/Liabilities	114,669.89	110,512.87	100,119.38	99,232.53
Less: Assets/Liabilities of Joint Venture Entities, which are equity accounted under the Ind AS framework	(1,594.27)	(1,461.97)	(257.36)	(216.07)
Add: Elimination of Intra Group Assets/Liabilities from transactions with Joint Venture Entities	11.60	5.71	11.60	5.71
Add: Investment in Joint Venture Entities, which are equity accounted under the Ind AS framework	681.78	635.34	-	-
Total Assets/Liabilities	113,769.00	109,691.95	99,873.62	99,022.17

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Other Information	₹ crore	
	Depreciation and Amortisation for the Year ended	
	31st March, 2020	31st March, 2019
Segments		
NBFC	49.77	24.77
Housing Finance	11.66	5.90
Life Insurance	72.62	25.69
Asset Management	36.52	13.15
General Insurance Broking	7.67	4.00
Stock and Securities	6.46	2.09
Health Insurance	31.50	13.95
Other Financial Services	26.70	20.89
Total Segment	242.90	110.44
Less: Depreciation of Joint Venture Entities	38.59	14.18
Less: Depreciation of Life Insurance Policyholders' Business	72.32	25.44
Less: Depreciation of Health Insurance Policyholders' Business	29.43	12.93
Total Depreciation and Amortisation	102.56	57.89

Other Information	₹ crore			
	Interest Income for the Year ended		Interest Expenses for the Year ended	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
NBFC	5,649.39	5,192.97	3,604.64	3,276.01
Housing Finance	1,243.44	998.89	926.99	721.38
Life Insurance	1,278.32	1,030.98	10.61	0.06
Asset Management	0.72	1.10	5.44	-
General Insurance Broking	1.88	2.36	0.52	-
Stock and Securities	51.17	51.91	28.01	30.44
Health Insurance	47.25	25.38	2.70	-
Other Financial Services	24.81	17.01	84.07	95.36
Sub-Total	8,296.98	7,320.60	4,662.98	4,123.25
Less: Inter-Segment Elimination	(37.22)	(14.13)	(37.22)	(14.13)
Interest Income/Expenses	8,259.76	7,306.47	4,625.76	4,109.12
Less: Interest Income/Expenses of Joint Ventures Companies	0.72	1.10	5.44	-
Less: Interest Income/Expenses of Life Insurance Policyholders' Business	1,098.49	869.74	10.61	0.06
Less: Interest Income/Expenses of Health Insurance Policyholders' Business	32.39	16.75	2.70	-
Total Interest Income/Expenses	7,128.16	6,418.88	4,607.01	4,109.06

Impairment on financial instruments including loss on derecognition of financial assets at amortised cost (Expected Credit Loss)	₹ crore	
	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
NBFC	707.06	206.71
Housing Finance	70.06	18.57
Life Insurance	2.26	2.28
General Insurance Broking	1.10	1.49
Stock and Securities	(0.18)	0.29
Other Financial Services	0.01	0.69
Total	780.31	230.03
Less: Impairment of Life Insurance Policyholders' Business	2.26	2.28
Grand Total	778.05	227.75

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Information about Geographical Segments

Particulars	For the Year ended	
	31st March, 2020	31st March, 2019
₹ crore		
Revenue by Geographical Market		
In India	18,007.67	16,548.82
Outside India	20.00	21.55
Total	18,027.67	16,570.37

Particulars	As at	
	31st March, 2020	31st March, 2019
₹ crore		
Carrying Amount of Non-Current Assets		
In India	84,847.35	83,353.06
Outside India	0.68	0.48
Total	84,848.03	83,353.54

NOTE: 49 ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III OF THE COMPANIES ACT, 2013, FOR THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Name of the Entity	Net Assets*		Share in Profit or Loss		Shares in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
	% of Consolidated Net Assets	Amount	% of Consolidated Profit and Loss	Amount	% of Consolidated Profit and Loss	Amount	% of Consolidated Profit and Loss	Amount
₹ crore								
HOLDING COMPANY								
Aditya Birla Capital Limited	75.20	9,456.72	3.25	29.85	(1.90)	(0.46)	3.11	29.39
SUBSIDIARY COMPANIES								
Aditya Birla PE Advisors Private Limited	0.05	5.67	(0.61)	(5.60)	(0.29)	(0.07)	(0.60)	(5.67)
Aditya Birla Capital Technology Services Limited (Formerly known as Aditya Birla MyUniverse Limited)	(0.26)	(32.69)	(2.04)	(18.76)	(0.25)	(0.06)	(1.99)	(18.82)
Aditya Birla Trustee Company Private Limited	0.00	0.40	0.00	(0.01)	0.00	β	0.00	(0.01)
Aditya Birla Money Limited	0.25	31.27	1.38	11.99	(3.81)	(0.92)	1.17	11.07
Aditya Birla Financial Shared Services Limited	0.01	0.83	0.05	0.43	-	-	0.05	0.43
Aditya Birla Finance Limited	64.24	8,078.15	87.52	804.95	(64.69)	(15.64)	83.62	789.31
Aditya Birla Insurance Brokers Limited	0.57	71.23	3.37	30.97	(1.36)	(0.33)	3.25	30.64
Aditya Birla Money Mart Limited	0.73	91.50	0.67	6.18	-	-	0.65	6.18
Aditya Birla Money Insurance Advisory Services Limited	0.02	3.14	0.28	2.54	0.08	0.02	0.27	2.56
Aditya Birla Housing Finance Limited	11.00	1,382.86	11.16	102.65	(33.13)	(8.01)	10.03	94.64
Aditya Birla Health Insurance Company Limited	2.23	279.85	(26.41)	(242.93)	59.23	14.32	(24.22)	(228.61)
ABC SL Employee Welfare Trust	-	-	-	-	-	-	-	-
ABCAP Trustee Company Private Limited	-	-	-	(0.01)	-	-	-	(0.01)
Aditya Birla Sun Life Insurance Company Limited	18.65	2,345.62	11.65	107.13	370.05	89.47	20.83	196.60
Aditya Birla Sun Life Pension Management Limited	0.21	26.20	(0.41)	(3.76)	-	-	(0.40)	(3.76)
Aditya Birla Stressed AMC Private Limited	0.15	18.32	0.40	3.69	(0.08)	(0.02)	0.39	3.67
Aditya Birla Special Situation Fund Limited	0.25	31.45	1.40	12.92	-	-	1.37	12.92
Aditya Birla ARC Limited	0.81	102.12	0.72	6.58	(0.08)	(0.02)	0.69	6.56

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Name of the Entity	Net Assets*		Share in Profit or Loss		Shares in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
	% of Consolidated Net Assets	Amount	% of Consolidated Profit and Loss	Amount	% of Consolidated Profit and Loss	Amount	% of Consolidated Profit and Loss	Amount
JOINT VENTURE COMPANIES								
Aditya Birla Sun Life AMC Limited (Consolidated including Foreign Subsidiary)	5.34	671.55	27.41	252.15	1.60	0.39	26.75	252.54
Aditya Birla Wellness Private Limited	0.08	9.66	(0.14)	(1.32)	(0.12)	(0.03)	(0.14)	(1.35)
Aditya Birla Sun Life Trustee Company Private Limited	0.00	0.58	0.01	0.10	-	-	0.01	0.10
Eliminations/Consolidation Adjustments	(79.51)	(9,998.64)	(19.57)	(179.96)	(225)	(54.46)	(0.25)	(234.42)
Total	100	12,575.79	100	919.78	100	24.18	100	943.96

Note:

* Net Assets = Total Assets - Total Liabilities

Additional Information Pursuant to Schedule III of the Companies Act, 2013, for the Consolidated Financial Statements for the Year ended 31st March, 2019

Name of the Entity	Net Assets*		Share in Profit or Loss		Shares in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
	% of Consolidated Net Assets	Amount	% of Consolidated Profit and Loss	Amount	% of Consolidated Profit and Loss	Amount	% of Consolidated Profit and Loss	Amount
HOLDING COMPANY								
Aditya Birla Capital Limited	76.69	7,295.00	(1.10)	(9.60)	1.37	0.03	(1.10)	(9.57)
SUBSIDIARY COMPANIES								
Aditya Birla PE Advisors Private Limited	0.12	11.34	(1.74)	(15.16)	(28.77)	(0.63)	(1.81)	(15.79)
Aditya Birla Capital Technology Services Limited (Formerly known as Aditya Birla MyUniverse Limited)	(2.72)	(258.82)	(4.22)	(36.76)	5.02	0.11	(4.20)	(36.65)
Aditya Birla Trustee Company Private Limited	0.00	0.41	0.00	0.04	-	-	0.00	0.04
Aditya Birla Money Limited	0.23	21.48	1.15	9.99	11.47	0.25	1.17	10.24
Aditya Birla Financial Shared Services Limited	0.01	0.58	0.01	0.12	-	-	0.01	0.12
Aditya Birla Finance Limited	77.97	7,416.54	99.75	868.72	4.57	0.10	99.51	868.82
Aditya Birla Insurance Brokers Limited	0.62	59.10	2.28	19.89	5.48	0.12	2.29	20.01
Aditya Birla Money Mart Limited	(0.08)	(7.79)	(0.35)	(3.03)	-	-	(0.35)	(3.03)
Aditya Birla Money Insurance Advisory Services Limited	(0.02)	(1.92)	(0.01)	(0.08)	-	-	(0.01)	(0.08)
Aditya Birla Housing Finance Limited	12.51	1,190.32	8.53	74.28	(9.59)	(0.21)	8.48	74.07
Aditya Birla Health Insurance Company Limited	1.64	156.13	(28.93)	(251.97)	73.52	1.61	(28.67)	(250.36)
ABC SL Employee Welfare Trust	-	-	-	-	-	-	-	-
ABCAP Trustee Company Private Limited	-	-	-	(0.01)	-	-	-	(0.01)
Aditya Birla Sun Life Insurance Company Limited	22.58	2,147.63	12.77	111.23	230.59	5.05	13.32	116.28
Aditya Birla Sun Life Pension Management Limited	0.28	26.98	(0.46)	(4.00)	-	-	(0.46)	(4.00)
Aditya Birla ARC Limited	1.01	95.61	(0.38)	(3.30)	-	-	(0.38)	(3.30)
Aditya Birla Stressed Asset AMC Private Limited	-	0.10	(0.02)	(0.15)	-	-	(0.02)	(0.15)

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Name of the Entity	₹ crore							
	Net Assets*		Share in Profit or Loss		Shares in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
	% of Consolidated Net Assets	Amount	% of Consolidated Profit and Loss	Amount	% of Consolidated Profit and Loss	Amount	% of Consolidated Profit and Loss	Amount
JOINT VENTURE COMPANIES								
Aditya Birla Sun Life AMC Limited (Consolidated including Foreign Subsidiary)	6.56	623.92	26.21	228.25	25.57	0.56	26.21	228.81
Aditya Birla Wellness Private Limited	0.12	11.00	(0.29)	(2.51)	2.28	0.05	(0.28)	(2.46)
Aditya Birla Sun Life Trustee Company Private Limited	0.01	0.48	0.01	0.11	-	-	0.01	0.11
Eliminations/Consolidation Adjustments	(97.51)	(9,275.74)	(13.22)	(115.12)	(221.46)	(4.85)	(13.74)	(119.97)
Total	100	9,512.35	100	870.94	100	2.19	98.84	873.13

Note:

* Net Assets = Total Assets - Total Liabilities

NOTE: 50 MATERIAL PARTLY OWNED SUBSIDIARIES

(1) Financial information of Subsidiaries that have material Non-Controlling Interest is provided below:

Name of the Entity	Principal Place of Business	Proportion of Ownership Interest	
		As at 31st March, 2020	As at 31st March, 2019
Aditya Birla Sun Life Insurance Company Limited, including Aditya Birla Sun Life Pension Management Limited (100% subsidiary of Aditya Birla Sun Life Insurance Company Limited)	India	51.00%	51.00%

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Proportion of Interest held by Non-Controlling Entities	49.00%	49.00%
Accumulated balances of material Non-Controlling Interest	1,145.15	1,049.98
Summarised Financial information for Balance Sheet		
Current Assets	7,458.89	7,212.81
Non-Current Assets	37,007.73	35,900.57
Current Liabilities	3,043.08	3,252.40
Non-Current Liabilities	39,051.71	37,686.37

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Profit/(Loss) allocated to material Non-Controlling Interest:	50.65	52.54
Summarised Financial information for the Statement of Profit and Loss		
Revenue from Operations	7,791.52	7,411.68
Profit for the Year	103.37	107.23
Other Comprehensive Income	89.47	5.05
Total Comprehensive Income	192.84	112.28
Summarised Financial information for Cash Flows		
Cash Flows from Operating Activities	309.51	351.88
Cash Flows from Investing Activities	(464.03)	(316.58)
Cash Flow from Financing Activities	(48.80)	-
Net Increase/(Decrease) in Cash and Cash Equivalents	(203.32)	35.30

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(B) Aditya Birla Insurance Brokers Limited

Name of the Entity	Principal Place of Business	Proportion of Ownership Interest	
		As at 31st March, 2020	As at 31st March, 2019
Aditya Birla Insurance Brokers Limited	India	50.002%	50.002%

₹ crore

Particulars	As at 31st March, 2020	As at 31st March, 2019
Proportion of Interest held by Non-Controlling Entities	49.998%	49.998%
Accumulated balances of material Non-Controlling Interest	29.41	25.72
Summarised Financial information for Balance Sheet		
Current Assets	99.93	98.02
Non-Current Assets	94.66	52.93
Current Liabilities	115.29	87.16
Non-Current Liabilities	8.07	4.69

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Profit/(Loss) allocated to material Non-Controlling Interest	11.57	8.66
Dividend paid to Non-Controlling Interest	8.95	9.21

Summarised Financial information for the Statement of Profit and Loss

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Revenue from Operations	514.63	448.64
Profit for the Year	30.97	19.89
Other Comprehensive Income	(0.33)	0.12
Total Comprehensive Income	30.64	20.01

Summarised Financial information for Cash Flows

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Cash Flows from Operating Activities	17.07	3.43
Cash Flows from Investing Activities	4.94	14.61
Cash Flow from Financing Activities	(21.73)	(22.20)
Net Increase/(Decrease) in Cash and Cash Equivalents	0.28	(4.16)

(C) Aditya Birla Health Insurance Co. Limited

Name of the Entity	Principal Place of Business	Proportion of Ownership Interest	
		As at 31st March, 2020	As at 31st March, 2019
Aditya Birla Health Insurance Co. Limited	India	51.00%	51.00%

₹ crore

Particulars	As at 31st March, 2020	As at 31st March, 2019
Proportion of Interest held by Non-Controlling Entities	49.00%	49.00%
Accumulated balances of material Non-Controlling Interest	137.10	76.49
Summarised Financial information for Balance Sheet		
Current Assets	251.43	131.04
Non-Current Assets	824.75	499.36
Current Liabilities	770.36	463.39
Non-Current Liabilities	25.97	10.87

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Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Profit/(Loss) allocated to material Non-Controlling Interest:	(119.03)	(123.46)
Summarised Financial information for the Statement of Profit and Loss		
Revenue from Operations	801.69	499.34
Profit for the Year	(242.93)	(251.97)
Other Comprehensive Income	14.32	1.61
Total Comprehensive Income	(228.61)	(250.36)
Summarised Financial information for Cash Flows		
Cash Flows from Operating Activities	13.87	(48.45)
Cash Flows from Investing Activities	(345.57)	(283.86)
Cash Flows from Financing Activities	344.53	324.50
Net Increase/(Decrease) in Cash and Cash Equivalents	12.83	(7.81)

NOTE: 51 INTEREST IN JOINT VENTURES AND ASSOCIATES

- (1) Below are the Joint Ventures of the Group which, in the opinion of the Management, are material to the Group which have been accounted as per Equity Method of Accounting.

Name of the Entity	Principal Place of Business	Proportion of Ownership Interest		Quoted Fair Value	
		As at	As at	As at	As at
		31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Aditya Birla Sun Life AMC Limited (Consolidated)	India	51.00%	51.00%	-*	-*

* Unlisted equity - No quoted price available

- (i) Aditya Birla Sun Life AMC Limited ("ABSL AMC") was incorporated on 5th September, 1994. ABSL AMC is a joint venture between the Aditya Birla Group and Sun Life Financial, Inc. The share capital of the Company is owned by Aditya Birla Capital Limited (Subsidiary of Grasim Industries Limited) and Sun Life (India) AMC Investments Inc, (wholly owned subsidiary of Sun Life Financial, Inc.).

The Company is registered with Securities and Exchange Board of India (SEBI) under the SEBI (Mutual Funds) Regulations, 1996, and the principal activity is to act as an investment manager to Aditya Birla Sun Life Mutual Fund. The Company manages the investment portfolios of Aditya Birla Sun Life Mutual Fund, India Advantage Fund Ltd., Mauritius, India Excel (Mauritius) Fund and Aditya Birla Real Estate Fund. The Company is also registered under the SEBI (Portfolio Managers) Regulations, 1993, and provides portfolio management services and investment advisory services to offshore funds and high net worth investors. Aditya Birla Sun Life AMC Limited has set up two Alternate Investment Fund (AIF), one under Category III and the other under Category II with Securities Exchange Board of India (SEBI) under the SEBI AIF Regulations, 2012. Aditya Birla Sun Life AMC Limited has been appointed as an Investment Manager of the said AIF by the Trustee to the Fund.

- (2) Summarised Financial information of material Joint Ventures and Associates

a) Summarised Balance Sheet

Aditya Birla Sun Life AMC Limited (Consolidated)	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Current Assets		
Cash and Cash Equivalents	46.61	38.22
Other Assets	1,200.99	1,020.03
Total Current Assets	1,247.60	1,058.25
Total Non-Current Assets	323.30	375.63
Current Liabilities		
Financial Liabilities (excluding Trade Payables)	64.99	53.60
Other Liabilities	91.24	122.01
Total Current Liabilities	156.23	175.61
Non-Current Liabilities		
Other Liabilities	97.90	34.90
Total Non-Current Liabilities	97.90	34.90
Net Assets	1,316.77	1,223.37
Group Share in %	51.00%	51.00%
Group Share in INR	671.55	623.92
Carrying Amount	671.55	623.92

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

b) Summarised Statement of Profit and Loss

Aditya Birla Sun Life AMC Limited (Consolidated)

₹ crore

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Revenue	1,233.84	1,406.06
Depreciation and Amortisation Expenses	36.52	13.15
Income Tax Expense	166.33	199.22
Profit from Continuing Operations	494.40	447.54
Profit for the Year	494.40	447.54
Group Share	252.15	228.25
Other Comprehensive Income	(0.17)	1.11
Group Share	(0.08)	0.57
Total Comprehensive Income	494.23	448.65
Group Share	252.06	228.81
Dividend Received	168.30	153.00

(3) Commitments and Contingent Liabilities in respect of Joint Ventures and Associates

₹ crore

Particulars	As at 31st March, 2020	As at 31st March, 2019
Group Share in Commitments in respect of Joint Ventures and Associates not being included in Note No. 41	1.49	2.69
Group Share in Contingent Liabilities in respect of Joint Ventures and Associates not being included in Note No. 40	2.19	3.25

(4) Individually immaterial Joint Venture Companies

The Group also has interest in number of individually immaterial Joint Ventures and Associates that are accounted for using Equity Method of Accounting. Below is the combined financial information with respect to those entities

₹ crore

Particulars	As at 31st March, 2020	As at 31st March, 2019
Aggregate carrying amount of individually immaterial Joint Venture Companies	10.24	11.48

₹ crore

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Aggregate Amount of Group Share of:		
Profit/(Loss) from Continuing Operations	(1.22)	(2.41)
Other Comprehensive Income	(0.03)	0.04

(5) As per the Shareholders' Agreements, Aditya Birla Sun Life AMC Limited (ABSAMC), Aditya Birla Sun Life Trustee Company Private Limited and Aditya Birla Wellness Private Limited cannot distribute their profits until they obtain consent from other venture partners.

(6) Aditya Birla Capital Limited holds, either directly or through its subsidiary, more than half of the equity share holding in the following entities. However, as per the Shareholders' Agreement/Statute, the Company needs to jointly decide with other Shareholders of the respective entity on certain relevant activities. Hence, the same are being accounted as per equity method of accounting

- Aditya Birla Sun Life AMC Limited,
- Aditya Birla Sun Life Trustee Group Private Limited, and
- Aditya Birla Wellness Private Limited.

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NOTE: 52 ANNEXURE 1: ASSETS AND LIABILITIES OF THE POLICYHOLDERS OF LIFE INSURANCE BUSINESS

Particulars	Note No.	₹ crore	
		As at 31st March, 2020	As at 31st March, 2019
Assets			
Financial Assets			
(a) Cash and Cash Equivalents	(i)	436.69	643.77
(b) Bank Balances other than (a) above	(i)(a)	0.25	0.25
(c) Derivative Financial Instruments	(x)	7.40	-
(d) Trade Receivables	(ii)	358.76	206.52
(e) Loans	(iii)	259.86	202.61
(f) Investments of Policyholders'	(iv)	16,669.26	13,618.03
(g) Assets Held to Cover Linked Liabilities	(v)	22,828.79	25,166.34
(h) Other Financial Assets	(vi)	293.89	287.56
	Sub-Total	40,854.90	40,125.08
Non-Financial Assets			
(a) Property, Plant and Equipment	(vii)	32.14	34.37
(b) Right-to-Use of Assets		134.09	-
(c) Capital Work-in-Progress		0.79	0.54
(d) Intangible Assets Under Development		5.98	7.68
(e) Other Intangible Assets	(viii)	67.62	61.43
(f) Other Non-Financial Assets	(ix)	795.78	650.85
	Sub-Total	1,036.40	754.87
Total Assets of Policyholders of Life Insurance Business		41,891.30	40,879.95
Equity and Liabilities			
Financial Liabilities			
(a) Derivative Financial Instruments	(x)	-	4.36
(b) Trade Payables			
- Micro Enterprises and Small Enterprises		-	-
- Credit other than Micro Enterprises and Small Enterprises	(xi)	232.59	301.63
(c) Lease Liabilities		147.10	-
(d) Life Insurance Contract Liabilities and restricted surplus pertaining to Shareholders	(xiv)	40,873.91	39,889.93
(e) Other Financial Liabilities	(xii)	705.25	615.99
	Sub-Total	41,958.85	40,811.91
Non-Financial Liabilities			
(a) Provisions	(xiii)	70.85	66.08
(b) Deferred Tax Liabilities (Net)		22.14	6.31
(c) Other Non-Financial Liabilities	(xv)	39.78	53.07
	Sub-Total	132.77	125.46
Total Liabilities of Policyholders of Life Insurance Business		42,091.62	40,937.37

Note (i) : Cash and Cash Equivalents

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Cash on Hand	5.54	22.36
Balances with Banks		
- Current Accounts	308.67	519.30
- Deposits with original maturity of less than three months	115.42	1.73
Cheques/Drafts on Hand	7.06	100.38
	436.69	643.77

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

Note (i) (a) : Bank Balances other than the above

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Balances at Banks		
- Deposits with original maturity of more than three months	0.25	0.25
	0.25	0.25

Note (ii) : Trade Receivables

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Trade Receivables at Amortised Cost		
Secured, Considered Good	-	-
Unsecured, Considered Good	358.76	206.52
	358.76	206.52

Note (iii) : Loans at Amortised Cost

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Loans and Advances		
Subsidiaries	0.96	0.39
Other Related Parties	2.33	1.47
Agents' Balances (Gross)	8.96	14.53
Less: Provision for Doubtful Debts	(6.34)	(13.94)
Advances recoverable in cash or in kind or for value to be received	35.34	37.58
Lease Accommodation Loan	0.10	0.16
Loans against Policies	166.29	114.06
Security Deposits	52.22	48.36
	259.86	202.61
Secured		
Secured by Tangible Assets	166.29	114.06
Unsecured	93.57	88.55
	259.86	202.61
Loans within India		
Public Sector	-	-
Others	259.86	202.61
	259.86	202.61

Note (iv) : Financial Assets - Investments of Policyholders'

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
A. Investments in Mutual Funds		
Quoted Investments		
Quoted Investments - at Fair Value through Profit or Loss	176.54	456.06
B. Investments in Equity Instruments		
Unquoted Investments		
Other Investments - at Fair Value through Profit or Loss	-	104.95
Quoted Investments		
At Fair Value through Profit or Loss	921.66	695.06
	921.66	800.01
C. Investments in Government or Trust Securities		
Quoted Investments		
At Amortised Cost	6,805.54	4,991.15
At Fair Value through Other Comprehensive Income	1,928.58	1,902.26
	8,734.12	6,893.41

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Note (iv) : Financial Assets - Investments of Policyholders (Contd.)

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
D. Investments in Debentures		
Quoted Investments		
At Amortised Cost	3,953.29	2,880.02
Less: Allowance for Impairment Loss	3.11	1.88
	3,950.18	2,878.14
At Fair Value through Other Comprehensive Income	2,519.24	2,381.09
Less: Allowance for Impairment Loss	2.39	1.34
	2,516.85	2,379.75
	6,467.03	5,257.89
E. Other Investments		
Unquoted Investments		
At Amortised Cost	220.52	123.08
Less: Allowance for Impairment Loss	-	-
	220.52	123.08
At Fair Value through Other Comprehensive Income	149.39	87.58
	369.91	210.66
	16,669.26	13,618.03

Note (v) : Assets Held to cover Linked Liabilities:

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Quoted Investments at Fair Value through Profit or Loss		
Mutual Funds	773.58	973.06
Equity Instruments	7,034.44	9,531.77
Government or Trust Securities	5,491.96	5,781.06
Debentures	7,285.04	7,695.91
Other Investments	2,120.51	1,011.82
Other Assets	123.26	172.72
	22,828.79	25,166.34

Note (vi) : Other Financial Assets

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Unclaimed Maturity Funds	293.65	281.09
MTM Margin - FRA Receivables	-	6.28
Others	0.24	0.19
	293.89	287.56

Note (vii) : Property, Plant and Equipment

Particulars	₹ crore					
	Information Technology Equipment	Others (Leasehold Improvement)	Furniture and Fixtures	Vehicles	Office Equipment	Total
As at 31st March, 2020						
Gross Carrying Amount						
Opening Gross Carrying Amount	18.32	8.85	7.03	7.23	4.35	45.78
Additions	3.97	1.46	1.31	2.64	1.60	10.98
Disposals	10.58	1.74	0.82	1.59	1.07	15.80
	11.71	8.57	7.52	8.28	4.88	40.96
Accumulated Depreciation						
Opening Depreciation	3.77	3.02	2.18	1.98	0.44	11.39
Depreciation for the Year	4.73	2.16	1.23	1.89	1.69	11.70
Disposals	10.56	1.45	0.63	0.59	1.04	14.27
	-2.06	3.73	2.78	3.28	1.09	8.82
Net Carrying Amount	13.77	4.84	4.74	5.00	3.79	32.14

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Particulars						₹ crore
	Information Technology Equipment	Others (Leasehold Improvement)	Furniture and Fixtures	Vehicles	Office Equipment	Total
As at 31st March, 2019						
Gross Carrying Amount						
Opening Gross Carrying Amount	20.78	8.24	4.62	5.34	4.54	43.52
Additions	5.73	2.42	3.06	3.58	1.00	15.79
Disposals	8.20	1.81	0.65	1.69	1.19	13.54
	18.31	8.85	7.03	7.23	4.35	45.77
Accumulated Depreciation						
Opening Depreciation	8.34	2.23	1.51	1.04	0.05	13.17
Depreciation for the Year	3.61	2.58	1.31	1.69	1.55	10.74
Disposals	8.18	1.79	0.64	0.75	1.15	12.51
	3.77	3.02	2.18	1.98	0.45	11.40
Net Carrying Amount	14.54	5.83	4.85	5.25	3.90	34.37

Note (viii) : Intangible Assets

Particulars	₹ crore
	Amount
Software	
As at 31st March, 2020	
Gross Carrying Amount	
Opening Gross Carrying Amount	98.64
Additions	27.39
Disposals	0.88
	125.15
Accumulated Amortisation	
Opening Amortisation	37.21
Amortisation for the Year	21.02
Disposals	0.70
	57.53
Net Carrying Amount	67.62
As at 31st March, 2019	
Gross Carrying Amount	
Opening Gross Carrying Amount	63.05
Additions	36.93
Disposals	1.34
	98.64
Accumulated Amortisation	
Opening Amortisation	23.79
Amortisation for the Year	14.70
Disposals	1.28
	37.21
Net Carrying Amount	61.43

Note : All intangibles are other than internally generated.

Note (ix) : Other Non-Financial Assets

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Capital Advances	0.62	0.01
Re-Insurance Assets	688.58	546.28
Prepaid Expenses	20.55	16.61
Deferred Lease Assets	-	3.91
Deferred Acquisition Costs	5.57	7.80
Leave Encashment Fund	33.10	31.32
Gratuity Fund	39.71	35.87
Advance to Suppliers	3.33	8.05
Other Statutory Receivables	4.20	0.55
Advances to Employees	0.06	0.45
SCWF Fund	0.06	-
	795.78	650.85

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Note (x) : Derivative Financial Instruments

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Interest Rate Derivatives (Cash Flow Hedge)	(7.40)	4.36

Note (xi) : Trade Payables

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Due to Micro and Small Enterprises	-	-
Due to Others:		
Trade Payables	232.59	301.63
	232.59	301.63

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2020 (₹ Nil as at 31 March, 2019). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Terms and Conditions of the above Financial Liabilities:

- Trade payables are non-interest bearing and are normally settled on 60 to 90 day terms.
- Other payables are non-interest bearing and have an average term of six months.

For explanations on the Company's credit risk management processes, refer to Note No. 45.

Note (xii) : Financial Liabilities

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
At Amortised Cost		
Payables for Salary, Wages, Bonus and Other Employee Benefits	24.69	28.89
Payables for Capital Expenditure	0.40	0.55
Due to Policyholders	375.34	301.63
Unclaimed Amounts of Policyholders	293.25	277.77
Deposits	0.88	0.81
Subvention Money Received	3.94	6.34
MTM - FRA	6.75	-
	705.25	615.99

Note (xiii) : Provisions

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Provision for Employee Benefits	70.85	66.08
	70.85	66.08

Note (xiv) : Policyholders' Liabilities (Life Insurance Contract Liabilities and restricted surplus)

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Contract Liabilities of Life Insurance		
Insurance contract liabilities	29,150.56	28,874.81
Investment contract liabilities	11,471.84	10,830.64
Fair Value changes of Policyholders' Investments		
Fair Value through Profit and Loss	(120.45)	67.67
Fair Value through Other Comprehensive Income	357.69	93.30
Policyholder Fund Other Changes		
Fair Value through Profit and Loss	29.04	22.95
Fair Value through Other Comprehensive Income	(5.97)	0.56
Amortised Cost (Others)	(8.80)	-
	40,873.91	39,889.93

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Note (xv) : Other Non-Financial Liabilities

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Advance from Customers	8.17	14.39
Other Payables		
Liabilities for Rent Straight Lining	-	7.13
Deferred Liabilities for Deposits	-	0.06
Deferred Fee	2.70	3.77
Statutory Dues	28.34	26.89
Deposits for Agents Training and Others	0.57	0.83
	39.78	53.07

Note (xvi) : Income from Life Insurance Operations

Particulars	Note No.	₹ crore	
		Year ended 31st March, 2020	Year ended 31st March, 2019
Life Insurance Premium (Net of Service Tax/GST)		6,848.11	6,423.56
Reinsurance Ceded		(252.17)	(225.64)
Fees and Commission Income		1.07	1.49
Interest Income	(xvi)A	1,098.49	869.74
Dividend Income		24.40	23.95
Fair Value Change	(xvi)B	(120.01)	130.46
Other Income	(xvi)C	2.04	4.38
		7,601.93	7,227.94

Note (xvi) A : Interest Income of Life Insurance Operations

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest on Loans		
On Financial Assets measured at Fair Value through OCI	-	-
On Financial Assets measured at Amortised Cost	15.75	9.01
On Financial Assets classified at Fair Value through Profit or Loss	-	2.74
Interest Income from Investments		
On Financial Assets measured at Fair Value through OCI	340.14	308.89
On Financial Assets measured at Amortised Cost	712.32	508.79
On Financial Assets classified at Fair Value through Profit or Loss	17.67	20.50
Interest on Deposits with Banks		
On Financial Assets measured at Fair Value through OCI	0.13	2.72
On Financial Assets measured at Amortised Cost	3.73	7.11
Other Interest Income		
On Financial Assets measured at Amortised Cost	8.75	7.36
	1,098.49	869.74

Note (xvi) B : Net Gain/(Loss) on Fair Value changes of Life Insurance Operations

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
A. On Financial Instruments at Fair Value through Profit or Loss		
On Trading Portfolio		
Debt	39.45	21.38
Equity	(164.82)	111.69
Derivatives	(18.92)	(2.89)
B. On Financial Instruments at Fair Value through Other Comprehensive Income		
Debt	8.76	5.21
C. On Financial Instruments at Amortised Cost		
Debt	15.52	(4.93)
Total Net Gain/(Loss) on Fair Value changes	(120.01)	130.46
Fair Value Changes:		
Realised	41.28	76.77
Unrealised	(161.29)	53.69

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Note (xvi) C : Other Income of Life Insurance Operations

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Changes in Market Value of Leave Encashment Fund	1.78	2.47
Notional Interest Income	0.18	0.84
Deferred Lease Income on Refundable Deposits	0.06	0.06
Profit on Sale/Discard of Fixed Assets (Net)	-	0.15
Others	0.02	0.86
	2.04	4.38

Note (xvii) : Expense of the Life Insurance Operations

Particulars	Note No.	₹ crore	
		Year ended 31st Mar, 2020	Year ended 31st Mar, 2019
Finance Costs	(xvii)A	10.61	0.06
Fees and Commission Expenses		452.05	419.19
Impairment on Financial Instruments	(xvii)B	2.26	2.28
Employee Benefits Expenses	(xvii)C	705.33	637.45
Benefits Payout	(xvii)D	5,158.72	4,553.36
Claims Ceded to Reinsurers		(232.03)	(178.46)
Change in Valuation of Liabilities	(xvii)E	1,085.10	1,191.79
Depreciation and Amortisation Expenses	(xvii)F	72.32	25.44
Other Expenses	(xvii)G	533.64	533.67
		7,788.01	7,184.78
Add: Restricted life insurance surplus retained in Policyholders' Fund		(183.38)	27.30
		7,604.63	7,212.08

Note (xvii) A : Finance Cost of Life Insurance Operations

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest on Deposits at Amortised Cost	0.07	0.06
Finance Cost - Lease Liabilities	10.54	-
	10.61	0.06

Note (xvii) B : Impairment on Financial Instruments of Life Insurance Operations

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Provision for Doubtful Investments	2.28	2.03
Provision for Standard and Non Standard Assets	(0.02)	(0.02)
Provision for Doubtful Debts (Agent Balances)	-	0.27
	2.26	2.28

Note (xvii) C : Employee Benefits Expenses of Life Insurance Operations

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Salaries, Wages and Bonus	649.69	579.92
Contribution to Provident and Other Funds	33.74	25.21
Gratuity Expenses	4.11	4.68
Staff Welfare Expenses	12.79	14.28
ESOP Expenses	5.00	13.36
	705.33	637.45

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Note (xvii) D : Benefits Payouts of Life Insurance Operations

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Claims by Death	541.09	465.38
Claims by Maturity	1,350.26	800.13
Annuities/Pension Payments	11.71	7.19
Surrender and Withdrawals	3,170.79	3,204.46
Other Benefits (Riders)	84.87	76.20
	5,158.72	4,553.36

Note (xvii) E : Change In Valuation of Liabilities in Respect of Life Insurance Policies in Force of Life Insurance Operations

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Change in Valuation of Liabilities in respect of Life Insurance Policies	262.33	3,386.22
Change in Premium Discontinuance Fund	86.68	(7.87)
Investment (Income)/Loss on Life Insurance Policyholders' Fund related to Linked Business	736.09	(2,186.56)
	1,085.10	1,191.79

Note (xvii) F : Depreciation and Amortisation expense of Life Insurance Operations

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Depreciation of Property, Plant and Equipment (Note 3A)	11.71	10.74
Amortisation of Intangible Assets (Note 3B)	21.02	14.70
Amortisation of Lease Assets	39.59	-
	72.32	25.44

Note (xvii) G : Other Expenses of Life Insurance Operations

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Rent	2.86	51.00
Repairs and Maintenance of:		
Buildings	5.10	2.48
Others	24.03	23.54
Rates and Taxes	29.67	38.05
Electricity Expenses	12.61	13.94
Advertisement	185.68	137.65
Distribution Expenses	27.15	33.11
Legal and Profession Fees	10.64	14.16
Printing and Stationery	4.97	7.01
Travelling and Conveyance	23.68	25.50
Communication Expenses	8.89	8.38
Information Technology Expenses	68.89	66.39
Miscellaneous Expenses	80.17	86.31
Other Expenses	49.30	26.15
Expenses of Life Insurance Operations borne by Shareholders	(42.09)	(82.01)
	533.64	533.67

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NOTE: 53 POLICYHOLDER INCOME OF HEALTH INSURANCE OPERATIONS

Particulars	Note No.	₹ crore	
		Year ended 31st March, 2020	Year ended 31st March, 2019
Health Insurance Premium	(i) A	872.04	496.80
Reinsurance Ceded	(i) A	(177.44)	(27.94)
Fees and Commission Income	(i) B	54.52	3.17
Interest Income	(i) C	32.39	16.75
Net Gain on Fair Value Changes	(i) D	2.37	1.72
Other Income	(i) E	0.37	0.06
		784.25	490.56

Note (i) A : Health Insurance Premium

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Gross Written Premium	872.04	496.80
Less: Reinsurance Ceded	(177.44)	(27.94)
Net Written Premium	694.60	468.86

Note (i) B : Fees and Commission Income

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Fees and Commission Income	54.52	3.17
	54.52	3.17

Note (i) C : Interest Income

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest Income from Investments		
On Financial Assets Measured at Fair Value through Other Comprehensive Income	32.32	16.50
Interest on Deposits with Banks		
On Financial Assets Measured at Amortised Cost	0.07	0.25
	32.39	16.75

Note (i) D : Net Gain on Fair Value Changes

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Net Gain/(Loss) on Financial Instruments at Fair Value through Profit or Loss		
Others		
Gain/(Loss) on Sale of Debt FVTOCI Instruments	2.37	1.72
Net Gain on MTM/Fair Value Changes	2.37	1.72
Fair Value Changes :		
Realised	2.37	1.72
Unrealised	-	-
	2.37	1.72

Note (i) E : Other Income

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Miscellaneous Income	0.37	0.06
	0.37	0.06

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Expense of the Non-Life Insurance Fund

Particulars	Note No.	₹ crore	
		Year ended 31st March, 2020	Year ended 31st March, 2019
Fees and Commission Expenses	(ii) A	102.68	54.97
Employee Benefits Expenses	(ii) B	268.10	192.68
Benefits paid	(ii) C	291.26	188.65
Claims ceded to reinsurers	(ii) C	(40.95)	(9.98)
Change in Valuation of Liabilities	(ii) D	130.54	134.70
Depreciation and Amortisation Expenses	(ii) E	29.43	12.93
Finance Cost	(ii) F	2.70	-
Other Expenses	(ii) G	251.17	169.74
		1,034.93	743.69

Note (ii) A : Fees and Commission Expenses

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Commission Paid	102.68	54.97
	102.68	54.97

Note (ii) B : Employee Benefits Expenses

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Salaries and Allowances	252.64	178.21
Gratuity Expenses	1.04	0.79
Contribution to Provident Fund and other funds	7.51	5.23
Staff Welfare Expenses	6.28	5.17
ESOP Expenses	0.63	3.28
	268.10	192.68

Note (ii) C : Benefits and Claims Paid

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Gross Benefit and Claims Paid	291.26	188.65
Less: Claims Ceded to Reinsurers	(40.95)	(9.98)
	250.31	178.67

Note (ii) D : Change in Valuation of Policyholders' Liabilities

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Incurred but not reported (IBNR) Provision	21.35	14.06
Premium Deficiency Reserve	-	-
Reserve for unexpired risk	183.95	126.82
Less: Reinsurer's share in reserve for unexpired risk	(74.28)	(6.87)
Freelook Reserve	(0.48)	0.69
	130.54	134.70

Note (ii) E : Depreciation and Amortisation Expenses

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Depreciation on Property, Plant and Equipment	7.28	5.50
Amortisation on Intangible Assets	12.24	7.43
Amortisation of Lease Assets	9.91	-
	29.43	12.93

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Note (i) F : Finance Cost

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Finance Cost of Lease Assets	2.70	-

Note (i) G : Other Expenses

Particulars	₹ crore	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Rent	1.54	11.51
Insurance	0.08	0.09
Repairs and Maintenance - Buildings	0.77	0.53
Repairs and Maintenance - Computers	0.40	0.66
Rates and Taxes	1.45	1.68
Recruitment Expenses	5.21	2.40
Advertisement	128.69	72.48
Legal and Professional Expenses	9.41	8.52
Training/Conferences Expenses	10.55	5.89
Printing and Stationery	8.54	6.80
Travelling and Conveyance	14.35	9.20
Postage Expenses	2.43	0.98
Electricity Charges	2.37	1.67
Information Technology Expenses	8.29	5.35
Miscellaneous Expenses	57.09	41.98
	251.17	169.74

NOTE: 54 FAIR VALUES

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	₹ crore			
	As at 31st March, 2020		As at 31st March, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets at Amortised Cost				
Financial Assets related to Life Insurance Business	10,976.24	11,960.96	7,992.37	8,213.02
Financial Assets related to Health Insurance Business	8.31	8.31	4.08	4.08
Loans of NBFC Business	45,987.80	45,618.96	50,187.60	49,885.32
Total	56,972.35	57,588.23	58,184.05	58,102.42
Financial Liabilities at Amortised Cost				
Debt Securities, Sub Debts and NCCPS	20,264.40	20,769.85	26,280.68	26,626.12
Borrowings	32,984.11	32,984.18	27,768.76	27,767.94
Preference Shares	2,335.11	2,250.12	2,274.73	2,233.40
Total	55,583.62	56,004.15	56,324.17	56,627.46

Loans to customers of HFC Business are primarily at floating rate of interest, hence carrying value approximates the fair value.

The Management assessed that loan against policies, leave encashment, advances to related party and others, cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial liabilities and assets approximate their carrying amounts largely due to the short-term maturities of these instruments.

Financial Instruments Measured at Fair Value – Fair Value Hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1:** Category includes financial assets and liabilities that are measured in whole or in significant part by reference to published quotes in an active market.

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- Level 2:** Category includes financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. These include assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes and assets that are valued using the Group's own valuation models whereby the material assumptions are market observable. The majority of the Group's over-the-counter derivatives and several other instruments not traded in active markets fall within this category.
- Level 3:** Category includes financial assets and liabilities measured using valuation techniques based on non-market observable inputs. This means that fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. However, the fair value measurement objective remains the same, that is, to estimate an exit price from the perspective of the Group. The main asset classes in this category are unlisted equity investments as well as unlisted funds.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The following table analysis financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. The fair values include any deferred differences between the transaction price and the fair value on initial recognition when the fair value is based on a valuation technique that uses unobservable inputs.

Quantitative disclosures Fair Value Measurement Hierarchy for Assets as at 31st March, 2020:

Particulars	Level 1	Level 2	Level 3	₹ crore Total
Assets Measured at Fair Value :				
FVTOCI Assets				
Equity	-	-	1.76	1.76
Financial Assets related to Life Insurance Business				
Policyholders	1,930.01	2,664.80	-	4,594.81
Shareholders	850.87	1,333.10	0.77	2,184.74
Financial Assets related to Health Insurance Business				
Policyholders	274.00	288.97	-	562.97
Shareholders	203.65	27.05	-	230.70
FVTPL Assets				
Equity	0.25	-	-	0.25
Mutual Funds	2,508.74	982.91	-	3,491.65
Debentures/Bonds	513.95	90.48	29.01	633.44
Other Investments	-	105.88	673.44	779.32
Financial Assets related to Insurance Business				
Policyholders	13,626.12	10,177.62	123.26	23,927.00
Shareholders	76.37	198.30	-	274.67
Financial Assets related to Health Insurance Business				
Policyholders	57.03	-	-	57.03
Shareholders	10.19	-	-	10.19
	20,051.18	15,869.11	828.24	36,748.53
Assets for which Fair Values are disclosed:				
Loans of NBFC Business	-	8,151.06	37,467.90	45,618.96
Financial Assets related to Insurance Business				
Policyholders	7,433.47	4,527.49	-	11,960.96
Financial Assets related to Health Insurance Business				
Policyholders	-	8.31	-	8.31
Total	7,433.47	12,686.86	37,467.90	57,588.23
Liabilities for which Fair Values are disclosed:				
Debt Securities, Sub Debts and Non-Compulsory Convertible Preference Shares	15,151.33	5,256.48	362.04	20,769.85
Borrowings	-	23,438.45	9,545.73	32,984.18
Subordinated Liabilities	-	2,239.12	11.00	2,250.12
Total	15,151.33	30,934.05	9,918.77	56,004.15

There have been no transfers between Level 1 and Level 2 during the period.

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Quantitative disclosures Fair Value Measurement Hierarchy for Assets as at 31st March, 2019:

Particulars	Level 1	Level 2	Level 3	₹ crore Total
Assets Measured at Fair Value :				
FVTOCI Assets				
Equity	-	-	1.90	1.90
Financial Assets related to Insurance Business				
Policyholders	1.30	4,368.28	-	4,369.58
Shareholders	98.47	1,799.39	0.60	1,898.46
Financial Assets related to Health Insurance Business				
Policyholders	72.30	247.14	-	319.44
Shareholders	116.13	31.19	-	147.32
FVTPL Assets				
Equity	0.39	-	-	0.39
Mutual Funds	-	47.82	-	47.82
Debentures/Bonds	1,470.47	-	-	1,470.47
Other Investments	-	384.64	-	384.64
Financial Assets related to Insurance Business				
Policyholders	11,810.17	14,439.52	172.72	26,422.41
Shareholders	31.27	200.59	-	231.86
Financial Assets related to Health Insurance Business				
Policyholders	28.95	-	-	28.95
	13,629.45	21,518.57	175.22	35,323.24
Assets for which Fair Values are disclosed				
Loans of NBFC Business	-	7,730.04	42,155.28	49,885.32
Financial Assets related to Insurance Business				
Policyholders	27.78	8,185.24	-	8,213.02
Shareholders	-	-	-	-
Financial Assets related to Health Insurance Business				
Policyholders	-	4.08	-	4.08
	27.78	15,919.36	42,155.28	58,102.42
Liabilities for which Fair Values are disclosed:				
Debt Securities, Sub Debts and Non-Compulsory Convertible Preference Shares	16,128.74	10,497.38	-	26,626.12
Borrowings	-	19,520.40	8,247.54	27,767.94
Subordinated Liabilities	-	2,162.40	71.00	2,233.40
Total	16,128.74	32,180.18	8,318.54	56,627.46

There have been no transfers between Level 1 and Level 2 during the period.

Level 3 Fair Value measurements

The significant unobservable inputs used in the fair value measurements categorised within the Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 31st March, 2020 and 31st March, 2019, are as shown below:

Financial Assets/Liabilities related to Insurance Business	Valuation Techniques	Significant Unobservable Inputs	Range	₹ in crore Sensitivity of the Input to Fair Value
For 31st March, 2020				
Private Equity Investment Funds		Valuation at 10% discount compare to peer group	0.45	5.6
Private Equity Investment Funds	Price to Book Value Method	Valuation at par with peer group	0.5	6.2
Private Equity Investment Funds		Valuation at 10% Premium compare to peer group	0.55	6.8

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Financial Assets/Liabilities related to Insurance Business	Valuation Techniques	Significant Unobservable Inputs	Range	₹ in crore
				Sensitivity of the Input to Fair Value
For 31st March, 2019				
Private Equity Investment Funds		Valuation at 10% discount compare to peer group	0.45	5.3
Private Equity Investment Funds	Price to Book Value Method	Valuation at par with peer group	0.5	5.85
Private Equity Investment Funds		Valuation at 10% Premium compare to peer group	0.55	6.4

Impact on Fair Value of Level 3 Financial Instruments measured at Fair Value of changes to key assumptions

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Group's Level 3 assets and liabilities.

Relationships between unobservable inputs have not been incorporated in this summary.

Fair Value

Financial Assets related to other business	Level 3 Assets 31st March, 2020	Level 3 Liabilities 31st March, 2020	Valuation Technique	₹ crore
				Significant Unobservable Inputs
Equity Shares	1.76		Net worth of investee Company	Instrument Price
Preference Shares	225.51		YTM Method	Discount Rate
Others	476.94		Discounted Projected Cash Flow	Expected Gross Recoveries & Discount Rates

Fair Value

Financial Assets related to other business	Level 3 Assets 31st March, 2019	Level 3 Liabilities 31st March, 2019	Valuation Technique	₹ crore
				Significant Unobservable Inputs
Equity Shares	1.90		Net worth of investee Company	Instrument Price

Sensitivity of Fair Value measurements to changes in unobservable market data

Particulars	31st March, 2020		31st March, 2019	
	Favourable Changes (+5%)	Unfavourable Changes (-5%)	Favourable Changes (+5%)	Unfavourable Changes (-5%)
	₹ crore			
Equity Shares	0.09	(0.09)	0.09	(0.09)
Preference Shares	0.43	(0.43)	NA	NA
Others	23.85	(23.85)	NA	NA

Reconciliation of Level 3 Fair Value instruments for the year ended 31st March, 2020

Particulars	₹ crore	
	Year ended 2019-20	Year ended 2018-19
Balance at the beginning	175.22	79.91
Total Gains or Losses	-	-
in Profit or Loss	14.92	-
in OCI	0.03	0.63
Purchases	495.10	-
Sales	(33.07)	-
Movement of Other Current Assets	(49.45)	94.68
Transfers into Level 3	225.51	-
Balance at the year end	828.24	175.22

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NOTE: 55 RISK RELATED TO INSURANCE BUSINESS

Insurance and Financial Risk

The principal risk the Group faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

1. Life Insurance Contracts and Investment Contracts with and without Discretionary Participation Feature (DPF)

Ind AS 104 requires products offered by the insurance group to classify them in Insurance Contract and Investment Contract. Each contract needs to be classified in insurance contract and investment contract based on the risk they carry.

A contract would be an insurance contract and investment contracts with DPF, if the benefit payable on death is higher by:

- at least 5% of the fund value at any time during the life on the contract for unit-linked products, or
- at 5% of the premium at any time during the life of the contract for other than unit-linked products

All other contract are categorised as Investment contracts.

For contracts with DPF, the participating nature of these contracts results in a significant portion of the insurance risk being shared with the insured party. For contracts without DPF, the Group charges for death and disability risks on a quarterly basis. Under these contracts the Group has the right to alter these charges to take account of death and disability experience, thereby mitigating the risks to the Group.

The main risks that the Group is exposed to are as follows:

- i) **Persistency risk** – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected
- ii) **Mortality risk** – risk of loss arising due to policyholder death experience being different than expected
- iii) **Morbidity risk** – risk of loss arising due to policyholder health experience being different than expected
- iv) **Longevity risk** – risk of loss arising due to the annuitant living longer than expected
- v) **Investment return risk** – risk of loss arising from actual returns being different than expected
- vi) **Expense risk** – risk of loss arising from expense experience being different than expected
- vii) **Product and pricing risk** – risk of loss due to incorrect pricing or not adhering to the product regulations or higher payouts due to ambiguity in terms and conditions
- viii) **Reinsurance risk** – The Group enters into reinsurance agreements in order to mitigate insurance risk. However, this leads to default risk from the reinsurer at the time of claim payment or also concentration risk if all the risk is insured to one reinsurer.
- ix) **Concentration risk** – The Group faces concentration risk by selling business to specific geography or by writing only single line business, etc.

Control Measures

The actuarial department has set up systems to continuously monitor the Group's experience with regard to parameters like policy lapses, premium persistency, maintenance expenses and investment returns. The underwriting team, with actuarial guidance, has set in place processes and procedures to review proposal. Many products offered by the Group also have an investment guarantee. The Group has set aside additional reserves to cover this risk.

Further, the possible financial effect of adverse mortality and morbidity experience has been reduced by entering into reinsurance agreements with multiple reinsurers. The Group has entered into a separate agreement with reinsurers to cover the catastrophic risks under individual and group business.

A further element of managing risk is to limit the exposure to individual segments of the population. In essence, being over-represented in any population segment will increase the variance of the Group's experience, and so, there are advantages to diversifying across all relevant population segments, at least until data is available to confirm which segments can be expected to have relatively favourable experience. At the present stage in the Group's development, the focus is on building new distribution, and so, geographical diversification is actively taking place. In future, the actuarial team will need to be alert to assess potential risk aggregations.

The Group has a Board approved risk management policy covering underwriting, claims and reserving for policy liabilities. The Group has a detailed claims processing manual in place. Complicated and large claims are referred to the Group's Claims Review Committee.

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Insurance Contracts Liabilities : Change in Liabilities

Particulars	31st March, 2020				31st March, 2019			
	With DPF	Linked-Business	Others	Total	With DPF	Linked-Business	Others	Total
Gross Liability at the beginning of the year	2,239.17	19,496.28	7,139.36	28,874.81	1,592.39	19,725.11	5,353.11	26,670.61
Add/(Less)								
Premium	1,368.24	2,128.76	2,821.69	6,318.69	1,189.42	2,015.61	2,231.69	5,436.72
Unwinding of the Discount/Interest Credited	223.93	(1,000.35)	726.49	(49.93)	156.08	1,688.03	537.07	2,381.18
Insurance Liabilities Released	(217.27)	(3,624.33)	(832.10)	(4,673.70)	(199.84)	(3,330.76)	(867.64)	(4,398.24)
Others (Expense overrun, Contribution from S/H and Profit/Loss)	(85.28)	(521.51)	(712.52)	(1,319.31)	(498.88)	(601.71)	(114.87)	(1,215.46)
Gross Liability at the end of the year	3,528.78	16,478.85	9,142.92	29,150.56	2,239.17	19,496.28	7,139.36	28,874.81
Recoverable from Reinsurance	3.70	49.41	635.47	688.58	3.33	56.28	486.67	546.28
Net Liability	3,525.09	16,429.44	8,507.45	28,461.98	2,235.84	19,440.00	6,652.69	28,328.53

Investment Contracts Liabilities

Particulars	31st March, 2020				31st March, 2019			
	With DPF	Linked-Business	Others	Total	With DPF	Linked-Business	Others	Total
At the beginning of the year	4,580.15	6,073.23	177.26	10,830.64	3,869.00	5,409.28	293.54	9,571.82
Additions								
Premium	641.11	984.70	65.48	1,691.29	1,099.05	904.94	70.56	2,074.55
Interest and Bonus credited to policyholders	208.60	264.27	19.01	491.88	204.27	511.67	54.78	770.72
Deductions								
Withdrawals/Claims	1,047.41	600.18	23.00	1,670.59	712.45	867.46	9.28	1,589.19
Fee Income and Other Expenses	10.07	23.61	1.37	35.05	6.18	15.87	5.67	27.72
Other Profit and Loss	(132.16)	(45.75)	15.00	(162.91)	(126.46)	(129.62)	226.67	(29.41)
Others (includes DAC, DOF and Profit/Loss)	-	(0.76)	-	(0.76)	-	(1.05)	-	(1.05)
At the end of the year	4,504.54	6,744.92	222.38	11,471.84	4,580.15	6,073.23	177.26	10,830.64

Reinsurance Assets

Particulars	31st March, 2020		31st March, 2019	
	Amount	₹ crore	Amount	₹ crore
At the beginning of the year			546.28	557.88
Add/(Less)				
Premium		252.17		225.64
Unwinding of the Discount/Interest Credited		38.36		30.24
Insurance Liabilities Released		(232.03)		(178.46)
Others (experience variations)		83.80		(89.02)
At the end of the year		688.58		546.28

Deferred Acquisition Cost

Particulars	Amount	
	₹ crore	₹ crore
As at 1st April, 2018		10.93
Amortisation		(3.13)
As at 31st March, 2019		7.80
Amortisation		(2.23)
As at 31st March, 2020		5.57

Insurance Contract Liabilities : Change in Liabilities of Health Insurance Business

Particulars	31st March, 2020		31st March, 2019	
	₹ crore	₹ crore	₹ crore	₹ crore
Gross Liability at the beginning of the year		260.09		125.39
Add/(Less)				
Incurred but not reported Provision		21.35		14.06
Reserve for Unexpired Risk		183.95		126.82
Freelook Reserve		(0.48)		0.69
Recoverable from Re-insurance		(74.28)		(6.87)
Net Liability		390.63		260.09

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Key assumptions

The assumptions play vital role in calculating Insurance liabilities for the Group. Material judgement is required in determining the liabilities and in the choice of assumptions. Best estimate assumptions in use are based on historical and current experience, internal data, some judgement and as per guidance notes/actuarial practice standards. However, for the purpose of valuation an additional level of prudence has been kept on all the best estimate assumptions known as MFAD (margin for adverse deviation). The Group keeps adequate MFAD, as prescribed in APS 7, issued by the Institute of Actuaries of India (IAI), in all assumptions over best estimate value.

Best Estimate Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

Assumptions can vary by type of product, duration, gender, etc., if the experience of any category is significantly different, and data is credible for the respective category.

The key assumptions to which the estimation of liabilities is particularly sensitive are as follows:

i) Mortality and morbidity rates

Assumptions are based on historical experience and for new products based on industry/reinsurers data. An appropriate, but not excessive allowance may be made for expected future improvements. Assumptions may vary by type of product, distribution channel, gender, etc.

An increase in mortality/morbidity rates will usually lead to a larger number/amount of claims (and claims could occur sooner than anticipated), which will increase the liability and reduce profits for the shareholders.

ii) Longevity

Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Group's own risk experience. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are normally differentiated by gender, underwriting class and contract type. An increase in longevity rates will lead to an increase in the number of annuity payments to be made, which will increase the liability and reduce profits for the shareholders.

iii) Investment return and discount rate

The weighted-average rate of return is derived based on a model portfolio that is assumed to back liabilities, consistent with the long-term asset allocation strategy. These estimates are based on current market returns as well as expectations about future economic and financial developments. An increase in investment return would lead to an increase in profits for the shareholders.

An increase in investment return would lead to an increase in profits for the shareholders.

Life insurance liabilities are determined as the sum of the discounted value of the expected benefits and future administration expenses directly related to the contract, less the discounted value of the expected theoretical premiums that would be required to meet these future cash outflows. Discount rates are based on investment strategy of the Group, current industry risk rates, adjusted for the Group's own risk exposure.

A decrease in the discount rate will increase the value of the insurance liability and, therefore, reduce profits for the shareholders.

iv) Expenses and inflation

Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation, if appropriate.

An increase in the level of expenses would result in an increase in expenditure, thereby reducing profits for the shareholders.

v) Lapse, surrender and partial withdrawal rates

Lapses relate to the termination of policies due to non-payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Group's experience and usually vary by product type, policy duration and sales trends.

An increase in lapse rates early in the life of the policy would tend to reduce profits for shareholders, but later increases are broadly neutral in effect.

The best estimate assumptions that have the greatest effect on the statement of financial position and statement of profit or loss of the Group are listed below.

Portfolio assumptions by type of business impacting net liabilities	Mortality Rates		Investment Return		Lapse and Surrender Rates	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Insurance						
With DPF	67% - 223% of IALM 2012-14	60% - 200% of IALM 2006-08	7.10% p.a.	7.30% p.a.	PY1 : 12% - 25% PY2 : 7.5% - 10% PY3+ : 2% (varying by product)	PY1 : 30% - 40% PY2 : 10% - 15% PY3+ : 2% - 5% (varying by product)

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Portfolio assumptions by type of business impacting net liabilities	Mortality Rates		Investment Return		Lapse and Surrender Rates	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Linked Business	61% of IALM 2012-14	55% of IALM 2006-08	a) 9.5% p.a. for assets backing linked-liabilities b) 6.7% p.a. for asset backing non-unit liabilities	a) 9.5% p.a. for assets backing linked-liabilities b) 7.05% p.a. for asset backing non-unit liabilities	PY1 : 10%-23% PY2 : 5%- 8% PY3+: 3%-15% (varying by product and duration)	PY1 : 10%-23% PY2 : 5%- 8% PY3+: 3%-15% (varying by product and duration)
Others	20%-429% of IALM 2012-14	18%-385% of IALM 2006-08	6.65% - 8% p.a.	6.6% - 8.25% p.a.	PY1 : 0%-40% PY2 : 0%- 25% PY3+: 1%- 25% (varying by product and duration)	PY1 : 1%-5% PY2 : 3%- 25% PY3+: 1%- 25% (varying by product and duration)

Portfolio assumptions by type of business impacting net liabilities	Partial Withdrawal		Renewal Per Policy Expense Assumptions		Inflation	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
With DPF	N/A	N/A	402-614 Per policy	383-585 Per policy	0.05	0.05
Linked-Business	0%-3% p.a.	0%-3% p.a.	614 Per policy	585 Per policy	0.05	0.05
Others	N/A	N/A	Max 614 Per policy (varies by product)	Max 585 Per policy (varies by product)	0.05	0.05

*Commission scales have been allowed in accordance with the product filing with IRDA.

Sensitivity analysis

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross liabilities. The correlation of assumptions will have a significant effect in determining the ultimate liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. The method used for deriving sensitivity information and significant assumptions made did not change from the previous period. The sensitivities are same as shared with Regulators during annual reporting.

Sensitivity Parameters	Current Year				Previous Year			
	Insurance with DPF	Insurance without DPF	Investment with DPF	Investment without DPF	Insurance with DPF	Insurance without DPF	Investment with DPF	Investment without DPF
Lapses Increased by 10%	3,479.56	25,351.61	4,504.56	6,959.50	2,138.54	26,399.13	4,580.16	6,264.75
Lapses Decreased by 10%	3,580.85	25,865.84	4,504.56	6,971.95	2,356.77	26,625.33	4,580.16	6,265.38
Mortality Increased by 10%	3,555.68	25,767.01	4,504.56	6,967.36	2,285.09	26,680.42	4,580.16	6,265.08
Mortality Decreased by 10%	3,502.03	25,478.24	4,504.56	6,967.16	2,193.49	26,333.59	4,580.16	6,265.00
Expenses Increased by 10%	3,609.50	25,995.97	4,504.56	6,992.25	2,309.78	26,582.01	4,580.16	6,265.37
Expenses Decreased by 10%	3,453.79	25,271.47	4,504.56	6,943.11	2,170.35	26,433.71	4,580.16	6,264.75
Interest Rate Increased by 100 bps	3,528.78	25,560.47	4,504.56	7,029.33	1,724.25	25,657.78	4,580.16	6,255.49
Interest Rate Decreased by 100 bps	3,528.78	25,781.75	4,504.56	6,903.10	2,568.85	27,787.46	4,580.16	6,276.40
Inflation Rate Increased by 100 bps	3,612.50	25,943.32	4,504.56	7,000.22	2,349.39	26,617.71	4,580.16	6,265.47
Inflation Rate Decreased by 100 bps	3,464.75	25,376.18	4,504.56	6,940.78	2,155.96	26,419.09	4,580.16	6,264.71

₹ crore

Financial Risks

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to other party by failing to discharge an obligation. The Group is subject to credit risk in connection with issuers of securities held in our investment portfolio, reinsurers. Losses may occur when a counterparty fails to make timely payments pursuant to the terms of the underlying contractual arrangement or when the counterparty's credit rating or risk profile otherwise deteriorates. Credit risk can occur at multiple levels, as a result of broad economic conditions, challenges within the specific sectors of the

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economy, or from issues affecting individual companies. Events that result in defaults, impairments or downgrades of the securities in our investment portfolio would cause the Group to record realized or unrealized losses and increase our provisions for asset default, adversely impacting earnings

Governance structure, in form of the Investment Committee, and well defined investment policies and processes are in place to ensure that the risks involved in investments are identified and acceptable levels are defined. Stringent investment norms and approval structure ensures healthy portfolio while delivering the expected performance. All Regulatory and Internal norms are built in the Investment system, which monitors the Investment limits and exposure norms on real-time basis.

The policyholders' funds are invested in accordance with regulatory norms, investment policy, fund objective of unit-linked funds and risk profile of the respective fund in fixed income segment, majority of the investment is made in the government securities having sovereign rating and debt securities issued by reputed corporate having appropriate rating as per Investment Committee.

Derivative financial instrument : The settlement risk, the Group is exposed to, is mitigated by an adequate amount of margin money.

Industry Analysis

As on 31st March, 2020

Particulars							₹ crore
	Infra-structure	Financial and Insurance	Government	IT Services	Manu- facturing	Others	Total
1 FVTOCI Financial Assets							
Policyholders							
Debt	205.95	2,189.33	-	32.89	189.21	188.48	2,805.86
Equity	-	-	-	-	-	-	-
Government Securities	-	-	2,153.50	-	-	49.04	2,202.54
Others	-	1.43	147.96	-	-	-	149.39
Shareholders							
Debt	192.01	864.75	-	17.09	188.35	88.30	1,350.50
Equity	-	44.09	-	-	-	-	44.09
Government Securities	-	-	934.71	-	-	27.54	962.25
Others	-	48.95	9.65	-	-	-	58.60
2 Financial Assets at FVTPL							
Policyholders							
Debt	1,454.39	4,365.58	-	282.10	1,038.56	144.39	7,285.02
Equity	676.49	2,440.11	-	1,187.83	3,496.62	155.04	7,956.09
Government Securities	-	10.43	5,463.47	-	-	18.06	5,491.96
Mutual Fund Units	-	950.12	-	-	-	57.04	1,007.16
Others	-	683.02	1,285.78	-	151.71	123.27	2,243.78
Shareholders							
Debt	-	26.19	-	-	-	-	26.19
Equity	-	198.24	-	-	-	-	198.24
Government Securities	-	-	-	-	-	-	-
Mutual Fund Units	-	50.24	-	-	-	10.19	60.43
Others	-	-	-	-	-	-	-
3 Financial Assets at Amortised Cost							
Policyholders							
Debt	745.65	2,933.44	-	42.33	206.40	22.36	3,950.18
Government Securities	-	-	6,805.54	-	-	-	6,805.54
Others	-	-	220.52	-	-	8.31	228.83
Shareholders							
Debt	-	-	-	-	-	-	-
Government Securities	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total Credit Risk Exposure	3,274.49	14,805.92	17,021.13	1,562.24	5,270.85	892.02	42,826.65

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As on 31st March, 2019							₹ crore
Particulars	Infra-structure	Financial and Insurance	Government	IT Services	Manu-facturing	Others	Total
1 FVTOCI Financial Assets							
Policyholders							
Debt	180.77	2,052.08	-	31.77	183.61	178.67	2,626.90
Equity	-	-	-	-	-	-	-
Government Securities	-	-	1,927.27	-	-	47.27	1,974.54
Others	-	1.30	86.27	-	-	-	87.57
Shareholders							
Debt	129.47	759.87	-	16.19	168.74	77.17	1,151.44
Equity	-	51.65	-	-	-	-	51.65
Government Securities	-	-	769.33	-	-	25.94	795.27
Others	-	47.42	-	-	-	-	47.42
2 Financial Assets at FVTPL							
Policyholders							
Debt	1,632.73	4,483.14	-	270.36	1,182.80	126.88	7,695.91
Equity	1,355.36	3,589.87	-	1,179.36	4,010.65	196.55	10,331.79
Government Securities	-	9.84	5,753.31	-	-	17.91	5,781.06
Mutual Fund Units	-	1,429.12	-	-	-	28.94	1,458.06
Others	24.64	588.82	373.70	-	24.66	172.71	1,184.53
Shareholders							
Debt	-	25.75	-	-	-	-	25.75
Equity	-	200.24	-	-	-	-	200.24
Government Securities	-	-	-	-	-	-	-
Mutual Fund Units	-	5.87	-	-	-	-	5.87
Others	-	-	-	-	-	-	-
3 Financial Assets at Amortised Cost							
Policyholders							
Debt	463.38	2,178.66	-	42.32	191.70	2.08	2,878.14
Government Securities	-	-	4,991.15	-	-	-	4,991.15
Others	-	-	123.08	-	-	4.08	127.16
Total Credit Risk Exposure	3,786.35	15,423.63	14,024.11	1,540.00	5,762.16	878.20	41,414.45

Credit Exposure by Credit Rating

As on 31st March, 2020								₹ crore
Particulars	UNR	Sovereign	AAA	AA+	AA-	AA	Others	Total
1 FVTOCI Financial Assets								
Policyholders								
Debt	-	-	2,476.40	21.23	-	276.55	31.68	2,805.86
Equity	-	-	-	-	-	-	-	-
Government Securities	-	2,153.50	49.04	-	-	-	-	2,202.54
Others	1.43	147.96	-	-	-	-	-	149.39
Shareholders								
Debt	-	-	878.60	55.13	101.54	262.86	52.37	1,350.50
Equity	44.09	-	-	-	-	-	-	44.09
Government Securities	-	934.71	27.54	-	-	-	-	962.25
Others	48.95	9.65	-	-	-	-	-	58.60

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Particulars								₹ crore
	UNR	Sovereign	AAA	AA+	AA-	AA	Others	Total
2 Financial Assets at FVTPL								
Policyholders								
Debt	-	-	6,117.67	225.14	191.29	736.43	14.49	7,285.02
Equity	7,699.67	-	56.30	118.19	-	81.93	-	7,956.09
Government Securities	-	5,463.47	28.49	-	-	-	-	5,491.96
Mutual Fund Units	950.12	-	-	-	-	-	57.04	1,007.16
Others	112.02	1,285.78	722.71	-	-	-	123.27	2,243.78
Shareholders								
Debt	-	-	26.19	-	-	-	-	26.19
Equity	-	-	-	103.43	-	94.81	-	198.24
Mutual Fund Units	50.18	-	-	-	-	0.06	10.19	60.43
3 Financial Assets at Amortised Cost								
Policyholders								
Debt	-	-	3,533.77	104.42	39.34	223.89	48.76	3,950.18
Government Securities	-	6,805.54	-	-	-	-	-	6,805.54
Others	-	220.52	-	-	-	-	8.31	228.83
Total Credit Risk Exposure	8,906.46	17,021.13	13,916.71	627.54	332.17	1,676.53	346.11	42,826.65

As on 31st March, 2019

Particulars								₹ crore
	UNR	Sovereign	AAA	AA+	AA-	AA	Others	Total
1 FVTOCI Financial Assets								
Policyholders								
Debt	-	-	2,388.95	15.71	-	189.31	32.93	2,626.90
Equity	-	-	-	-	-	-	-	-
Government Securities	-	1,927.28	47.26	-	-	-	-	1,974.54
Others	1.30	86.27	-	-	-	-	-	87.57
Shareholders								
Debt	-	-	787.90	42.43	68.26	215.36	37.49	1,151.44
Equity	51.65	-	-	-	-	-	-	51.65
Government Securities	-	769.33	25.94	-	-	-	-	795.27
Others	47.42	-	-	-	-	-	-	47.42
2 Financial Assets at FVTPL								
Policyholders								
Debt	-	-	6,307.41	387.08	251.69	731.47	18.26	7,695.91
Equity	10,084.74	-	25.52	121.11	21.00	79.42	-	10,331.79
Government Securities	-	5,753.31	27.75	-	-	-	-	5,781.06
Mutual Fund Units	1,429.12	-	-	-	-	-	28.94	1,458.06
Others	375.75	373.70	435.08	-	-	-	-	1,184.53
Shareholders								
Debt	-	-	25.75	-	-	-	-	25.75
Equity	-	-	-	101.77	5.25	93.22	-	200.24
Government Securities	-	-	-	-	-	-	-	-
Mutual Fund Units	5.52	-	-	-	-	0.35	-	5.87
3 Financial Assets at Amortised Cost								
Policyholders								
Debt	-	-	2,533.93	73.74	38.32	192.90	39.25	2,878.14
Government Securities	-	4,991.15	-	-	-	-	-	4,991.15
Others	-	123.08	-	-	-	-	4.08	127.16
Total Credit Risk Exposure	11,995.50	14,024.12	12,605.49	741.84	384.52	1,502.03	160.95	41,414.45

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It is the Group's policy to maintain accurate and consistent risk ratings across its credit portfolio. This enables the Management to focus on the applicable risks and the comparison of credit exposures across all lines of business, geographic regions and products. The rating system is supported by a variety of financial analytics combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal risk ratings are tailored to the various categories and are derived in accordance with the Group's rating policy. The attributable risk ratings are assessed and updated regularly.

The Group manages its product mix to ensure that there is no significant concentration of credit risk.

Expected Credit Loss

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are measured at amortised cost, and
- Financial assets (debt) that are measured as at FVTOCI.

ECL has been calculated on Non-ULIP portfolio as ULIP portfolio is marked-to-market. For recognition of impairment loss on financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

Loss Given Default (LGD) of 75% has been assumed across all securities (maximum as per RBI directives). The credit rating provided by the external rating agencies has been considered while assigning PD for each individual group, the PD for each rating category is as under:

Credit Rating	Default Rate
Gsec	-
State	-
AAA	0.03
AAA (so)	0.03
AA	0.50
AA (so)	0.50
AA+	0.50
A+	0.74
AA-	0.74

ECL allowance (or reversal) recognised during the period is recognised as expense/income in the Statement of Profit and Loss (P&L). The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/origination.

ECL allowance computed, basis the above, during the period under consideration is as follows:

	₹ crore
Movement of Allowances	Financial Assets
As at 1st April, 2018	2.45
Provided during the year	2.53
Amounts written off	-
Reversals of provision	-
Unwinding of discount	-
Transferred on account of demerger	-
As at 31st March, 2019	4.98
Provided during the year	3.01
Amounts written off	-
Reversals of provision	-
Unwinding of discount	-
Transferred on account of demerger	-
As at 31st March, 2020	7.99

Liquidity Risk

Liquidity risk is the possibility that the Group will not be able to fund all cash outflow commitments as they fall due. The Group's primary funding obligations arise in connection with the payment of policyholder benefits. Sources of available cash flow include general fund premiums and investment related inflows (such as maturities, principal repayments, investment income and proceeds of asset sales).

An asset-liability mismatch occurs when the financial terms of a group's assets and liabilities do not correspond. These can lead to non-payment/deferment of claims, expenses, etc. Through effective cash management and capital planning, the Group ensures that, it is properly funded and maintain adequate liquidity to meet obligations. Based on the Group's historical cash flows and liquidity management processes, we believe that the cash flows from our operating activities will continue to provide sufficient liquidity for us to satisfy debt service obligations and to pay other expenses as they fall due. A governance structure, in form of the ALM Committee, and well defined Asset Liability Management framework require periodic

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monitoring of the Asset-Liability position of the Group. Insurance Business's Asset Liability Management Techniques aims to manage the volume, mix, maturity, rate sensitivity, quality and liquidity of assets and liabilities as a whole so as to attain a predetermined acceptable risk/reward ratio. Further, the NAV guarantee products use proprietary monitoring mechanisms to ensure adequate ALM.

Maturity Profiles

The following table summarises the maturity profile of the financial assets, financial liabilities and insurance contract liabilities of the Group based on remaining undiscounted contractual obligations, including interest payable and receivable.

For insurance contracts liabilities and reinsurance assets, maturity profiles are determined based on estimated timing of net cash outflows from the recognised insurance liabilities. Unearned premiums have been excluded from the analysis as they are not contractual obligations. Unit-linked liabilities are repayable or transferable on demand and are included in the up-to-a-year column. Repayments, which are subject to notice, are treated as if notice were to be given immediately.

The Group maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseeable interruption of cash flow.

The Group manages its product mix to ensure that there is no significant concentration of credit risk.

The table below summarises the expected utilisation or settlement of assets and liabilities.

Maturity analysis on expected maturity bases

As on 31st March, 2020

Particulars	₹ crore						Total
	Less than 3 Months	3 to 12 Months	1 to 2 Years	2 to 3 Years	3 to 5 Years	> 5 Years	
Financial Liabilities							
Other Financial Liabilities	791.44	0.40	0.88	-	2.63	-	795.35
Derivative Financial Instruments	-	-	-	-	-	-	-
Trade and Other Payables	310.94	-	-	-	-	-	310.94

As on 31st March, 2019

Particulars	₹ crore						Total
	Less than 3 Months	3 to 12 Months	1 to 2 Years	2 to 3 Years	3 to 5 Years	> 5 Years	
Financial Liabilities							
Other Financial Liabilities	676.55	0.55	0.81	-	-	-	677.91
Derivative Financial Instruments	(0.27)	(0.34)	0.65	1.07	2.44	0.81	4.36
Trade and Other Payables	355.20	-	-	-	-	-	355.20

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to financial and capital market risks – the risk that the fair value or future cash flows of an insurance contract or financial instrument will fluctuate because of changes or volatility in market prices. Market risk includes equity market and interest rate risks.

Market risk governance practices are in place, including independent monitoring and review and reporting to senior management and the Risk Management Committee. The Group has investment policy in place which deals with guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities.

The Group issues unit-linked investment policies in a number of its operations. In the unit-linked business, the policyholder bears the investment risk on the assets held in the unit-linked funds as the policy benefits are directly linked to the value of the assets in the fund. The Group's exposure to market risk on this business is limited to the extent that income arising from asset management charges is based on the value of assets in the fund.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments exposes the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity. The correlation of variables will have significant effect in determining the ultimate impact of interest rate risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non-linear. The method used for deriving sensitivity information and significant variables has not changed from the previous period.

Market indices	Change in Interest Rate	As at 31st March, 2020		As at 31st March, 2019	
		Impact on Profit Before Tax	Impact on Equity	Impact on Profit Before Tax	Impact on Equity
		₹ crore			
Interest Rate	25 Basis Point down	19.45	15.00	113.93	82.18
	50 Basis Point down	38.90	30.00	227.86	164.36
	25 Basis Point Up	(19.45)	(15.00)	(113.93)	(82.18)
	50 Basis Point Up	(38.90)	(30.00)	(227.86)	(164.36)

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Equity Price Risk

Equity market risk is the potential for financial loss arising from declines or volatility in equity market prices. The Group is exposed to equity risk from a number of sources. A portion of our exposure to equity market risk arises in connection with benefit guarantees on contracts. The cost of providing for these guarantees is uncertain, and will depend upon a number of factors including general capital market conditions, underlying fund performance, policyholder behaviour, and mortality experience, which may result in negative impacts on our net income and capital.

The Group has no significant concentration of equity price risk.

The analysis below is performed for reasonably possible movements in market indices, i.e., BSE 100 with all other variables held constant, showing the impact on profit before tax (due to changes in fair value of financial assets and liabilities whose fair values are recorded in the Statement of Profit and Loss) and equity (that reflects changes in fair value of FVTPL financial assets). The correlation of variables will have a significant effect in determining the ultimate impact on price risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis.

Market Indices	Change in Variables	As at 31st March, 2020		As at 31st March, 2019	
		Impact on Profit Before Tax	Impact on Equity	Impact on Profit Before Tax	Impact on Equity
BSE 100	10% rise	0.12	2.25	8.79	30.26
	10% fall	(0.12)	(2.25)	(8.79)	(30.26)

₹ crore

Operational Risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Group cannot expect to eliminate all operational risks but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Group is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Group's strategic planning and budgeting process.

Operational risks are governed through Operational Risk Management policy. The Group maintains an operational loss database to track and mitigate risks resulting in financial losses. The Group has also initiated a Risk Control and Self Assessment process to embed the control testing as a part of day-to-day operations. To control operational risk, operating and reporting processes are reviewed and updated regularly. Ongoing training through internal and external programs is designed to equip staff at all levels to meet the demands of their respective positions.

The Group has a robust Business Continuity Plan and Information Technology Disaster Recovery Plan in place to manage any business/technology interruption risk. Business Continuity Management System is certified against the global standard ISO 22301. It also has Business Continuity Policy to have a planned response in the event of any contingency ensuring recovery of critical activities at agreed levels within the agreed timeframe thereby complying with various regulatory requirements and minimizing the potential business impact to the Group.

Information Security Risk is the risk arising from IT systems (data leakage, application vulnerabilities, lack of segregation of duties and access control), human error, etc., which can cause damage to finances or reputation. Information Security Risks are governed through Information Security Management System aligned and certified against ISO 27001:2013, which is a global benchmark. The Group has a comprehensive Information Security Policy designed to comply with ISO 27001:2013, privacy and/or data protection legislations as specified in Indian Information Technology Act, 2008; and Notification dated 11th April, 2011, on protection of sensitive personal information and it provides direction to Information Security staff, Management and Employees regarding their roles and responsibilities towards Information Security.

Fraud management is handled through an internal committee and is governed by the Fraud Reporting and Investigation Policy.

Nature and Term of Outstanding Derivative Contract

a) Forward Rate Agreement

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
i) Total notional principal amount of forward rate agreement undertaken during the year (instrument-wise)		
8.83% GOI 2041 (MD 12/12/2041)	65.02	-
8.24% GOI 2033 (MD 10/11/2033)	119.19	-
9.20% GOI 2030 (MD 30/09/2030)	473.56	-
8.33% GOI 2036 (07/06/2036)	122.57	-
8.97% GOI 2030 (MD 05/12/2030)	124.50	-
7.40% Gsec 09-09-2035	85.27	100.00
7.62% GOI 2039 (MD 15/09/2039)	123.99	-
8.30% GOI 2042 (MD 31/12/2042)	76.74	-

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Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
ii) Total notional principal amount of forward rate agreement outstanding as on end of the year (instrument-wise)		
7.73% Gsec 19-12-2034	110.58	152.25
8.30% Gsec 31-12-2042	130.67	69.42
8.32% Gsec 02-08-2032	32.87	83.82
7.40% Gsec 09-09-2035	148.33	87.12
8.24% Gsec 10-11-2033	119.19	-
8.33% Gsec 07-06-2036	122.57	-
8.83% Gsec 12/12/2041	65.02	-
8.97% Gsec 05/12/2030	124.50	-
9.20% Gsec 30/09/2030	473.56	-
7.62% GOI 2039 15/09/2039	123.99	-
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:

Hedging Instrument	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
i) 7.73% GOI 2034 (MD 19/12/2034)	5.30	(1.18)
ii) 8.30% GOI 2042 (MD 31/12/2042)	(0.75)	(3.02)
iii) 8.32% GOI (MD 02/08/2032)	1.67	(0.81)
iv) 7.40% GOI 2035 (MD 09/09/2035)	2.79	0.64
v) 8.24% GOI 2033 (MD 10/11/2033)	(0.50)	-
vi) 8.33% GOI 2036 (07/06/2036)	(0.01)	-
vii) 8.83% GOI 2041 (MD 12/12/2041)	1.63	-
viii) 8.97% GOI 2030 (MD 05/12/2030)	0.87	-
ix) 9.20% GOI 2030 (MD 30/09/2030)	(1.03)	-
x) 7.62% GOI 2039 (MD 15/09/2039)	(2.56)	-

c) Movement in Hedge Reserve

Hedge Reserve Account	₹ crore		
	As at 31st March, 2020		
	Realised	Unrealised	Total
i) Balance at the beginning of the year	(0.03)	(4.56)	(4.59)
ii) Add: Changes in the Fair Value during the year	-	(39.72)	(39.72)
iii) Less: Amounts reclassified to Revenue/Profit and Loss A/c	0.34	-	0.34
Hedge Reserve Account	As at 31st March, 2019		
	Realised	Unrealised	Total
i) Balance at the beginning of the year	-	(5.28)	(5.28)
ii) Add: Changes in the Fair Value during the year	-	0.72	0.72
iii) Less: Amounts reclassified to Revenue/Profit and Loss A/c	(0.03)	-	(0.03)

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Particulars	As at	
	31st March, 2020	31st March, 2019
i) Name of the Counter Party	J.P. Morgan/CITI Bank	J.P. Morgan/CITI Bank
ii) Hedge Designation	Cash Flow Hedge	Cash Flow Hedge
iii) Likely impact of one percentage change in interest rate (100*PV01)		
a) Underlying being hedged	Sovereign Bonds	Sovereign Bonds
b) Derivative	Forward Rate Agreement	Forward Rate Agreement
iv) Credit Exposure		

Capital Management Objectives and Policies

The Group has established the following capital management objectives, policies and approach to manage the risks that affect its capital position:

- To maintain the required level of stability of the Group thereby providing a degree of security to policyholders
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and shareholders
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- To align the profile of assets and liabilities taking account of risks inherent in the business
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders
- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value

The Group has met all of these requirements throughout the financial year. In reporting financial strength, capital and solvency are measured using the rules prescribed by the Insurance Regulatory & Development Authority of India (IRDAI). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. The Group's capital management policy for its insurance business is to hold sufficient capital to cover the statutory requirements based on the IRDAI directives.

Regulatory Framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the Group is satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that the Group maintains an appropriate solvency position to meet unforeseeable liabilities arising from economic shocks or natural disasters. The operations of the Group are subject to regulatory requirements within the jurisdictions in which it operates.

NOTE: 56 RISK RELATED TO NBFC AND HFC BUSINESS

Credit Risk

Credit risk is the risk that the NBFC & HFC will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The NBFC & HFC manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

The NBFC & HFC has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process aims to allow the NBFC & HFC to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

Analysis of maximum exposure to credit risk and collateral and other credit enhancements

Particulars	As at	
	31st March, 2020	31st March, 2019
	Amortised Cost	Amortised Cost
i) Secured by Tangible Assets	35,967.03	48,626.87
ii) Covered by Bank/Government Guarantee	1,817.85	244.08
iii) Secured by Book debts, inventories, fixed deposit and other working capital items	13,268.94	4,157.89
iv) Unsecured	7,998.79	9,153.13
Total	59,052.61	62,181.97

Note : Retail loans, other than unsecured micro loans, are generally secured by an identified collateral which generally is the underlying asset financed. The secured exposures mentioned above are secured by pledge of financial securities (listed equity shares, units of mutual funds, surrender value of insurance policies), mortgage of immovable properties (residential, commercial, industrial), hypothecation of plant and machinery, hypothecation of receivables, inventory, etc., collectively referred to as current assets. However, collateral securing each individual loan may not be adequate in relation

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to the value of the loan. If the customer fails to pay, the Group would, by following the due process of law, liquidate collateral and/or set off the amount due and recoverable from the counterparty. For loans where repayment is either monthly or quarterly, the Group either obtains direct debit instructions in the form of mandates from the counterparty and is registered with the bank account mapped to such mandate or obtains post-dated cheques from the counterparty. It is a criminal offence in India to issue a debit mandate or bad cheque.

Financial Risk Management and its Policies for NBFC and HFC businesses

Liquidity Risk

Liquidity risk is defined as the risk that the NBFC & HFC will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the NBFC & HFC might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

NBFC & HFC manages its liquidity requirement by analysing the maturity pattern of NBFC & HFC's cash flows of financial assets and financial liabilities. The Asset Liability Management of the NBFC & HFC is periodically reviewed by its Risk Management Committee.

The table below summarises the maturity profile of the undiscounted cash flows of the NBFC & HFC's financial liabilities as at 31st March, 2020 and 31st March, 2019:

Financial Liabilities

	₹ crore							
As at 31st March, 2020	1 Day to 30/31 Days (one Month)	Over one Month to 2 Months	Over 2 Months to 3 Months	Over 3 Months to 6 Months	Over 6 Months to 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	More than 5 Years
Trade and Other Payables	23.11	-	42.59	52.95	-	-	-	-
Other Financial Liabilities	39.33	60.34	0.77	34.43	170.07	67.36	-	-
Debt Securities and Subordinate Liabilities	1,552.00	2,057.20	3,176.73	841.66	1,684.87	6,203.98	1,354.20	5,094.97
Bank Borrowings	480.71	27.14	319.12	1,263.19	5,780.29	16,504.77	7,289.24	1,246.47
Total	2,095.15	2,144.67	3,539.21	2,192.23	7,635.23	22,776.11	8,643.44	6,341.44

Financial Liabilities

	₹ crore							
As at 31st March, 2019	1 Day to 30/31 Days (one Month)	Over one Month to 2 Months	Over 2 Months to 3 Months	Over 3 Months to 6 Months	Over 6 Months to 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	More than 5 Years
Trade and Other Payables	110.16	-	-	-	-	-	-	-
Other Financial Liabilities	65.65	295.02	-	-	128.78	33.23	-	-
Debt Securities and Subordinate Liabilities	3,295.31	1,754.21	2,628.73	2,055.28	3,184.39	9,000.46	2,209.03	2,543.03
Bank Borrowings	864.41	-	230.00	1,018.33	4,607.74	11,185.91	7,931.13	1,752.50
Total	4,335.53	2,049.23	2,858.73	3,073.61	7,920.91	20,219.60	10,140.16	4,295.53

Notes

- The above table includes future contractual cash flows recognized as at Balance Sheet date in different buckets and does not include other future contracted cash flows (such as interest which are not accrued as at Balance Sheet date).
- Trade Payable is based on the estimate of actual payment.

Operational and Business Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Group cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. In the case of the Group, market risk primarily comprises of interest rate risk. Financial instruments affected by market risk include loans and borrowings.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity, other post-retirement obligations and provisions.

The following assumptions have been made in calculating the sensitivity analysis.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March, 2020 and 31st March, 2019.

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Total Market Risk Exposure

Particulars	31st March, 2020			31st March, 2019			Primary Risk Sensitivity
	Carrying Amount	Traded Risk	Non-Traded Risk	Carrying Amount	Traded Risk	Non-Traded Risk	
₹ crore							
Assets							
Financial Instruments – FVTPL	3,340.64	3,340.64	-	1,574.61	1,574.61	-	Equity price
Financial Instruments – FVTOCI	1.76	-	1.76	1.90	-	1.90	
Total	3,342.40	3,340.64	1.76	1,576.51	1,574.61	1.90	

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has borrowings which are primarily at floating rate of interest and, hence, the Group is not significantly exposed to interest rate risk.

Interest Rate Sensitivity

Since the Group manages its interest rate risk on borrowings by ensuring, at maximum, its long-term borrowings at floating rate of interest and in case of reduction in interest rate, it initiates negotiations with bankers for realigning the interest rate and/or repaying the high interest rate exposures, the interest rate change in market as such doesn't affect the Group's profitability materially.

Market Indices	Change in Interest Rate	31st March, 2020		31st March, 2019	
		Impact on Profit Before Tax	Impact on Equity	Impact on Profit Before Tax	Impact on Equity
₹ crore					
Interest Rate	25 Basis Point down	58.60	44.80	48.61	31.80
	50 Basis Point down	117.19	89.60	97.21	63.59
	25 Basis Point Up	(58.60)	(44.80)	(48.61)	(31.80)
	50 Basis Point Up	(117.19)	(89.60)	(97.21)	(63.59)

Capital Management Objectives and Policies

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a capital adequacy ratio, which is weighted assets divided by total capital derived as per the RBI requirements. As per the RBI guidelines, the Group, being a Non-Banking Finance group, has to maintain 15% of capital adequacy ratio of NBFC business and 12% of capital adequacy ratio of HFC business.

The actual Capital Adequacy Ratio is as under:

Particulars	31st March, 2020	31st March, 2019
	₹ crore	
Capital Adequacy Ratio of NBFC	19.08	17.45
Capital Adequacy Ratio of HFC	18.74	16.80

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings. Breaches in meeting, the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2020 and 31st March, 2019.

Risk Related to Other Business

Credit Risk of other Companies

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Group is exposed to credit risk from its operating activities primarily trade receivables and from its financing/investing activities, including deposits with banks, mutual fund investments, and investments in debt securities, foreign exchange transactions. The Group has no significant concentration of credit risk with any counterparty.

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The carrying amount of financial assets represents the maximum credit risk exposure.

As at 31st March, 2020	Neither past due nor impaired	Past due but not impaired					Total
		< 30 Days	30 to 60 Days	61 to 90 Days	91 to 120 Days	> 120 Days	
Trade Receivables	23.51	68.96	4.87	0.53	4.40	2.99	105.26
Total	23.51	68.96	4.87	0.53	4.40	2.99	105.26

As at 31st March, 2019	Neither past due nor impaired	Past due but not impaired					Total
		< 30 Days	30 to 60 Days	61 to 90 Days	91 to 120 Days	> 120 Days	
Trade Receivables	50.95	83.96	12.20	0.56	0.87	8.11	156.65
Total	50.95	83.96	12.20	0.56	0.87	8.11	156.65

Movement of Allowances	31st March, 2020	31st March, 2019
Opening	11.00	10.65
Provided during the year	1.10	2.00
Amounts written off	(0.63)	(1.65)
Reversals of provision	(2.64)	-
Closing	8.83	11.00

Investments, Derivative Instruments, Cash and Cash Equivalents and Bank Deposits:

Credit risk on cash and cash equivalents, deposits with banks/financial institutions is generally low, as the said deposits have been made with banks/financial institutions who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments is generally low, as the Group enters into the Derivative Contracts with the reputed banks.

Investments of surplus funds are made only with approved Financial Institutions/Counterparty. Investments primarily include investments in units of quoted Mutual Funds, quoted Bonds; Non-Convertible Debentures issued by Government/Semi-Government Agencies/PSU Bonds/High Investment grade Corporates, etc. These Mutual Funds and Counterparties have low credit risk.

The Group has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt and arbitrage categories, and restricts the exposure in equity markets.

Compliances of these policies and principles are reviewed by internal auditors on periodical basis.

Financial Risk Management and Its Policies for Other Businesses

Liquidity Risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of undrawn credit facilities to meet obligations when due. The Group's finance team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. The Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity Profile of Financial Liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at 31st March, 2020	On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	More than 5 Years	Total
Borrowings	23.47	179.88	103.75	303.02	-	610.12
Trade and Other Payables	0.29	95.26	23.94	-	-	119.49
Other Financial Liabilities	12.44	4.49	60.23	7.13	0.38	84.67
Convertible Preference Shares	-	-	-	-	11.00	11.00
Total	36.20	279.63	187.92	310.15	11.38	825.28

As at 31st March, 2019	On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	More than 5 Years	Total
Borrowings	99.28	1,802.49	14.73	37.92	-	1,954.42
Trade and Other Payables	-	71.01	24.08	-	-	95.09
Other Financial Liabilities	10.82	11.59	56.45	5.63	-	84.48
Preference Shares issued by Subsidiary Companies	-	-	-	60.00	11.00	71.00
Total	110.10	1,885.09	95.26	103.55	11.00	2,204.99

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Notes

1. The above table includes future contractual cash flows recognised as at Balance Sheet date in different buckets and does not include other future contracted cash flows (such as interest which are not accrued as at Balance Sheet date).
2. Trade Payable is based on the estimate of actual payment.

Capital Management Objectives and Policies

The primary objective of the Group's capital management is to maximize the shareholder value, comply to the regulatory requirements and maintain an optimal capital structure to reduce the cost of capital to the Company. The Holding Company continues its policy of a conservative capital structure, which has ensured that it retains the highest credit rating.

NOTE: 57 ECL RISK

Impairment Assessment

The ECL model Credit loss provisioning approach has now moved from incurred model. This forces entity to understand the significance of credit risk and its movement since its initial recognition. This model ensures (a) timely recognition of ECLs, (b) assessment of significant increase in credit risk which will provide better disclosure, and (c) ascertainment of better business ratios.

- The references below show where the Group's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.
- An explanation of the Group's internal grading system (Note 'Definition of default and cure' below).
- How the Group defines, calculates and monitors the probability of default, exposure at default and loss given default) (Note 'The Group's internal rating and PD estimation process', 'Probability of Default', 'Exposure at Default' below).
- When the Group considers there has been a significant increase in credit risk of an exposure (Note 'Significant increase in credit risk' below).
- The Group's policy of segmenting financial assets where ECL is assessed on a collective basis (Note 'Grouping financial assets measured on a collective basis' below).
- The details of the ECL calculations for Stage 1, Stage 2 and Stage 3 assets (Notes 'Probability of default', 'Exposure at default' and 'loss given default' below).

Definition of default and cure

The Group considers a financial instrument defaulted and therefore Stage 3 (credit impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- a) Significant financial difficulty of the borrower or issuer;
- b) A breach of contract such as a default or past due event;
- c) The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- e) The disappearance of an active market for a security because of financial difficulties and the customer has delay in his repayments over a month.

The Group's internal rating and PD estimation process

- a. Internal Rating: A robust internal credit rating framework is vital for effective credit risk management. It is specified by RBI on credit risk management that lenders should have an internal rating framework and the lenders must have independent Credit Risk Control Units (CRCU) or equivalents that are responsible for the design or selection, implementation and performance of their internal rating systems. Accordingly, we also have an internal rating framework developed along with CRISIL, with ratings being assigned to all the customer/portfolio pool (eligible customers for Ratings) and used extensively in internal decision-making.
- b. It is further specified in the policy that Internal rating/grading/scoring of the borrower/client is at least investment grade rating as per ABFL's internal credit rating model or valid/live external rating.

Probability of Default (PD)

PD is calculated basis likelihood that the borrower will default within one year horizon (Basis for Stage 1), For Stage 2 – it is defined as significant increase in credit risk and probability is defined as borrower's probability to default in lifetime.

Exposure at Default

Gross exposure/potential gross exposure under a facility (i.e., the amount that is legally owed to the lender) at the time of default by a borrower. Exposure at Default gives an estimate of the amount outstanding.

Loss Given Default (LGD)

LGD is usually shown as the percentage of Exposure at Default that the lender might lose in case the borrower defaults. It depends, among others, on the type of collateral, its value, borrower rating and the expected proceeds from the sale (e.g., sales proceeds from sales of collaterals/securities) of the assets, NPV net of recovery costs.

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Significant Increase in Credit Risk

- a. There is significant increase in credit risk, when there is deterioration in account performance and expected resolution is not available.
- b. Further, for large borrowers after assessing the following Risks in totality and deterioration in each factor, it is then assessed whether there is a significant increase in credit risk
 - i. Industry Risk
 - ii. Business Risk
 - iii. Management Risk
 - iv. Financial Risk
 - v. Banking Conduct and Facility-level Conduct.
- c. Significant increase in credit risk is also gauged through Credit Rating. Credit rating is an opinion of capacity of borrower to meet its financial obligations to the depositor or bondholder (i.e., lender of money) on a particular issue or type of instrument (i.e., a domestic or foreign currency; short-term or medium or long-term, etc.) in a timely manner. The rating measures the relative risk of an issuers ability and willingness to repay both interest and principal over the period of the rated instrument. i.e., rating signifies the risk of default of the borrower that is rated.

Grouping financial assets measured on a collective basis

The Group calculates ECLs either on a collective or an individual basis.

Asset classes where the Group calculates ECL on an individual basis include:

1. Corporate Portfolio

Asset classes where the Group calculates ECL on a collective basis include:

2. Retail Portfolio

The ECL methodology allows for individual assessment for corporates and therefore these loans are generally measured individually as each of these exposures have unique characteristics and structuring. For retail exposures and exposures which can be clubbed in homogenous pools, ECL is measured on a collective basis. This has been arrived at based on common characteristics like nature of product, customer profile, etc.

Analysis of risk concentration

Concentration analyses are presented for Portfolio pool, Location, Top borrower exposures, Group exposures, etc. These are regularly analysed and presented for further review/action.

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to is loans relating to financing activity, as follows:

A Reconciliation of Gross Carrying Amount of Housing Finance Business:

Particulars	Stage 1	Stage 2	Stage 3	Total
				₹ crore
31st March, 2020				
Gross carrying amount opening balance	11,277.51	148.31	82.93	11,508.75
New assets originated or purchased	2,813.29	0.63	1.32	2,815.24
Assets derecognised or repaid (excluding write offs)	(2,061.56)	0.15	(16.62)	(2,078.03)
Transfers to Stage 1	111.95	(108.72)	(3.23)	-
Transfers to Stage 2	(227.52)	227.62	(0.10)	-
Transfers to Stage 3	(88.31)	(31.03)	119.34	-
Amounts written off	(0.05)	-	(27.34)	(27.39)
Gross carrying amount closing balance	11,825.31	236.96	156.30	12,218.57
31st March, 2019				
Gross carrying amount opening balance	8,106.11	50.76	48.05	8,204.92
New assets originated or purchased	5,362.02	3.74	2.72	5,368.48
Assets derecognised or repaid (excluding write offs)	(2,042.65)	(5.88)	(14.24)	(2,062.77)
Transfers to Stage 1	10.70	(9.49)	(1.21)	-
Transfers to Stage 2	(124.34)	124.34	-	-
Transfers to Stage 3	(34.33)	(15.16)	49.49	-
Amounts written off	-	-	(1.88)	(1.88)
Gross carrying amount closing balance	11,277.51	148.31	82.93	11,508.75

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B Reconciliation of ECL balance for Housing Finance Business is given below:

Particulars				₹ crore
	Stage 1	Stage 2	Stage 3	Total
31st March, 2020				
ECL allowance - opening balance	25.05	2.17	36.59	63.81
New assets originated or purchased	8.64	0.04	0.38	9.06
Assets derecognised or repaid (excluding write offs)	(6.14)	(0.01)	(2.54)	(8.69)
Transfers to Stage 1	1.73	(1.20)	(0.53)	-
Transfers to Stage 2	(0.74)	0.76	(0.02)	-
Transfers to Stage 3	(0.32)	(0.76)	1.08	-
Impact on year end ECL of exposures transferred between stages during the year	(0.70)	5.40	30.20	34.90
ECL recognised due to change in credit risk	12.22	10.52	4.56	27.30
Recoveries	(0.01)	(0.01)	(0.42)	(0.44)
Amounts written off	(0.00)	-	(19.46)	(19.46)
ECL allowance - closing balance	39.73	16.91	49.84	106.48
31st March, 2019				
ECL allowance - opening balance	27.44	1.25	18.38	47.07
New assets originated or purchased	13.06	0.07	0.59	13.72
Assets derecognised or repaid (excluding write offs)	(6.67)	(0.04)	(4.32)	(11.03)
Transfers to Stage 1	0.43	(0.21)	(0.22)	-
Transfers to Stage 2	(0.58)	0.58	-	-
Transfers to Stage 3	(0.15)	(0.54)	0.69	-
Impact on year end ECL of exposures transferred between stages during the year	(0.23)	1.23	13.33	14.33
ECL recognised due to change in credit risk	(8.25)	(0.17)	9.12	0.70
Recoveries	-	-	(0.18)	(0.18)
Amounts written off	-	-	(0.80)	(0.80)
ECL allowance - closing balance	25.05	2.17	36.59	63.81

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans of NBFC Business is as follows:

A Reconciliation of Gross Carrying Amount of NBFC Business:

Particulars				₹ crore
	Stage 1	Stage 2	Stage 3	Total
31st March, 2020				
Gross carrying amount opening balance	48,733.42	1,006.44	813.41	50,553.27
New assets originated or purchased	13,791.58	61.51	28.76	13,881.85
Assets derecognised or repaid (excluding write offs)	(16,697.13)	(468.51)	(141.11)	(17,306.75)
Transfers to Stage 1	280.10	(261.88)	(18.22)	-
Transfers to Stage 2	(1,149.43)	1,178.79	(29.36)	-
Transfers to Stage 3	(1,209.62)	(295.13)	1,504.75	-
Amounts written off	-	(4.47)	(331.12)	(335.59)
Gross carrying amount closing balance	43,748.92	1,216.75	1,827.11	46,792.78
31st March, 2019				
Gross carrying amount opening balance	41,557.80	443.19	385.73	42,386.72
New assets originated or purchased	18,889.67	120.21	53.14	19,063.02
Assets derecognised or repaid (excluding write offs)	(10,642.23)	(123.75)	(14.80)	(10,780.78)
Transfers to Stage 1	35.24	(16.54)	(18.70)	-
Transfers to Stage 2	(598.53)	598.53	-	-
Transfers to Stage 3	(508.53)	(15.20)	523.73	-
Amounts written off	-	-	(115.69)	(115.69)
Gross carrying amount closing balance	48,733.42	1,006.44	813.41	50,553.27

Note: Stage 1, 2 and 3 Loans include Interest Accrued but excludes EIR amounting to ₹ 76.57 Crore (31st March, 2019 : ₹ 145.36 Crore; 1st April, 2018 : ₹ 106.44 Crore).

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B Reconciliation of ECL balance is given below for NBFC Business:

Particulars	Stage 1	Stage 2	Stage 3	₹ crore Total
31st March, 2020				
ECL allowance - opening balance	153.81	44.25	312.96	511.02
Increase in new/existing assets originated or purchased	109.61	90.96	596.90	797.47
Assets derecognised or repaid (excluding write offs)	(53.58)	(5.87)	(31.92)	(91.37)
Transfers to Stage 1	17.53	(11.14)	(6.39)	-
Transfers to Stage 2	(6.34)	11.94	(5.60)	-
Transfers to Stage 3	(10.09)	(20.69)	30.78	-
Amounts written off	-	(4.47)	(331.12)	(335.59)
ECL allowance - closing balance	210.94	104.98	565.61	881.53
31st March, 2019				
ECL allowance - opening balance	144.28	61.92	207.33	413.53
New assets originated or purchased	60.67	(19.46)	252.05	293.26
Assets derecognised or repaid (excluding write offs)	(45.64)	(0.10)	(34.33)	(80.07)
Transfers to Stage 1	0.31	(0.18)	(0.13)	-
Transfers to Stage 2	(2.27)	2.27	-	-
Transfers to Stage 3	(3.54)	(0.20)	3.74	-
Amounts written off	-	-	(115.70)	(115.70)
ECL allowance - closing balance	153.81	44.25	312.96	511.02

Stage 1 represents 'High Grade' internal rating.

Stage 2 represents 'Sub-standard' internal rating.

Stage 3 represents 'Credit-impaired'.

NOTE: 58 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

Particulars	31st March, 2020			31st March, 2019		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
₹ crore						
I ASSETS						
(1) Financial Assets						
(a) Cash and Cash Equivalents	2,825.19	-	2,825.19	738.91	-	738.91
(b) Bank Balance other than (a) above	302.08	-	302.08	347.04	-	347.04
(c) Derivative Financial Instruments	7.40	64.79	72.19	-	-	-
(d) Trade Receivables	476.65	-	476.65	374.39	-	374.39
(e) Loans	13,855.29	44,582.16	58,437.45	16,840.23	45,048.03	61,888.26
(f) Investments						
- Investments of Life Insurance Business						
- Investments of Life Insurance Policyholders'	708.28	15,960.98	16,669.26	778.96	12,839.06	13,618.02
- Investments of Life Insurance Shareholders'	124.40	2,335.01	2,459.41	72.87	2,057.45	2,130.32
- Investments of Health Insurance Business						
- Investments of Health Insurance Policyholders'	139.70	488.61	628.31	63.97	288.50	352.47
- Investments of Health Insurance Shareholders'	20.73	220.16	240.89	5.07	142.25	147.32
- Other Investments	4,468.70	437.72	4,906.42	1,518.61	386.61	1,905.22
(g) Assets Held to Cover Linked Liabilities of Life Insurance Business	5,189.98	17,638.81	22,828.79	4,931.49	20,234.85	25,166.34
(h) Other Financial Assets	335.01	6.55	341.56	307.76	35.14	342.90
Sub-Total	28,453.41	81,734.79	110,188.20	25,979.30	81,031.89	107,011.19

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Particulars	₹ crore					
	31st March, 2020			31st March, 2019		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
(2) Non-Financial Assets						
(a) Tax Assets (Net)	-	356.29	356.29	-	89.92	89.92
(b) Deferred Tax Assets (Net)	-	271.58	271.58	-	222.03	222.03
(c) Investment Properties	-	15.67	15.67	-	16.11	16.11
(d) Property, Plant and Equipment	-	121.14	121.14	-	135.92	135.92
(e) Capital Work-in-Progress	-	2.71	2.71	-	1.09	1.09
(f) Goodwill	-	570.04	570.04	-	580.03	580.03
(g) Other Intangible Assets	-	165.74	165.74	-	159.96	159.96
(h) Right-to-use of Assets	-	308.04	308.04	-	-	-
(i) Intangible Assets under Development	-	71.61	71.61	-	33.08	33.08
(j) Investments in Equity Instrument of Joint Venture Companies	-	681.78	681.78	-	635.34	635.34
(k) Other Non-Financial Assets	467.56	548.64	1,016.20	359.11	448.17	807.28
Sub-Total	467.56	3,113.24	3,580.80	359.11	2,321.65	2,680.76
Total Assets	28,920.97	84,848.03	113,769.00	26,338.41	83,353.54	109,691.95
II LIABILITIES AND EQUITY						
LIABILITIES						
(1) Financial Liabilities						
(a) Derivative Financial Instruments	-	-	-	4.36	-	4.36
(b) Payables						
- Trade Payables						
(i) total outstanding dues of micro enterprises and small enterprises	6.99	-	6.99	3.56	-	3.56
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	501.55	-	501.55	514.29	-	514.29
(c) Debt Securities	9,507.36	10,757.04	20,264.40	14,099.91	12,180.77	26,280.68
(d) Borrowings (Other than Debt Securities)	7,923.05	25,061.06	32,984.11	6,738.64	21,030.12	27,768.76
(e) Subordinated Liabilities	-	2,335.11	2,335.11	-	2,274.73	2,274.73
(f) Lease Liabilities	89.17	247.45	336.62	-	-	-
(g) Policyholders' Liabilities	2,348.74	38,915.80	41,264.54	2,480.54	37,669.48	40,150.02
(h) Other Financial Liabilities	1,088.68	1.17	1,089.85	1,161.83	10.19	1,172.02
Sub-Total	21,465.54	77,317.63	98,783.17	25,003.13	73,165.29	98,168.42
(2) Non-Financial Liabilities						
(a) Current Tax Liabilities (Net)	28.72	-	28.72	15.74	-	15.74
(b) Provisions	219.86	41.14	261.00	153.51	78.08	231.59
(c) Deferred Tax Liabilities (Net)	-	288.35	288.35	-	231.04	231.04
(e) Other Non-Financial Liabilities	503.75	8.63	512.38	335.72	39.66	375.38
Sub-Total	752.33	338.12	1,090.45	504.97	348.78	853.75
(3) Equity						
(a) Equity Share Capital	-	2,413.76	2,413.76	-	2,201.40	2,201.40
(b) Other Equity	-	10,162.03	10,162.03	-	7,310.95	7,310.95
Equity attributable to Owners of the Parent	-	12,575.79	12,575.79	-	9,512.35	9,512.35
(c) Non-Controlling Interests	-	1,319.59	1,319.59	-	1,157.43	1,157.43
Total Equity	-	13,895.38	13,895.38	-	10,669.78	10,669.78
Total Liabilities and Equity	22,217.87	91,551.13	113,769.00	25,508.10	84,183.85	109,691.95

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NOTE: 59 FOREIGN CURRENCY EXPOSURE

Particulars	Currency	31st March, 2020		31st March, 2019	
		Foreign Currency	₹ Crore	Foreign Currency	₹ Crore
Trade Payables	CAD	-	-	476,000.00	24.82
	DIRHAM	-	-	17,000.00	0.23
	USD	(88,000.00)	(0.66)	702,000.00	42.98
	EURO	1,540,482.00	12.79	-	-
	GBP	-	-	9,000.00	0.81
Trade Receivables	Bangladeshi Taka	66,994.57	0.01	529,578.96	0.04
	British Pound	1,367.85	0.01	1,401.04	0.01
	EURO	17,053.68	0.14	19,553.26	0.15
	Kuwaiti Dinar	1,573.35	0.04	1,693.85	0.04
	Omani Rial	-	-	1.70	β
	Philippines Piso	-	-	146.31	β
	Sri Lankan Rupees	2,585,852.89	0.10	6,557,083.83	0.26
	Tanzanian Shilingi	1,197,871.33	β	1,197,871.33	β
	Thai Baht	-	-	97,225.11	0.02
	Turkish Lira	173,793.81	0.20	147,335.18	0.18
	United Arab Emirates Dirham	51,028.47	0.10	69,804.06	0.13
	USD Dollar	25,248.44	0.19	18,434.18	0.13

NOTE: 60 DISCLOSURE ON THE IMPACT OF COVID-19

A. Moratorium in accordance with the Reserve Bank of India (RBI) Guidelines:

The outbreak of COVID-19 pandemic across the globe and India has contributed to a significant decline and volatility in the global and Indian financial markets, and slowdown in the economic activities. The RBI has issued guidelines relating to COVID-19 Regulatory Package dated 27th March, 2020 and 17th April, 2020, and in accordance therewith, the Group has proposed to offer a moratorium of three months on the payment of instalments falling due between 1st March, 2020 and 31st May, 2020, which have been further extended till 31st August, 2020, vide RBI circular dated 23rd May, 2020, to eligible borrowers classified as standard, even if the said amounts were overdue on 29th February, 2020, excluding the collections already made in the month of March 2020. For all such accounts, where the moratorium is granted, the asset classification will remain standstill during the moratorium period (i.e., the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the policy).

B. Estimation uncertainty relating to COVID-19 Global Health Pandemic:

In estimating the expected credit loss (ECL) allowance, obligation on account of policy liabilities and recoverability of intangible assets (including Goodwill), the Group has taken into consideration internal and certain sources of external information, including credit reports, economic forecasts and industry reports upto the date of approval of these financials. The Group has also performed sensitivity analysis on the inputs and assumptions used in estimating the ECL allowance, policy liabilities and recoverability of intangible assets (including Goodwill) and embedded in its ECL allowance and policy liabilities, the adjustments arising from such macro-economic factors. Based on the Group's expectations of future economic conditions, it expects to recover the carrying amount of its loan assets and investments. Given the uncertainty over the potential macro-economic condition, the ultimate outcome of impact of the said global health pandemic may be different from these estimated as on the date of approval of these financials.

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NOTE: 61 DERIVATIVE FINANCIAL INSTRUMENTS OF NBFC AND HFC BUSINESS

Aditya Birla Housing Finance Limited

Nature and Term of Outstanding Derivative Contract:

a) Cross Currency Interest Rate Swaps (CCIRS)

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
i) Total notional principal amount of CCIRS agreement undertaken during the year	354.45	-
ii) Total notional principal amount of CCIRS agreement outstanding as on end of the year	354.45	-
iii) Maturity Date of CCIRS	October 30, 2022	-
iv) Hedge Ratio	1:1	-
v) Currency Pair	USD / INR	-

b) The fair value mark-to-market (MTM) gains or losses in respect of CCIRS Agreement outstanding as at the Balance Sheet date is stated below:

Hedging Instrument	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
CCIRS	10.71	-

c) Movement in Hedge Reserve

Cash Flow Hedge Reserve Account	As at 31st March, 2020			As at 31st March, 2019		
	Realised	Unrealised	Total	Realised	Unrealised	Total
i) Balance at the beginning of the year	-	-	-	-	-	-
ii) Add: Changes in the fair value during the year	(4.09)	10.71	6.62	-	-	-
iii) Less: Amounts reclassified to the statement of Profit and Loss	(4.09)	20.50	16.41	-	-	-
iv) Balance at the end of the year	-	(9.79)	(9.79)	-	-	-

Particulars	As at 31st March, 2020	As at 31st March, 2019
i) Name of the Counterparty	State Bank of India	-
ii) Hedge Designation	Effective	-
iii) Exchange Rate (USD/INR)	70.89	-
iv) Interest Rate (p.a.)	7.79%	-

Aditya Birla Finance Limited

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that meet the hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
Part I						
(i) Cross Currency Interest Rate Swaps	1,463.68	54.08	-	-	-	-
(ii) Currency Forward	0.36	-	β	-	-	-
Total	1,464.04	54.08	β	-	-	-
Part II						
(i) Cash Flow Hedging						
- Cross Currency Interest Rate Swaps	1,463.68	54.08	-	-	-	-
- Currency Forward	0.36	-	β	-	-	-
Total	1,464.04	54.08	β	-	-	-

Note a) : Hedging activities and derivatives

The Company is exposed to certain risks relating to its external commercial borrowings. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk.

NOTES

forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

Note b) : Derivatives designated as hedging instruments

Cash Flow Hedges

The Company is exposed to foreign currency risk arising from its External Commercial borrowings amounting to ₹ 1,463.68 Crore. Interest on the borrowing is payable at a floating rate. The Company economically hedged the foreign currency risk arising from the debt with a 'receive floating pay fixed' cross-currency interest rate swap ('swap'). The notional amount of swap is disclosed in the table below. The swap contract converts the cash outflows of the foreign currency borrowing as per table below to cash outflows in INR with a notional amount of ₹ 1,463.68 crore at fixed interest rate.

Name of Lender	Foreign Currency Denominated Borrowing Amount	Interest Rate Type	Notional Amount of Swap (₹)	Interest Rate Swap Type
As at 31 March, 2020				
JPY Denominated (in JPY crore) (Maturity range : September 2022 to February 2023)	1,893.66	Floating rate interest	1,240.90	Fixed rate Interest
USD Denominated (in USD crore) (Maturity March 2023)	3.00	6M USD Libor + 120 bps	222.78	Fixed rate Interest
Total	1,896.66		1,463.68	

There is an economic relationship between the hedged item and the hedging instrument as the terms of the cross currency swap contract match that of the foreign currency borrowing (notional amount, interest payment dates, principal repayment date, etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the cross currency swap are identical to the hedged risk components. To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise mainly if there is a change in the credit risk of the Company or the counterparty.

The impact of the hedging instruments on the Balance Sheet is as follows:

Particulars	Notional Amounts	Carrying Amount	Line item in the Statement of Financial Position	₹ crore
				Change in Fair Value used for measuring in effectiveness for the Year
As at 31st March, 2020				
Cross Currency Interest Rate Swaps	1,463.68	54.08	Derivative Asset	(12.34)
Total	1,463.68	54.08		(12.34)

The impact of hedged items on the Balance Sheet is as follows:

Particulars	₹ crore	
	Change in Fair Value used for measuring in effectiveness for the Year	Cash Flow Hedge Reserve as at 31st March, 2020
As at 31st March, 2020		
Cross Currency Interest Rate Swaps	(12.34)	(12.34)
Total	(12.34)	(12.34)

The effect of the Cash Flow Hedge in the Statement of Profit and Loss and Other Comprehensive Income is as follows:

Particulars	₹ crore						
	Total Hedging Gain/(Loss) Recognised in OCI	Ineffectiveness Recognised in Profit or Loss	Line Item in the Statement of Profit and Loss	Cost of Hedging Recognised in OCI	Amount Reclassified from OCI to Profit or Loss	Cost of Hedge Reclassified from OCI to Profit or Loss	Line Item in the Statement of Profit and Loss
As at 31 March, 2020							
Foreign Currency Denominated Floating Rate Borrowings	(12.34)	-	-	-	-	-	-
Total	(12.34)	-	-	-	-	-	-

Note c) : Movements in Cash Flow Hedging Reserve

Particulars	₹ crore						₹ crore
	As at 1st April, 2019	Add/Less: Changes in Fair Value	Add/Less: Foreign Exchange Gain/(loss)	Add/Less: Deferred Tax	Add/Less: Accrued Interest	As at 31 March, 2020	
Cash Flow Hedging Reserve	-	54.08	(81.42)	4.15	10.85	(12.34)	
Total	-	54.08	(81.42)	4.15	10.85	(12.34)	

NOTES

forming part of the Consolidated Financial Statements for the year ended 31st March, 2020

Note d) : The following table shows the maturity profile of hedging derivatives based on their notional amounts.

Particulars	As at 31st March, 2020				As at 31st March, 2019			
	0 to 12 Months	1 to 5 Years	Over 5 Years	Total	0 to 12 Months	1 to 5 Years	Over 5 Years	Total
	₹ crore							
(i) Cross Currency Interest Rate Swaps	-	1,463.68	-	1,463.68	-	-	-	-
(ii) Currency Forward	-	0.36	-	0.36	-	-	-	-
Total	-	1,464.04	-	1,464.04	-	-	-	-

NOTE: 62 DISCLOSURE ON REVENUE RECOGNITION AS PER IND AS 115

Reconciliation of revenue recognised from Contract Liability:

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Closing Contract Liability – Advances from Customers	199.01	210.86

The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended 31st March, 2019.

NOTE: 63 OTHER SIGNIFICANT NOTES

- The Company has let out its property on rent. During the previous period, the Company has reclassified its property under Investment Property as per Ind AS 40. There is no change in method of calculation of depreciation, rate and useful life as specified earlier.

Investment Property

Due to COVID-19 and lockdown situation, valuation from Independent Valuer could not be carried out by the Company as on 31st March, 2020, to assess the fair value of its Investment Property. The fair value was ₹ 16.03 Crore as on 31st March, 2019, as per report obtained from independent valuer.

The fair value of Investment Property has been derived using the Direct Comparison Method based on recent market prices without any significant adjustments being made observable data. Accordingly, fair value estimates for Investment Property is classified as Level 3.

The Company has no restrictions on the realisability of its Investment Property and has no contractual obligations to purchase, construct or develop Investment Property.

Information regarding Income and Expenditure of Investment Property

Particulars	Year ended	Year ended
	31st March, 2020	31st March, 2019
Rental Income derived from Investment Properties	0.50	0.13
Direct Operating Expenses (including repairs and maintenance) associated with rental income	(0.06)	(0.07)
Profit arising from Investment Properties before depreciation and indirect expenses	0.44	0.06
Depreciation for the Year	0.43	0.43
Profit/(Loss) arising from Investment Properties before indirect expenses	0.01	(0.37)

- Figures of ₹ 50,000/- or less have been denoted by '₹'.
- The Previous Period figures have been regrouped or rearranged, wherever necessary.

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

Ajay Srinivasan
Chief Executive Officer

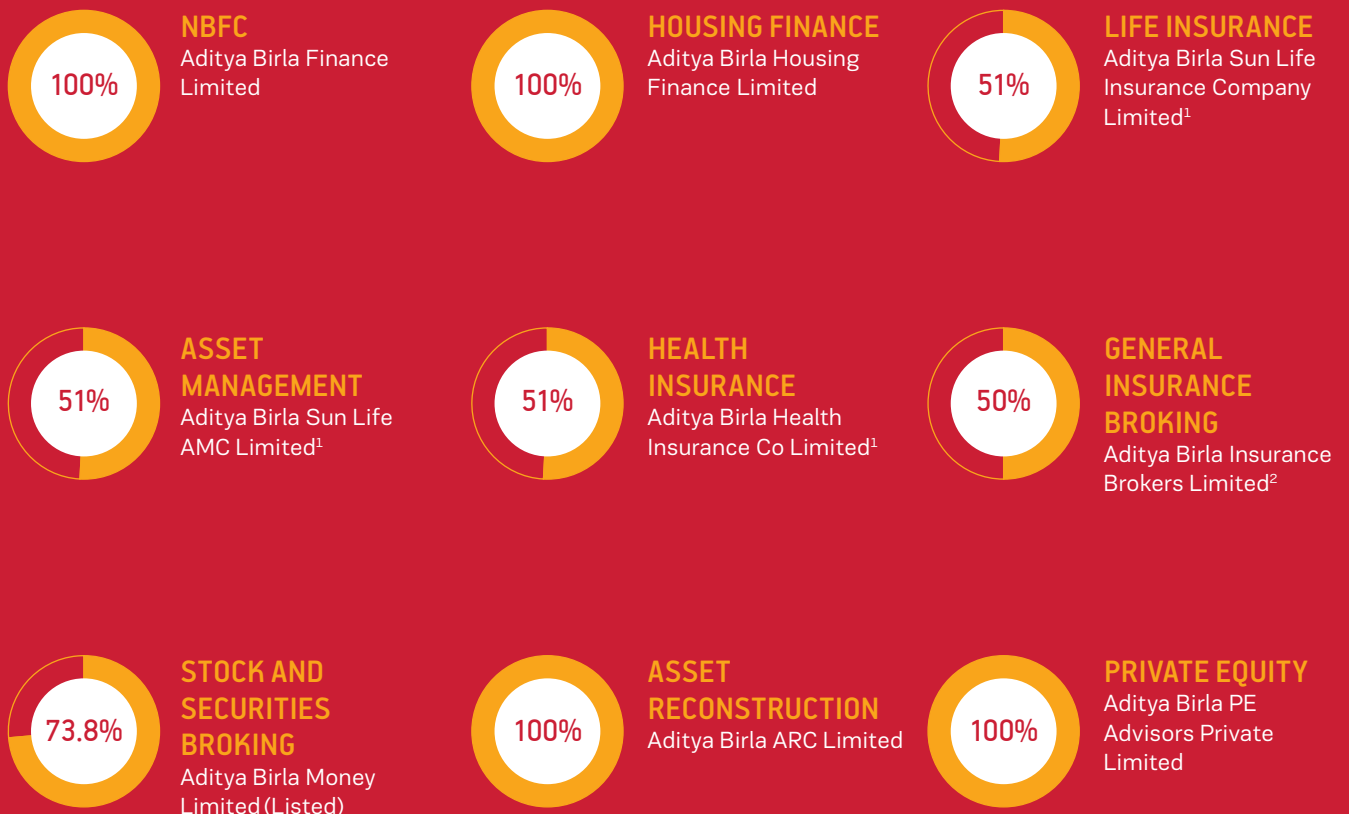
P. H. Ravikumar
Director
(DIN: 00280010)

S. C. Bhargava
Director
(DIN: 00020021)

Pinky Mehta
Chief Financial Officer
Mumbai, 5th June, 2020

Sailesh Daga
Company Secretary

ORGANISATIONAL ARCHITECTURE



1 Indicates a Joint Venture (JV)

2 49.998% of Aditya Birla Insurance Brokers Limited is held by Infocyber India Pvt Ltd.

Note: ABCL structure above shown major subsidiaries and excludes step down subsidiaries, if any.

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

Aditya Birla Capital Ltd.

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**ADITYA BIRLA
CAPITAL**